



## Markets Committee

**Date:** WEDNESDAY, 30 NOVEMBER 2016  
**Time:** 11.30 am  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:**

John Scott (Chairman)	Deputy Jamie Ingham Clark
James Tumbridge (Deputy Chairman)	Alderman Alastair King
Randall Anderson	Oliver Lodge
Alex Bain-Stewart	Edward Lord
Nicholas Bensted-Smith	Professor John Lumley
Chris Boden	Alderman Julian Malins
Revd Dr William Campbell-Taylor	Wendy Mead
Deputy Michael Cassidy	Deputy Robert Merrett
Deputy John Chapman	Deputy Joyce Nash
Dominic Christian	Chris Punter
Karina Dostalova	Adam Richardson
Alderman John Garbutt	Ian Seaton
Deputy Stanley Ginsburg	Angela Starling
Deputy Brian Harris	Patrick Streeter
Tom Hoffman	David Thompson
Ann Holmes	Mark Wheatley
Michael Hudson	

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Lunch will be served in the Guildhall Club at 1pm  
N.B. Part of this meeting could be the subject of audio or visual recording

John Barradell  
Town Clerk and Chief Executive

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PUBLIC MINUTES**  
To agree the public minutes of the meeting held on 21 September 2016.  
**For Decision**  
(Pages 1 - 8)
4. **PUBLIC MINUTES OF THE REFERENCE SUB (MARKETS) COMMITTEE**  
To receive the public minutes of the meeting held on 22 November 2016 (**TO FOLLOW**).  
**For Information**
5. **REVENUE AND CAPITAL BUDGETS - 2016/17 AND 2017/18**  
Joint report of the Chamberlain and the Director of Markets and Consumer Protection.  
**For Decision**  
(Pages 9 - 40)
6. **SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE**  
Report of the City Surveyor.  
**For Information**  
(Pages 41 - 44)
7. **STRATEGIC REVIEW - DRAFT SPECIFICATION**  
Report of the Director of Markets and Consumer Protection.  
**For Decision**  
(Pages 45 - 56)
8. **MARKETS COMMITTEE RISK**  
Report of the Director of Markets and Consumer Protection.  
**For Information**  
(Pages 57 - 64)
9. **SUPERINTENDENT'S UPDATES**  
Superintendents to be heard.  
**For Information**
10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

12. **EXCLUSION OF THE PUBLIC**  
**MOTION** - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**Part 2 - Non-Public Agenda**

13. **NON-PUBLIC MINUTES**  
To agree the non-public minutes of the meeting held on 21 September 2016.  
**For Decision**  
(Pages 65 - 68)
14. **NON-PUBLIC MINUTES OF THE REFERENCE SUB (MARKETS) COMMITTEE**  
To agree the non-public minutes of the meeting held on 22 November 2016 (**TO FOLLOW**).  
**For Information**
15. **MUSEUM OF LONDON PROPOSED RELOCATION - WORKS UPDATE AND HEADS OF TERMS**  
Report of the City Surveyor.  
**For Information**  
(Pages 69 - 92)
16. **POULTRY MARKET MAJOR REPAIRS PROJECT - GATEWAY 4 - DETAILED OPTIONS APPRAISAL (COMPLEX)**  
Report of the City Surveyor.  
**For Information**  
(Pages 93 - 124)
17. **POULTRY MARKET LETTING UPDATE AND THE LETTING OF UNITS 206, 210-213 AND 224**  
Joint report of the City Surveyor and the Director of Markets & Consumer Protection.  
**For Decision**  
(Pages 125 - 134)
18. **SPITALFIELD'S LEASE RENEWALS**  
Report of the City Surveyor.  
**For Decision**  
(Pages 135 - 142)
19. **DEBT ARREARS MARKETS - PERIOD ENDING 30TH SEPTEMBER 2016**  
Report of the Director of Markets and Consumer Protection.  
**For Information**  
(Pages 143 - 152)

20. **REVIEW OF PUBLIC CAR PARK PROVISION IN THE CITY**  
Joint report of the Director of the Built Environment and the Director of Market and Consumer Protection.  

**For Decision**  
(Pages 153 - 176)
21. **REVIEW OF CAR PARK USAGE AT SMITHFIELD**  
Report of the Superintendent of Smithfield Market.  

**For Information**  
(Pages 177 - 188)
22. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## MARKETS COMMITTEE

Wednesday, 21 September 2016

Minutes of the meeting of the Markets Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 21 September 2016 at 11.30 am

### Present

#### Members:

John Scott (Chairman)	Ann Holmes
James Tumbridge (Deputy Chairman)	Deputy Jamie Ingham Clark
Alex Bain-Stewart	Edward Lord
Nicholas Bensted-Smith	Professor John Lumley
Deputy John Chapman	Wendy Mead
Karina Dostalova	Deputy Robert Merrett
Alderman John Garbutt	Deputy Joyce Nash
Deputy Stanley Ginsburg	Chris Punter
Deputy Brian Harris	Adam Richardson
Tom Hoffman	Ian Seaton
Michael Hudson	Patrick Streeter

### In Attendance

#### Officers:

Gemma Stokley	-	Town Clerk's Department
Debbie Howard	-	Chamberlain's Department
Julie Smith	-	Chamberlain's Department
Paul Hickson	-	Comptroller and City Solicitor's Department
Nicholas Summerville	-	City Surveyor's Department
Steven Chandler	-	City Surveyor's Department
Andrew Crafter	-	City Surveyor's Department
David Smith	-	Director, Markets and Consumer Protection
Donald Perry	-	Markets and Consumer Protection Department
Matthew Hill	-	Superintendent, Smithfield Market
Ben Milligan	-	Superintendent, New Spitalfields Market
Malcolm Macleod	-	Superintendent, Billingsgate Market

#### 1. APOLOGIES

Apologies for absence were received from Randall Anderson, Chris Boden, Deputy Michael Cassidy, Dominic Christian, Oliver Lodge, Angela Starling, David Thompson and Mark Wheatley.

#### 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

The Chairman declared his standing interest as a Member of the Board of Governors of the Museum of London, which was the subject of agenda item 4.

3. **PUBLIC MINUTES**

The public minutes of the meeting held on 20 July 2016 were considered and approved as a correct record.

**MATTERS ARISING**

**Car Park Charging (page 2)** – The Chairman informed the Committee that the Markets car park report would now be run in parallel with the Department of Built Environment's wider review of car parks across the City of London. He added that this report would be considered by the Markets Committee at their November meeting.

**Strategic Review of Markets (page 2)** – The Director reported that the GLA had now decided not to proceed with their intended review of wholesale markets. They were, however, conducting a review of retail markets elsewhere within the GLA. The Director planned to discuss with the GLA whether the wholesale markets could also be added to this review but, failing this, he highlighted that he would need to seek funding from both the Markets and Finance Committee to conduct the City's own review as it would not be possible to conduct something of this scale in-house.

**Heat Damage to Glass Panel (Smithfield) (page 3)** – In response to a question, the Superintendent of Smithfield Market reported that, following an investigation, he had been informed that the glass panel shattered in the normal way when placed under stress (in this case heat damage) and did not, therefore, present a safety hazard. He went on to inform the Committee that the panels were held in place by rubber grommets and were designed to shatter in the same way that a car windscreen would when placed under stress. Officers had been informed by those conducting the investigation that the likelihood of a reoccurrence of this was very rare. It was therefore deemed that no further action was necessary.

**Spitalfield's Market Renewal of leases (page 4)** – The Director reported that the City were likely to complete on the Spitalfield's leases in the very near future.

**Smithfield Market 150 year Dinner (page 4)** – The Director reported that, having discussed the proposal with the Remembrancer's staff, he would be requesting permission from the Hospitality Working Party to hold the 150 year dinner at Guildhall in 2018.

**New Covent Garden Market Visit (page 4)** – The Director reported that he would be meeting with the Managing Director of New Covent Garden Market next week to explore the possibility of a future Markets Committee visit to the site.

4. **MUSEUM OF LONDON PROPOSED RELOCATION - UPDATE AND FUNDING REQUEST**

The Committee received a report of the Town Clerk updating Members on the proposed relocation of the Museum of London and a funding request.

The Chairman highlighted that it was the duty of Members of the Markets Committee to safeguard the City's Markets as working entities and that, if there were to be a request from the Museum relocation project for space on the ground floor area of the Poultry Market, it would be up to the Markets Committee, after suitable assessment and consultation, to decide whether that space was now surplus to Market requirements.

In response to a question, the Chairman reported that the Museum of London was owned by both the GLA and the City of London on a 50/50 basis. Another Member added that the contractual obligations of the GLA had been discussed in full by the Policy and Resources Committee when they had considered this report earlier this month.

A Member reiterated to the Committee that he was of the view that the possibility of consolidating the City's Markets on one site should also be considered going forward.

In response to a question from the Deputy Chairman, the Director confirmed that he and other Officers, including the Officer now appointed to manage the Project, had met with SMTA representatives regarding the relocation project and had established a good channel of communication with them as a result. Both sides had agreed that there would be 'no surprises' going forward.

## **RECEIVED.**

### **5. MARKETS BUSINESS PLAN UPDATE**

The Committee received a report of the Director of Markets and Consumer Protection providing Members with an update on progress for Period 1 (April-July) of 2016-17 against key performance indicators (KPIs) and objectives outlined in the Markets' Business Plan.

The City Surveyor reported that final terms had only been agreed with advertising hoarding company Clearchannel at the end of last week. He therefore sought Member's authority to sign off on this under Delegated Authority ahead of the November Markets Committee meeting. The Committee were supportive of this approach.

In response to questions regarding charging points for electric vehicles in the Billingsgate Market car park, the Superintendent of Billingsgate Market reported that, whilst he had received enquiries about this in the past, there were no charging points in the car park at present. He added that the car park was currently being used to capacity and reserving adequate space for the introduction of vehicle charging points was therefore not practical at present. The Superintendent concluded by stating that he was happy to review this issue if there were sufficient demand going forward but underlined that he would not want passers-by utilising the space solely to charge their vehicles and then departing. The Chairman suggested that electric vehicle charging points across all City car parks was a wider issue for consideration by the Planning and Transportation Committee.

In response to questions regarding sickness levels during Period 1 (April-July) the Superintendent of Billingsgate Market reported that 81 of the recorded days for his site were attributable to one member of staff who continued to be on long-term sick leave. He added that legal proceedings in which the individual was involved would commence in mid-October and that, following their conclusion, he would look to agree a formal return to work plan. The Superintendent of Billingsgate Market was pleased to report that, in July, there was just 1 case of sickness absence to report from his site which was the long-term sickness case previously mentioned.

The Superintendent of Smithfield Market reported that his site's above target sickness was attributable to two long-term cases (1 bereavement and 1 broken bone).

Finally, the Superintendent of Spitalfields Market reported that his above target sickness levels were also due to some long-term cases, both of which had involved planned operations. Long-term cases aside, the Superintendent was pleased to report he had very low levels of short-term sickness on site.

A Member suggested that, as long-term sickness cases could distort the figures reported to Committee, these should be separated out going forward. It was suggested that all sickness cases that lasted beyond 3 months should be reported separately going forward. Officers welcomed this suggestion.

In response to a question regarding sickness figures for August 2016, the Director reported that Smithfield Market had reported a total of 58 days sickness, Billingsgate had reported 33 days and Spitalfields just 1 day.

A Member questioned whether the targets around debt settlement could be tightened further with a view to 100% of debts being settled within 60 days. The Director reported that the quoted targets were in line with corporate, city-wide objectives but undertook to ascertain whether or not it would be reasonable to tighten these.

The Deputy Chairman questioned the underperformance of Smithfield Market in terms of incident reporting. The Superintendent of Smithfield Market reported that this was due to the late submission of 3 accident reports, all of which had involved external agencies. The necessary engagement of these external agencies had led to delays in all 3 cases. The Superintendent assured the Committee that this was something that he closely monitored.

The Chairman drew Member's attention to an omission in the Billingsgate Market Filming/Photography report for April 2016 and reported that Janus TV GMBH had been charged a fee of £150 plus VAT for the filming of a TV documentary on the site. The Deputy Chairman went on to question why no charges were applied to the filming of news items at any of the markets. The Director confirmed that no charges were applied to general news items (in this case coverage ahead of the EU Referendum). The Deputy Chairman requested that a footnote detailing this be added to all future reports where necessary.



**RECEIVED.**

**6. MARKETS COMMITTEE RISK**

The Committee received a report of the Director of Markets and Consumer Protection providing Members with assurance that risk management procedures in place within the Department of Markets and Consumer Protection are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

The Chairman was pleased to report that there were no red risks on the Committee Risk Register at present. He went on to inform Members that the completion date for the installation of a controlled barrier entry system for pedestrians and vehicles at Spitalfields Market had now been brought forward to Summer 2017.

**RECEIVED.**

**7. CHRISTMAS 2016 - SMITHFIELD MARKET TRAFFIC MANAGEMENT PLAN**

The Committee considered a report of the Superintendent of Smithfield Market updating Members on discussions to implement a comprehensive Traffic Management Plan at Smithfield Market for the Christmas period 2016 following the success of previous similar plans.

The Deputy Chairman reiterated that the Committee had previously requested data monitoring car park usage and questioned when this would be made available. The Superintendent of Smithfield Market reported that he had discussed the request with colleagues in the Department of Built Environment and understood that this would form part of their wider car park review. He undertook to confirm this.

**RESOLVED –** That Members:

- Approve the Traffic Management Plan attached to the report; and
- Agree to fund the additional traffic control measures such as the appointment of private stewards outlined in the report from the Smithfield Central Risk budget.

**8. SUPERINTENDENT'S UPDATES**

The Committee received oral Updates from the Market Superintendents as follows:

Billingsgate Market

The Superintendent of Billingsgate Market reported that the Chairman of the Market's Tenants Association had been in hospital since mid-June following a planned operation. In his absence, the Superintendent had recently received two letters from the market tenants seeking the sale of the current site, relocation of the market and for them to receive compensation as a result of this.

Secondly, the Superintendent reported that he had received concerns from tenants about the Seafood School on site and the need for them to pay their

own element of the service charge. The Superintendent reported that he would meet with tenants to discuss this matter in the near future.

The Committee suggested that the Chairman write to the Chairman of the London Fish Merchants Association on their behalf wishing him a speedy recovery following his operation.

#### Smithfield Market

The Superintendent of Smithfield Market reported that trade had been quieter on site recently, ahead of the usual Christmas rush. He went on to inform Members that the Market's annual FSA Audit had taken place yesterday and that Smithfield had retained its overall 'Good' rating – the highest rating possible. The audit had highlighted some minor housekeeping issues on site to address going forward.

#### Spitalfields Market

The Superintendent of Spitalfields Market began by reporting that the invitation to tender for the waste contract on site would be issued next week. In future, all tenants would pay for what they threw away only and new proposals around fruit and vegetable waste would also be introduced. The Superintendent was delighted to report that waste had reduced by 900 tonnes on site compared with last year.

Secondly, the Superintendent informed the Committee that a Gateway 5 report for the introduction of pedestrian segregation barriers at the market had now been approved and the barrier installation contract had been procured resulting in a saving of £12,000 against original estimates.

Finally, the Superintendent reported that tests had been carried out regarding the installation of an entry barrier on site which had revealed that this was likely to be of huge benefit. This would cost approximately £200,000 to implement and would generate up to £45,000 per annum depending on the level of charges implemented. A project has being initiated for this so that Gateway 1 and Gateway 2 approvals could be achieved.

#### **9. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

#### **10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

11. **EXCLUSION OF THE PUBLIC**

**RESOLVED** – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act as follows:-

Items	Paragraph No(s).
12-17	3

12. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 20 July 2016 were considered and approved as a correct record.

13. **POULTRY MARKET- MAJOR REPAIRS PROJECT- POST GATEWAY 3 ISSUE REPORT**

The Committee considered and approved a report of the City Surveyor relative to the Poultry Market – Major Repairs Project.

14. **CONDENSER WATER COOLING SYSTEM UPDATE**

The City Surveyor was heard relative to the Condenser Water Cooling System.

15. **CONCESSIONARY PARKING AT SMITHFIELD MARKET DURING THE CHRISTMAS PERIOD 2016**

The Committee considered and approved a report of the Superintendent of Smithfield Market concerning concessionary parking at Smithfield Market during the Christmas Period 2016.

16. **NEW SPITALFIELDS MARKET WASTE COLLECTION- PROCUREMENT STAGE 1**

The Committee considered and approved a report of the Director of Markets and Consumer Protection setting out the strategy for procuring Waste Collection, Recycling and Cleansing Services at New Spitalfields Market.

17. **TENANCIES AT WILL AND ASSIGNMENTS**

The Committee received a report of the Director of Markets and Consumer Protection on Tenancies at Will that have been granted at the City of London's Wholesale Markets and on lease assignments.

18. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions raised in the non-public session.

19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items of business for consideration in the non-public session.

**The meeting ended at 12.35 pm**

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Chairman

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# Agenda Item 5

<b>Committee(s):</b>	Dated:
Markets	30 November 2016
<b>Subject:</b> REVENUE AND CAPITAL BUDGETS - 2016/17 and 2017/18	<b>Public</b>
<b>Report of:</b> The Chamberlain Director of Markets and Consumer Protection	<b>For Decision</b>
Report Author: Debbie Howard, Chamberlain's Department	
<p><u>Summary</u></p> <p>This report is the annual submission of the revenue and capital budgets overseen by your Committee. It seeks approval to the latest revenue budget for 2016/17 and provisional revenue budget for 2017/18, for subsequent submission to the Finance Committee. Details of the Committee's draft capital budget are also provided. The budgets have been prepared within the resources allocated to the Director.</p> <p>Business priorities for the forthcoming year include:</p> <ul style="list-style-type: none"> <li>• Focus on maintaining the high quality of service within cash limited resource allocation. As all the Markets have service charges, albeit with Smithfield's being phased in over five years until 1 April 2018, consultation with the respective Tenants' Associations on the level of services and their costs will be important to demonstrate value for money, whilst still ensuring that the City's responsibilities as landlord and property owner are protected.</li> <li>• Conducting the Strategic Review of Markets.</li> <li>• Continuing to implement agreed savings from the Service Based Review and, where possible, to seek opportunities for increasing revenue from new or existing income streams.</li> <li>• Improving risk management generally and, specifically, continuing to reduce health and safety risks at the markets and minimising accidents</li> </ul>	

Summary of Table 1

	Original Budget 2016/17 £'000 (A)	Latest Budget for approval (LAB) 2016/17 £'000 (B)	Movement Original 2016-17 to LAB 2016-17 £'000 (A-B)	Original Budget 2017/18 £'000 (C)	Movement Original 2016-17 to Original 2017-18 £'000 (A-C)
Expenditure	15,133	13,858	(1,275)	16,076	943
Income	(17,202)	(18,042)	(840)	(18,686)	(1,484)
<b>Net (Surplus)/Deficit</b>	<b>(2,069)</b>	<b>(4,184)</b>	<b>(2,115)</b>	<b>(2,610)</b>	<b>(541)</b>
Support Services and Capital Charges	2,256	2,363	107	2,380	124
Total Net Expenditure	187	(1,821)	(2,008)	(230)	(417)

Overall, the 2016/17 latest budget is (£1,821,000), a reduction in net costs of (£2,008,000) compared to the original budget of £187,000. The main variances for this reduction are listed below;

- Employment cost increases, £109,000.
- Changes to phasing of City Surveyors Additional Works Programme, (£709,000).
- Premises related reductions of (£1,104, 000) less carry forward provision of £146,000 for works at Smithfield Market.
- Transport related increases, £64,000.
- Supplies and Services increases, £180,000.
- Waste and cleaning, £60,000.
- Reduced transfers to reserves (£21,000)
- Increases to income, (£840,000) which includes (£273,000) of service based review savings.
- Capital and support cost increases £107,000.

Overall, the 2017/18 provisional revenue budget totals (£230,000), a reduction in net costs of (£417,000) compared with the original budget for 2016/17 of £187,000. The main variances for this reduction are listed below;

- Employment cost increases of £318,000.
- Changes to phasing of City Surveyors Additional Works Programme, £561,000.
- A reduction in premises related expenses, (£62,000).
- Increased transport costs, £12,000.

- Increased supplies and services, waste contract £59,000.
- Increase in transfers, £55,000.
- Increased income, (£1,484,000).
- Capital and support cost increases £124,000.

The reasons for the variances are listed in the main body of the report.

### **Recommendations**

The Committee is requested to:

- Review the latest 2016/17 revenue budget to ensure it reflects the Committee's objectives and, if so, approve the budget. Review the provisional 2017/18 revenue budget to ensure it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee.
- Review and approve the draft capital budget.
- Authorise the Chamberlain to revise these budgets to allow for changes to the Additional Works Programme and in respect of recharges as well as any changes from Markets Service Reviews, City of London Procurement initiative savings and Carbon Trading Allowances. If the revisions vary by more than 10% of total expenditure a further report will be submitted to this committee for approval.

## **Main Report**

### **Background**

1. The City of London Corporation owns and manages Billingsgate Market (fish) in Docklands, Smithfield Market (meat) in the City and Spitalfields Market (fruit, vegetables and flowers) in Leyton. Smithfield and Billingsgate Markets are funded from City's Cash and Spitalfields Market is funded from City Fund.
2. This report sets out the proposed latest revenue budget and capital budgets for 2016/17 and the proposed revenue budgets and capital budgets for 2017/18. The revenue budget management arrangements are to:
  - Provide a clear distinction between local and central risk and recharge budgets.
  - Place responsibility for budgetary control on departmental Chief Officers.
  - Apply a cash limit policy to Chief Officers' budgets.

- Provide information regarding the service based review proposals.
3. The latest budget for 2016/17 and the proposed revenue budget for 2017/18 has been analysed by service expenditure and compared with the original budget for 2016/17. The budgets are further analysed between:
- Local risk budgets – these are deemed to be largely within the Chief Officer’s control.
  - Central Risk budgets – these are budgets comprising specific items where the Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside his/her control or are budgets of a corporate nature (e.g. interest on balances and rent from properties).
  - Support Services and Capital Charges – these cover budgets for activities provided by one service to another. The control of costs on these budgets is exercised at the point where the cost or income first arises as a local or central risk cost (e.g. Surveyors employee recharge).
4. The report also compares the current year’s budget with the forecast outturn.
5. In the various tables, income and favourable variances are presented in brackets. Only significant variances (generally those greater than £50,000) are commented on, however, this Committee has asked that all adverse variances be commented on, whatever the value.

### **Business Planning Priorities**

6. Business priorities for 2017/18 will focus on maintaining the high quality of service within cash limited resource allocation. As all the Markets have service charges, albeit with Smithfield's being phased in over five years until 1 April 2018, consultation with the respective Tenants' Associations on the level of services and their costs will be important to demonstrate value for money, whilst still ensuring that the City's responsibilities as landlord and property owner are protected.
7. Other priorities will include:
- Conducting the Strategic Review of Markets.
  - Continuing to implement agreed savings from the Service Based Review and, where possible, to seek opportunities for increasing revenue from new or existing income streams.
  - Improving risk management generally and, specifically, continuing to reduce health and safety risks at the markets and minimising accidents.



- Improving the state of the infrastructure and cleaning standards at Billingsgate.
- Continuing to ensure that the commitments in the Smithfield leases are fully implemented by both the tenants and the City.
- Letting the vacant meat trading premises at the Poultry Market, Smithfield.
- Completing arrangements for the full implementation of the service charge at Smithfield.
- Working with the City Surveyor and the Museum of London on the project to relocate the Museum of London.
- Providing leadership and management training for our middle managers.
- Developing a workforce plan which ensures that our workforce has both the capability and resources to meet the business objectives.

## **8. Projects.**

- The Smithfield Poultry Market roof repairs and electrical re-wiring project will be progressed as rapidly as possible by the City Surveyor and industry to enable its anticipated planned completion by early 2018. Other 'historic works' at Smithfield will be progressed by the City Surveyor in line with the approved Additional Works Programme and the 20 year Maintenance Plan, with a view to completing them by the end of 2017.
- Following Consultation with the London Fish Merchants Association and individual tenants, the Additional Facilities and Phase 2 of the Re-Roofing Projects at Billingsgate have been put 'on hold'.
- The Spitalfields Safety Barrier Project is underway and should be completed early in 2017/18. This is being funded by the Market's Repairs & Repainting Fund and requires no City funding.
- The Spitalfields Entry Barrier Project has been initiated and will be progressed through the Gateways with the intention to complete it within 2017/18. It is being funded by the Markets Repairs and Repainting Fund and requires no City funding.

## **Latest Revenue Budget for 2016/17**

9. Overall there is a reduction in net costs between the Committee's original and latest budget for 2016/17 of (£2,008,000). Table 1A and the paragraphs below summarise the movements between the original and latest budgets comprising

this reduction. A further analysis of local and central risk budgets by service is provided at Appendix 1A.

### Expenditure

10. An increase in employment costs of £109,000 is due to reinstating vacant posts at New Spitalfields Market to reflect the number of posts available as per the establishment records. All posts are recoverable from the Service Charge.
11. A decrease of (£635,000) for local risk premises related costs is due to:
  - A one off carry forward budget of £107,000 for repair work at Smithfield Market from 2015/16 to 2016/17.
  - Increase of £32,000 for additional work carried out from 2015/16 that was not included in the carry forwards at Smithfield Market.
  - Reduced contribution to the repainting and special works fund of (£191,000) from Billingsgate tenants due to the delay and cancellation of projects on the service charge.
  - Reduced contribution to the repair and repainting fund of (£100,000) from Spitalfields tenants due to the lease renewals.
  - Realignment of the energy budgets for Billingsgate (£55,000) and Smithfield (£159,000).
  - Reduced costs for the Rotunda car park of (£81,000).
  - Delay to projects for Billingsgate (£136,000) and Spitalfields (£45,000).
  - Various reductions for all markets (£7,000).
12. Decrease of (£323,000) for central risk premises related costs is due to a rate rebate on Smithfield car park of (£310,000) and reductions of voids and empty rates at Billingsgate (£13,000).
13. Decrease of (£709,000) is due to re-phasing of the Additional Works Programme as detailed in Table 2A.
14. Increase in transport related costs of £64,000 is due to a mixture of repairs to vehicles and maintenance contract increases for Billingsgate of £34,000 and an additional £32,000 at Smithfield for two new scrubber dryer vehicles.
15. Increase in local risk supplies and services of £55,000 is due to an increase in legal fees of £60,000 for possible arbitration costs if service levels on the service charge are not agreed between the City of London and the Smithfield tenants

which is offset by a (£5,000) reduction in costs over several spend categories for Billingsgate.

16. Increase in central risk supplies and services of £125,000 due to £115,000 for fees provided against the lease renewal at Spitalfields Market and £10,000 for professional fees for the letting of the advertising hoardings at Billingsgate Market.

### Income

17. Increase in total income between the original 2016/17 and latest proposed 2016/17 budget totals (£840,000). Main variances include:

18. Reductions in local risk income of £427,000 due to:

- Reduced contribution to reserves at Billingsgate of £191,000 and £100,000 at Spitalfields Market plus £1000 for rates income at Smithfield Market.
- Reduction of £112,000 for Citigen income, netted off against increased car park income of (£47,000) at Smithfield.
- Reduced service charge income at Billingsgate to compensate for reduced costs of £221,000 and additional income of (£51,000) for Spitalfields licences and investment income.
- Increased transfers of (£100,000) from market reserves are required to compensate for a reduced contribution at Spitalfields and Billingsgate to ensure the service charge accounts are balanced to nil within the R&R accounts.

19. The central risk income has increased by (£1,267,000) due to increased market rental terms agreed and expected backdated rent due at Spitalfields Market, which is netted against a reduction in services charges due to the reduced costs of projects, repairs and support costs.

### **Support Services and Capital Charges**

20. A detailed breakdown of support services and capital charges can be seen at Appendix 2. The increase of £107,000 between 2016/17 original budget and 2016/17 latest budget is mainly due to increases in capital costs

TABLE 1A - MARKETS COMMITTEE SUMMARY – ALL FUNDS OR 2016/17 - LAB 2016/17

Analysis of Service Expenditure	Local or Central Risk	Actual 2015/16  £'000	Original Budget 2016/17  £'000	Latest Budget for approval (LAB) 2016/17 £'000	Movement Original 2016/17 to LAB 2016/17 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	5,080	5,282	5,391	109	10
Premises Related Expenses (see note i)	L	4,389	5,063	4,428	(635)	11
Premises Related Expenses (see note ii)	C	72	129	(194)	(323)	12
City Surveyor – Repairs & Maintenance	L	907	1,688	979	(709)	13
Transport Related Expenses	L	81	48	112	64	14
Supplies & Services (see note iii)	L	949	947	1,002	55	15
Supplies & Services (see note iv)	C	132	94	219	125	16
Waste & Cleaning Contract at New Spitalfields Market	L	1,837	1,861	1,921	60	
Capital Charges	L	0	0	0	0	
Transfer to Reserves	L	0	21	0	(21)	
Transfer to Service Charge Reserves	C	0	0	0	0	
Total Expenditure		13,447	15,133	13,858	(1,275)	
INCOME						
Other Grants, Reimbursements and Contribution	L	(478)	(571)	(279)	292	18
Other Grants, Reimbursements and Contribution	C	0	0	0	0	
Customer, Client Receipts (see note v)	L	(10,624)	(11,052)	(10,816)	236	18
Customer, Client Receipts (see note v)	C	(1,363)	(1,512)	(690)	822	19
Customer, Client Receipts (Rent)	C	(3,842)	(3,934)	(6,011)	(2,077)	19
Investment Income	L	(7)	(3)	(4)	(1)	18
Investment Income	C	0	0	0	0	
Transfer from Service Charge Reserves	L	(71)	(90)	(190)	(100)	18
Transfer from Service Charge Reserves	C	(41)	(40)	(52)	(12)	19
Total Income		(16,426)	(17,202)	(18,042)	(840)	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(2,979)	(2,069)	(4,184)	(2,115)	
SUPPORT SERVICES AND CAPITAL CHARGES						
Central Support Services and Capital Charges		2,549	2,646	2,745	99	
Recharges within Committees		0	0	0	0	
Recharges within Fund		(77)	(77)	(77)	0	
Recharges Across Funds		(289)	(313)	(305)	8	
Total Support Services and Capital Charges		2,183	2,256	2,363	107	20
TOTAL NET EXPENDITURE/(INCOME)		(796)	187	(1,821)	(2,008)	

Notes - Examples of types of service expenditure:-

- (i) Premises Related Expenses, Local Risk (L) – includes repairs & maintenance, energy costs, rates, water services, cleaning and domestic supplies
- (ii) Premises Related Expenses, Central Risk (C) – estimated car park rates liability at Billingsgate Market
- (iii) Supplies and Services, Local Risk (L) – Equipment, furniture, materials, uniforms, printing, stationary, professional fees, grants & subscriptions
- (iv) Supplies and Services, Central Risk (C) – actual includes legal fees for Smithfield Market, current year estimates include rates and professional fees for Billingsgate.
- (v) Customer, Client Receipts Local risk (L) – service charge and car parking income and reimbursements for electricity and water

## **Proposed Revenue Budget for 2017/18**

21. The provisional 2017/18 budgets being presented to your Committee and under the control of the Director of Markets and Consumer Protection have been prepared in accordance with the guidelines agreed by the Policy and Resources and Finance Committees. These include 1% cash limit allowance for pay increases, as well as the previously approved Service Based Review savings. The budget has been prepared within the resources allocated to the Director.
22. Overall there is a decrease in net costs of (£417,000) between the Committee's 2016/17 and 2017/18 original budgets. Table 1B and the paragraphs below summarise the movements comprising this reduction. A further analysis of the local and central revenue budgets by service is provided in Appendix 1B.

## **Expenditure**

23. Increase in employment costs of £318,000 is due to increases in cost of living, incremental increases and reinstatement of posts of £197,000 and an increase in pension contributions and National Insurance of £121,000, of which £88,000 is recoverable through the service charge.
24. Decrease of (£51,000) for premises related costs is due to:
- Decrease in repair and maintenance cyclical works of (£128,000) at Billingsgate Market.
  - Decrease in energy costs of (£41,000) at Billingsgate Market.
  - Decrease of (£100,000) for contribution to market reserves due to reduced repair and maintenance cyclical works for Billingsgate Market.
  - Reduced car park business rates for Smithfield Market (£78,000).
  - Reduced Citigen costs for cooling and heating due to the fall in oil prices (£157,000), partly offset by increases in energy of £15,000 at Smithfield Market.

- Increase in repair and maintenance costs for the pedestrian barrier, the proposed CCTV system and other various small repairs at Spitalfields Market of £477,000. The project work will be managed by City Surveyors and will be funded from the market reserve fund.
- Changes in the Spitalfields waste contract will result in increased costs for cleaning and materials of £67,000, recoverable through the service charge.
- Reduction of contribution to market reserves of (£100,000) at Spitalfields Market.
- A net decrease of (£6,000) for other premises costs across all the markets.

25. Increase of £561,000 detailed on table 2B is due to:

- £500,000 of additional works due to an agreement in court that the City of London will undertake certain historical works at Smithfield Market. It was agreed by the City Surveyors that this would be included under the Additional Work Programme,
- £61,000 is increases in reactive and planned works at Smithfield and Spitalfields Markets.

26. Increased transport costs of £12,000 due to increased repair and maintenance contract for cleaning vehicles at Billingsgate.

27. Increased local risk supplies and services of £21,000 due to increased cost of managing the Rotunda car park, £38,000 which is partly offset by savings over several items for the three markets (£17,000).

28. Current market information suggests it is likely the Spitalfields Market waste contract currently being tendered will increase in value and a £35,000 uplift of budget has been estimated, plus an inflationary increase of £4,000 for the existing waste contract at Spitalfields Market.

29. The increase of transfers to the markets reserve accounts of £55,000 is due to a reduction in service charge costs at Billingsgate and Spitalfields.

## Income

30. An increase in total income between the original 2016/17 and latest proposed 2017/18 budget totals (£1,484,000) as follows:
31. Decrease of £198,000 is due to reduced contributions payable by the tenants at Billingsgate Market of £100,000 and Spitalfields Market of £100,000 as a contribution to the repair funds for future repairs and projects and a net increase of (£2,000) at Smithfield Market for direct recoverable costs.
32. Increase for local risk client receipts of (£269,000) is due to:
- Additional income generated against the capped service charge income by letting the premises in the Poultry Market and recovering additional cost of services of (£173,000). This forms part of the Director of Markets and Consumer Protection's service based review savings.
  - Recoverable service charge income has reduced by £47,000 to compensate for the reduction in service charge costs at Billingsgate and Smithfield Markets.
  - An increase in income of (£125,000) for Spitalfields Market service charge to compensate for increases in costs.
  - Various small increases in income over several categories (£18,000).
33. Increase for central risk rental income of (£834,000) due to:
- Service Based Review saving of (£100,000) for Billingsgate Market met from additional rent for the advertising hoarding.
  - Due to the lease renewals expected to be complete by December 2016, backdated rent has been estimated at Spitalfields Market at (£699,000).
  - Increase in Tenancy at Will income of (£35,000) at Smithfield Market and Billingsgate Market.
34. Increase in transfers of (£581,000) from the market reserves for local and central risk costs due to higher costs of repairs and projects not sufficiently funded by the contributions to the service charge for Billingsgate and New Spitalfields Markets.
35. There is a small £2,000 decrease in central risk income over several categories for Billingsgate and Smithfield markets.

## **Support Services and Capital Charges**

36. The net increase of £124,000 between 2016/17 and 2017/18 original budgets is due to increases in capital charges. This is offset by net reductions in insurance and support services from Chamberlain, Comptrollers and Town Clerk. A detailed breakdown can be seen at Appendix 2.
37. The lease negotiations at New Spitalfields are currently on-going between the Spitalfields Tenants Association and their representatives and the City Surveyor. The current lease expired for the majority of tenants in May 2015 and negotiations are expected to be finalised by the end of December 2016. The Director of Markets and Consumer Protection in liaison with the Chamberlain department has increased the rental income for New Spitalfields for 2016/17 to account for backdated rent and for the appropriate increase in 2017/18. When the outcome of negotiations is complete a revision may be required.



TABLE 1B - MARKETS COMMITTEE SUMMARY – ALL FUNDS OR 2016/17 to OR 2017/18

Analysis of Service Expenditure	Local or Central Risk	Actual 2015/16 £'000	Original Budget 2016/17 £'000	Original Budget 2017/18 £'000	Movement 2016/17 to 2017/18 £'000	Paragraph Reference
<b>EXPENDITURE</b>						
Employees	L	5,080	5,282	5,600	318	23
Premises Related Expenses (see note i)	L	4,389	5,063	5,012	(51)	24
Premises Related Expenses (see note ii)	C	72	129	118	(11)	
City Surveyor – Repairs & Maintenance	L	907	1,688	2,249	561	25
Transport Related Expenses	L	81	48	60	12	26
Supplies & Services (see note iii)	L	949	947	968	21	27
Supplies & Services (see note iv)	C	132	94	93	(1)	
Waste & Cleaning Contract at New Spitalfields Market	L	1,837	1,861	1,900	39	28
Capital Charges	L	267	0	0	0	
Transfer to Reserves	L	0	21	76	55	29
Transfer to Service Charge Reserves	C	0	0	0	0	
Total Expenditure		13,714	15,133	16,076	943	
<b>INCOME</b>						
Other Grants, Reimbursements and Contribution	L	(478)	(571)	(373)	198	31
Other Grants, Reimbursements and Contribution	C	0	0	0	0	
Customer, Client Receipts (see note v)	L	(10,624)	(11,052)	(11,321)	(269)	32
Customer, Client Receipts (see note v)	C	(1,363)	(1,512)	(1,510)	2	35
Customer, Client Receipts (Rent)	C	(3,842)	(3,934)	(4,768)	(834)	33
Investment Income	L	(7)	(3)	(3)	0	
Investment Income	C	0	0	0	0	
Transfer from Service Charge Reserves	L	(71)	(90)	(661)	(571)	34
Transfer from Service Charge Reserves	C	(41)	(40)	(50)	(10)	34
Total Income		(16,426)	(17,202)	(18,686)	(1,484)	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(2,712)	(2,069)	(2,610)	(541)	
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>						
Central Support Services and Capital Charges		2,282	2,646	2,770	124	
Recharges within Committees		0	0	0	0	
Recharges within Fund		(77)	(77)	(77)	0	
Recharges Across Funds		(289)	(313)	(313)	0	
Total Support Services and Capital Charges		1,916	2,256	2,380	124	36
<b>TOTAL NET EXPENDITURE/(INCOME)</b>		<b>(796)</b>	<b>187</b>	<b>(230)</b>	<b>(417)</b>	

## City Surveyors Local Risk

38. The decrease of £709,000 between original and latest budget for 2016/17 for the City Surveyor's repairs and maintenance programme reflects changes in the composition and phasing of the works as outlined in Table 2A below

TABLE 2A - CITY SURVEYOR LOCAL RISK OR 2016/17 - LAB 2016/17

	Original Budget 2016/17	Latest Budget for Approval 2016/17	Movement
<b>Repairs and Maintenance</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Additional Works Programme	1,021	278	(743)
<b>Planned, Re-active &amp; Cyclical Works</b>			
Billingsgate	172	171	(1)
Smithfield	463	476	13
Spitalfields	32	54	22
<b>Total City Surveyor</b>	<b>1,688</b>	<b>979</b>	<b>(709)</b>

39. The increase of £561,000 between original 2016/17 and original 2017/18 budget for the City Surveyor's repairs and maintenance programme reflects changes in the composition and phasing of the works as outlined in Table 2B below

TABLE 2B - CITY SURVEYOR LOCAL RISK OR 2016/17 - OR 2017/18

	Original Budget 2016/17	Original Budget 2017/18	Movement
<b>Repairs and Maintenance</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Additional Works Programme	1,021	1,521	500
<b>Planned, Re-active &amp; Cyclical Works</b>			
Billingsgate	172	171	(1)
Smithfield	463	476	13
Spitalfields	32	81	49
<b>Total City Surveyor</b>	<b>1,688</b>	<b>2,249</b>	<b>561</b>

40. Budgets have provisionally been included for the 2017/18 additional works programme based on bids considered by the Corporate Asset Sub Committee in June 2016. However, a decision on funding of the programme is not due to be made by the Resource Allocation Sub Committee until December 2017. It may therefore be necessary to adjust budgets to reflect the Resource Allocation Sub Committee's decision.
41. The main elements for the increase in the additional works programme 2017/18, which is for Smithfield Market only, is that the value of work identified in the City Surveyor's 20 year programme for the latest budget for 2016/17 and 2017/18 has increased in comparison with the combined value of various programmes in the original estimate for 2016/17.
42. The planned and reactive works has increased significantly at Spitalfields as a discount was received on the pricing mechanism in previous years which has now come to an end.

## Manpower Statement

43. Analysis of the movement in manpower and related staff costs are shown in Table 3.

Table 3 - Manpower statement OR 2016/17 - OR 2017/18

	Original Budget 2016/17		Original Budget 2017/18	
	Manpower Full-time Equivalent	Estimated cost £'000	Manpower Full-time Equivalent	Estimated cost £'000
Directorate	5.4	418	5.4	433
Spitalfields Market	30.0	1,374	34*	1,562
Smithfield Market	44.5	1,809	46 **	1,860
Billingsgate Market	38.5	1,681	38.5	1,745
<b>TOTAL MARKETS</b>	<b>118.4</b>	<b>5,282</b>	<b>123.9</b>	<b>5,600</b>

\* Original 2016-17 full time equivalents did not include vacant posts. This has been corrected and now falls in line with City policy of reporting all posts as shown on the establishment reports. There is also an additional security post which is payable via the Service Charge. \*\*An additional 0.50 full time equivalent administrator absorbed from the meat traders budget is included which is payable by the City of London.

## Potential Further Budget Developments

44. The provisional nature of the 2017/18 revenue budget recognises that further revisions may be required, particularly relation to:

- Decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee
- Central and department recharges, which have not yet been finalised for the forthcoming year.

## Service Based Review

45. The originally proposed 2017/18 Service Based Review Saving of £403,000 will not all be met as £130,000 of rent included for Smithfield Poultry Market letting will now be rent free due to the considerable work required to the premises and this saving has now been slipped, possibly to beyond 2018/19.. Therefore, £273,000 of Service Based Review savings for 2017/18 is reflected in the budgets presented to your committee. However, this slippage in savings will be fully compensated by the anticipated additional rental income generated at Spitalfields Market.

## **Forecast Outturn 2017/18**

46. The forecast outturn for the current year is in line with the latest approved budget. It is anticipated that the Director of Markets and Consumer Protection will remain within his resource allocation for Markets Committee services.

## **Members Format – Operating Summary**

47. Members have, in the past, expressed interest in the financial performance of individual Wholesale Markets (i.e. excluding the car park and outside properties at Smithfield). This is set out in Appendix 3, which has not been prepared in accordance with conventional City of London format but where expenditure and adverse variances are presented in brackets.

48. On this basis, there is an overall surplus to the City of London Corporation for operating the Markets of £363,000 in 2017/18. The surplus is higher than the overall Committee total of £230,000, as the excluded items produced a net deficit of £133,000. The overall Market surplus for 2017/18 includes costs for capital charges and depreciation totalling £951,000.

49. Appendix 4a and 4b details the reasons for adverse and favourable variances over £50,000 or where savings are part of the service based review.

## **Draft Capital Depreciation Budget**

50. The City of London Corporation has adopted the Generally Accepted Accounting Practices UK (GAAP UK) which has resulted in the notional capital costs at Spitalfields Market, Smithfield Market and Billingsgate Market being written down and depreciation of the building and plant being charged to the revenue account. The charges for 2017/18 are:

Market	£
Spitalfields	651,600
Billingsgate	159,011
Smithfield	146,132
Total	956,743

## **Draft Capital and Supplementary Revenue Budgets**

51. The latest estimated costs for the Committee's current capital and supplementary revenue projects are summarised in the Table below.

Table 5 - Capital & Supplementary Revenue projects						
Service Managed	Project	Ex. Pre 01/04/16 £'000	2016/17 £'000	2017/18 £'000	Later Years £'000	Total £'000
<b>Pre-implementation</b>						
Billingsgate	Fish handling facilities	17	2	-		19
Smithfield	repairs	298	741	-		1,039
Spitalfields	Entry barrier		5	-		5
<b>Authority to start work</b>						
Spitalfields	Segregation barrier	-	107	-		107
<b>Total Markets</b>		<b>315</b>	<b>855</b>	<b>-</b>	<b>-</b>	<b>1,170</b>

52. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work. It should be noted that the above figures exclude the implementation costs of those schemes which have yet to receive authority to start work.

53. The Additional Fish Handling Facilities project is on hold pending further consultation with the London Fish Markets Association to decide the future direction of the scheme.

54. Implementation of the Poultry Market Repairs project at Smithfield Market, which is being funded by the City, is anticipated to commence in 2017/18, subject to authority to start work.

55. The installation of the barrier at Spitalfields to separate pedestrians from fork lift trucks is now complete.

56. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2017.

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**Appendix 1A - Analysis by Service Managed OR 2016/17 - LAB 2016/17**

	Actual 2015/16  £'000	Original Budget 2016/17  £'000	Latest Budget for approval (LAB) 2016/17  £'000	Movement OR 2016/17 - LAB 2016/17  £'000	Paragraph reference
<b>CITY FUND</b>					
<b>Spitalfields Market</b>					
- Service Charge Account	4	27	27	0	
- City Account	(717)	(813)	(1,754)	(941)	
- Repairing and Repairs Fund	0	0	0	0	
<b>Total Spitalfields Market</b>	<b>(713)</b>	<b>(786)</b>	<b>(1,727)</b>	<b>(941)</b>	
<b>TOTAL CITY FUND</b>	<b>(713)</b>	<b>(786)</b>	<b>(1,727)</b>	<b>(941)</b>	
<b>CITY'S CASH</b>					
<b>Smithfield</b>					
Service Charge Account	1,459	1,945	1,845	(100)	
Non-Service Charge Account	(1,046)	(237)	(746)	(509)	
Other Services	74	156	(282)	(438)	
<b>Total Smithfield Market</b>	<b>487</b>	<b>1,864</b>	<b>817</b>	<b>(1,047)</b>	
<b>Billingsgate</b>					
Service Charge Account	0	0	0	0	
Non-Service Charge Account	(571)	(891)	(911)	(20)	
Repairing and Special Works Account	0	0	0	0	
<b>Total Billingsgate Market</b>	<b>(571)</b>	<b>(891)</b>	<b>(911)</b>	<b>(20)</b>	
<b>Markets Directorate</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CITY'S CASH</b>	<b>(84)</b>	<b>973</b>	<b>(94)</b>	<b>(1,067)</b>	
<b>TOTAL</b>	<b>(797)</b>	<b>187</b>	<b>(1,821)</b>	<b>(2,008)</b>	

**Appendix 1B - Analysis by Service Managed OR 2016/17 - OR 2017/18**

	Actual 2015/16 £'000	Original Budget 2016/17 £'000	Original Budget 2017/18 £'000	Movement OR 2016/17 - OR 2017/18 £'000	Paragraph reference
<b>CITY FUND</b>					
<b>Spitalfields Market</b>					
- Service Charge Account	4	27	27	0	
- City Account	(717)	(813)	(1,220)	(407)	
- Repairing and Repairs Fund	0	0	0	0	
<b>Total Spitalfields Market</b>	<b>(713)</b>	<b>(786)</b>	<b>(1,193)</b>	<b>(407)</b>	
<b>TOTAL CITY FUND</b>	<b>(713)</b>	<b>(786)</b>	<b>(1,193)</b>	<b>(407)</b>	
<b>CITY'S CASH</b>					
<b>Smithfield</b>					
Service Charge Account	1,459	1,945	1,586	(359)	
Non-Service Charge Account	(1,046)	(237)	344	581	
Other Services	74	156	133	(23)	
<b>Total Smithfield Market</b>	<b>487</b>	<b>1,864</b>	<b>2,063</b>	<b>199</b>	
<b>Billingsgate</b>					
Service Charge Account	0	0	0	0	
Non-Service Charge Account	(571)	(891)	(1,100)	(209)	
Repairing and Special Works Account	0	0	0	0	
<b>Total Billingsgate Market</b>	<b>(571)</b>	<b>(891)</b>	<b>(1,100)</b>	<b>(209)</b>	
<b>Markets Directorate</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CITY'S CASH</b>	<b>(84)</b>	<b>973</b>	<b>963</b>	<b>(10)</b>	
<b>TOTAL</b>	<b>(797)</b>	<b>187</b>	<b>(230)</b>	<b>(417)</b>	



## Appendix 2 - Support Service and Capital Charges from/to Markets Committee

	Actual 2015/16	Original Budget 2016/17	Latest Budget for Approval (LAB) 2016/17	Original Budget 2017/18
	£'000	£'000	£'000	£'000
<b>Support Service and Capital Charges</b>				
Administrative Buildings	32	36	33	40
City Surveyor's Employee Recharge	226	214	214	214
Insurance	387	553	518	523
Film Liaison-Legal Fees	12	0		0
IS Recharges – Chamberlain	245	231	228	224
City Procurement Recharges - Chamberlain	62	56	55	61
 Capital Charges	 838	 804	 915	 957
<b>Support Services -</b>				
Chamberlain	300	316	305	294
Comptroller and City Solicitor	135	105	159	153
Town Clerk	177	181	182	168
City Surveyor	97	106	97	97
Liability Insurance	38	44	39	39
<b>Total Support Services and Capital Charges</b>	<b>2,549</b>	<b>2,646</b>	<b>2,745</b>	<b>2,770</b>
 <b>Recharges Within Funds</b>				
Corporate and Democratic Core – Finance Committee	(77)	(77)	(77)	(77)
Directorate Recharge – Port Health and Environmental Services Committee	0	0	0	0
 <b>Recharges Across Funds</b>				
Directorate Recharge - Markets – City Fund	0	0	0	0
Directorate Recharge – Licensing Committee	(21)	(21)	(20)	(20)
Directorate Recharge – Port Health and Environmental Services Committee	(268)	(292)	(285)	(293)
<b>TOTAL SUPPORT SERVICE AND CAPITAL CHARGES</b>	<b>2,183</b>	<b>2,256</b>	<b>2,363</b>	<b>2,380</b>

The Capital Charges within this Committee total £957,000 in 2017/18. These relate to depreciation charges at Spitalfields Market £652,000 depreciation at Smithfield Market, the Animal- By- Product facility and the Car Park £146,000; and depreciation charges at Billingsgate Market £159,000 based on the estimated value as at 1 April 2014 divided by anticipated lives of assets. This is in accordance with the City adopting the UK GAAP accounting

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**Wholesale Markets Operating Summary**

**Spitalfields Market**

**Billingsgate Market**

**Smithfield Market**

**APPENDIX 3**

**Total Wholesale Market**

	Spitalfields Market									Billingsgate Market									Smithfield Market									Total Wholesale Market								
	Actual 2015-16 £'000	Original Budget CUOR 2016/17 £'000	Latest Budget LAB 2016/17 £'000	Variance OR-LAB £'000	Percentage Increase/Decrease CUOR - LAB %	Original Budget (NYOR) 2017/18 £'000	Variance CUOR - NYOR £'000	Percentage Increase/Decrease CUOR - NYOR %	Notes	Actual 2015-16 £'000	Original Budget CUOR 2016/17 £'000	Latest Budget LAB 2016/17 £'000	Variance CUOR-LAB £'000	Percentage Increase/Decrease CUOR - LAB %	Original Budget (NYOR) 2017/18 £'000	Variance CUOR - NYOR £'000	Percentage Increase/Decrease CUOR - NYOR %	Notes	Actual 2015-16 £'000	Original Budget CUOR 2016/17 £'000	Latest Budget LAB 2016/17 £'000	Variance OR-LAB £'000	Percentage Increase/Decrease CUOR - LAB %	Original Budget (NYOR) 2017/18 £'000	Variance CUOR - NYOR £'000	Percentage Increase/Decrease CUOR - NYOR %	Notes	Actual 2015-16 £'000	Original Budget CUOR 2016/17 £'000	Latest Budget LAB 2016/17 £'000	Variance OR-LAB £'000	Percentage Increase/Decrease CUOR - LAB %	Original Budget (NYOR) 2017/18 £'000	Variance CUOR - NYOR £'000	Percentage Increase/Decrease CUOR - NYOR %	Notes
<b>Operating Expenditure</b>																																				
<b>Expenditure</b>																																				
Employees (basic pay, NI, pension, overtime, training and recruitment advertising)	(1,327)	(1,374)	(1,484)	(110)	-8%	(1,562)	(188)	-14%	1816	(1,676)	(1,681)	(1,665)	16	1%	(1,745)	(64)	-4%	23	(1,672)	(1,809)	(1,824)	(15)	-1%	(1,860)	(51)	-3%	27	(4,675)	(4,864)	(4,973)	(109)	-2%	(5,167)	(303)	-6%	
Premises (Energy, repair and maintenance, rates, insurance, water, pest control, cleaning materials )	(1,182)	(1,269)	(1,238)	31	2%	(1,748)	(479)	-38%	17	(1,282)	(1,494)	(1,153)	341	23%	(1,240)	254	17%	7&24	(2,542)	(3,646)	(2,933)	713	20%	(4,003)	(357)	-10%	11&28	(5,006)	(6,409)	(5,324)	1,085	17%	(6,991)	(582)	-11%	
Transport (Vehicle running costs, congestion charge and travel costs)	(3)	(6)	(4)	2	33%	(4)	2	33%		(75)	(38)	(72)	(34)	-89%	(52)	(14)	-37%	8&25	(2)	(3)	(35)	(32)	-1067%	(3)	0	0%	12	(80)	(47)	(111)	(64)	-136%	(59)	(12)	-11%	
Supplies and Services (Refuse collection, Equipment and CCTV hire/maintenance and purchase, uniforms and clothing, communication and office expenses)	(183)	(162)	(270)	(108)	-67%	(158)	4	2%	2	(214)	(127)	(126)	1	1%	(114)	13	10%		(327)	(422)	(474)	(52)	-12%	(424)	(2)	0%	13	(724)	(711)	(870)	(159)	-22%	(696)	15	2%	
Waste and Cleaning contract	(1,837)	(1,861)	(1,921)	(60)	-3%	(1,900)	(39)	-2%	3&18		0	0	0%	0%		0	0%									0%		(1,837)	(1,861)	(1,921)	(60)	-3%	(1,900)	(39)	-2%	
<b>Total operating expenditure</b>	<b>(4,532)</b>	<b>(4,672)</b>	<b>(4,917)</b>	<b>(245)</b>	<b>-5%</b>	<b>(5,372)</b>	<b>(700)</b>	<b>-15%</b>		<b>(3,247)</b>	<b>(3,340)</b>	<b>(3,016)</b>	<b>324</b>	<b>10%</b>	<b>(3,151)</b>	<b>189</b>	<b>6%</b>		<b>(4,543)</b>	<b>(5,880)</b>	<b>(5,266)</b>	<b>614</b>	<b>10%</b>	<b>(6,290)</b>	<b>(410)</b>		<b>(12,322)</b>	<b>(13,892)</b>	<b>(13,199)</b>	<b>693</b>		<b>(14,813)</b>	<b>(921)</b>			
<b>Income</b>																																				
Rent, Wayleaves and Tolls Income	1,398	1,330	2,671	1,341	101%	2,029	699	53%	4&19	681	917	917	0	0%	910	(7)	-1%		1,722	1,713	1,713	0	0%	1,729	16	1%	29	3,801	3,960	5,301	1,341	34%	4,668	708	13%	
Charges for Services (Filming, car parking, service charges, insurance, advertising hoarding, reimbursements (direct recovered costs))	4,837	4,929	4,838	(91)	-2%	4,992	63	1%	5&20	3,700	3,974	3,548	(426)	-11%	4,000	26	-1%	9&26	3,304	3,491	3,378	(113)	-3%	3,580	89	3%	14&30	11,841	12,394	11,764	(630)	-5%	12,572	178	2%	
<b>Total Operating Income</b>	<b>6,235</b>	<b>6,259</b>	<b>7,509</b>	<b>1,250</b>	<b>17%</b>	<b>7,021</b>	<b>762</b>	<b>12%</b>		<b>4,381</b>	<b>4,891</b>	<b>4,465</b>	<b>(426)</b>	<b>-10%</b>	<b>4,910</b>	<b>19</b>	<b>0%</b>		<b>5,026</b>	<b>5,204</b>	<b>5,091</b>	<b>(113)</b>	<b>-2%</b>	<b>5,309</b>	<b>105</b>	<b>2%</b>		<b>15,642</b>	<b>16,354</b>	<b>17,065</b>	<b>711</b>	<b>4%</b>	<b>17,240</b>	<b>886</b>	<b>5%</b>	
<b>Net Operating Surplus/(Deficit)</b>	<b>1,703</b>	<b>1,587</b>	<b>2,592</b>	<b>1,005</b>	<b>39%</b>	<b>1,649</b>	<b>62</b>	<b>4%</b>		<b>1,134</b>	<b>1,551</b>	<b>1,449</b>	<b>(102)</b>	<b>-7%</b>	<b>1,759</b>	<b>208</b>	<b>12%</b>		<b>483</b>	<b>(676)</b>	<b>(175)</b>	<b>501</b>	<b>286%</b>	<b>(981)</b>	<b>(305)</b>	<b>-31%</b>		<b>3,320</b>	<b>2,462</b>	<b>3,866</b>	<b>1,404</b>	<b>36%</b>	<b>2,427</b>	<b>(35)</b>	<b>-1%</b>	
<b>Central Costs</b>																																				
Capital Charges and depreciation	(572)	(571)	(641)	(70)	-12%	(652)	(81)	-14%	6&21	(152)	(152)	(159)	(7)	-5%	(159)	(7)	0%		(115)	(115)	(115)	0	0%	(146)	(31)	-27%	31	(839)	(838)	(915)	(77)	-9%	(957)	(119)	-13%	
Other Central Costs* (Trf to and from reserves to fund repairs and works, support costs and Directorate apportionment)	(418)	(230)	(224)	6	3%	196	426	185%	22	(411)	(508)	(379)	129	25%	(500)	8	31%	10	(781)	(917)	(809)	108	12%	(803)	114	12%	15&32	(1,610)	(1,655)	(1,412)	243	15%	(1,107)	548	39%	
<b>Total Market (Expenditure)/Income</b>	<b>713</b>	<b>786</b>	<b>1,727</b>	<b>941</b>	<b>54%</b>	<b>1,193</b>	<b>407</b>	<b>45%</b>		<b>571</b>	<b>891</b>	<b>911</b>	<b>20</b>	<b>2%</b>	<b>1,100</b>	<b>209</b>	<b>19%</b>		<b>(413)</b>	<b>(1,708)</b>	<b>(1,099)</b>	<b>609</b>	<b>55%</b>	<b>(1,330)</b>	<b>(222)</b>	<b>-12%</b>		<b>871</b>	<b>(31)</b>	<b>1,539</b>	<b>1,570</b>	<b>102%</b>	<b>363</b>	<b>394</b>	<b>109%</b>	

N.B.  
This table has not been prepared in accordance with conventional City of London Corporation format. In the table above ( ) = Expenditure / Deficit.  
\*Excludes the car park and outside properties at Smithfield

**Notes**  
The City has adopted the UKGAAP standards.  
Favourable variances over £50,000 and all adverse variances are reported within Appendices 4A and 4B.

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## Operating Statement Notes

The tables below analyse the variances over £50,000 for the Wholesale Markets as reported on the Operating Summary which is attached at Appendix 3. The summary compares the Original 2016-17 to the 2016/17 Latest Budget for Approval (LAB). It has not been prepared in accordance with conventional City of London Corporation format. Brackets on the summary signify an expenditure item or a deficit position.

<u>New Spitalfields Market Note number</u>	<u>Description</u>	<u>2016/17 OR to LAB 2016/17 Variance</u>
	<b>Expenditure</b>	
1	Employees	The increase of (£110,000) -8% which is recoverable through the Service Charge, is due to the reinstatement of vacant posts to reconcile to the establishment report (£109,000) and an increase for contributions, (£1,000).
2	Supplies and Services	The increase of (£108,000) -67%, is due to: <ul style="list-style-type: none"> <li>• an increase for non-recoverable professional fees for Surveying costs required for the lease negotiations (£115,000),</li> <li>• reduction on various expenditure items £7,000.</li> </ul>
3	Waste and Cleaning contract	The increase of (£60,000) -3% is due to the variation to contract on recycled element of waste to March 2017. This is recoverable under the service charge.
	<b>Income</b>	
4	Rent	The increase of £1,341,000, 101% is due to holding over the leases whilst negotiating the lease renewals, resulting in backdated rent due from 2015.
5	Charges for services	The reduction in income of (£91,000), -2%, is due to reductions in service charge costs.
6	Capital and Depreciation	Increased depreciation for equipment and buildings of (£70,000) -12%.

<u>Billingsgate Market Note number</u>	<u>Description</u>	<u>2016/17 OR to LAB 2016/17 Variance</u>
	<b>Expenditure</b>	
7	Premises	The reduction of service charge costs of £341,000, 23% is due to; <ul style="list-style-type: none"> <li>• reduced contribution to the market repair fund of £191,000 due to the delay and cancellation of projects,</li> <li>• delays to projects and repairs of £136,000 funded by the repair fund,</li> <li>• reduction in energy costs of £55,000,</li> <li>• increased costs for general repairs of (£29,000),</li> <li>• small inflationary increases across several categories (£12,000).</li> </ul>
8	Transport	The (34,000), -89%, increase in service charge costs is due to higher repair costs for vehicles and maintenance contracts which are recoverable through the service charge.
	<b>Income</b>	
9	Charges for Services	The reduced income of (£426,000), -11%, is due to: <ul style="list-style-type: none"> <li>• reduced service charge recovered as a result of reduced costs on the service charge of (£235,000),</li> <li>• reduced service charge contribution of (£191,000) due to a reduction in projects and repairs and maintenance.</li> </ul>
10	Other Central Costs	The £122,000, 24% reduction is due to reduced service charge transfers to the market reserves.

<u>Smithfield Market Note number</u>	<u>Description</u>	<u>2016/17 OR to LAB 2016/17 Variance</u>
	<b>Expenditure</b>	
11	Premises	<p>The £713,000, 20% reduction is due to:</p> <ul style="list-style-type: none"> <li>• one off carry forwards of (£107,000) for projects and repair works delayed from 2015/16 into 2016/17, such as – re-install showers and tanking to floor in the West market and emergency lighting renewal,</li> <li>• decrease in energy costs of £159,000;</li> <li>• a re-phasing and reduction of City Surveyor Additional Works Programme of £644,000 detailed in Table 2. (There is £743,000 for additional works programme and cyclical works of (£13,000) less (£86,000) of this total which is for the car park and not part of the difference for operating the wholesale market);</li> <li>• a decrease in other premises costs such as water, cleaning and pest control of £17,000.</li> </ul>
12	Transport	The increase in transport costs of (£32,000) -1067% is due to the purchase of 2x scrubber dryer vehicles.
13	Supplies and Services	<p>The increase of (£52,000), -12% is due to:</p> <ul style="list-style-type: none"> <li>• one off carry forwards of (£39,000),</li> <li>• an increase in waste disposal costs (£13,000).</li> </ul>
	<b>INCOME</b>	
14	Charges for Services	The reduced income of (£113,000), -3%, is due to the reduction in costs for energy recharged to commercial office and trading tenants.
15	Other central costs	The decrease of £108,000, 12% is due to the reapportionment of IT costs and reduced central support costs.

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## Operating Statement Notes

The tables below analyse the variances over £50,000 for the Wholesale Markets as reported on the Operating Summary which is attached at Appendix 3. The summary compares the Original 2016-17 to the Original 2017/18 Budget. It has not been prepared in accordance with conventional City of London Corporation format. Brackets on the summary signify an expenditure item or a deficit position.

<u>New Spitalfields Market Note number</u>	<u>Description</u>	<u>2016/17 OR to 2017/18 OR Variance</u>
	<b>Expenditure</b>	
16	Employees	<p>The increase in cost of (£188,000) -14% which is recoverable through the Service Charge is due to:</p> <ul style="list-style-type: none"> <li>• the reinstatement of vacant posts to reconcile to the establishment report (£109,000),</li> <li>• increases for increments, cost of living uplift, National Insurance and pensions of (£79,000).</li> </ul>
17	Premises Related	<p>The increase in cost of (£479,000), -38%, is in relation to:</p> <ul style="list-style-type: none"> <li>• an increase in cleaning costs as part of the new waste and cleaning contract of (£67,000),</li> <li>• £100,000 decrease in contribution to the R&amp;R account as agreed with the SMTA. The reduction is due to the anticipated increase in income from the new entry charge being proposed;</li> <li>• increase costs for repairs and projects such as the pedestrian barrier and CCTV replacement (£477,000);</li> <li>• increased costs for City Surveyors of reactive and planned work (£49,000);</li> <li>• small reductions on various cost items,</li> </ul>

		£14,000.
18	Waste Contract	The (£39,000), -2% increase in costs, is due to the re-tender of the waste contract and the expected increase in the contract of (£35,000) plus a small inflationary increase for the current contract of (£4,000).
	<b>Income</b>	
19	Rent	The increase in rental income of £699,000, 53% is due to the new rents agreed during the lease renewals.
20	Charges for services	The increase in income of £63,000, 1%, is due to increases in service charge costs.
21	Capital and Depreciation	Increased depreciation for equipment and buildings of (£81,000), -14%.
22	Other Central Costs	The net reduction of £426,000, 185% is due to the transfer of funds from the reserves to fund works and projects.

<u>Billingsgate Market Note number</u>	<u>Description</u>	<u>2016/17 OR to 2017/18 OR Variance</u>
	<b>Expenditure</b>	
23	Employment costs	The (£64,000), -4%, service charge increase is due to higher increments and cost of living increases.
24	Premises	The £254,000, 17% service charge decrease is due to; <ul style="list-style-type: none"> <li>• decrease in energy costs of £41,000,</li> <li>• decrease in repair and maintenance of £128,000,</li> <li>• reduced contribution payable to the RSWF £100,000,</li> <li>• inflationary increases for other premises costs of (£15,000) for cleaning and water.</li> </ul>
25	Transport	The service charge increase of (£14,000), -37% is for maintenance contracts on motorised equipment.
	<b>Income</b>	
26	Charges for Services	The £26,000, 1%, increase in income is due to additional car parking income.

<u>Smithfield Market Note number</u>	<u>Description</u>	<u>2016/17 OR to 2017/18 OR Variance</u>
	<b>Expenditure</b>	
27	Employment.	The increased costs of (£51,000), -3%, is due to higher increments and cost of living increases.
28	Premises	<ul style="list-style-type: none"> <li>• The (£357,000), -10% increase is due to an increase in City Surveyors costs of (£500,000) for additional works programme and cyclical works of (£13,000), less £42,000 for the car park not included in this analysis,</li> <li>• an increase in energy of (£30,000);</li> <li>• reduction of Citigen costs £157,000;</li> <li>• inflationary increases on other premise costs such as water and cleaning materials of (£13,000).</li> </ul>
	<b>INCOME</b>	
29	Rental Income	The increase in rental income of £16,000, 1% is due to increased Tenancy at Will lettings.
30	Charges for Services	The increased income of £89,000, 3% is due to: <ul style="list-style-type: none"> <li>• increased income for service charges on the letting of the stands in the Poultry Market £173,000,</li> <li>• net reduced income due to reduced service charge costs of (£84,000).</li> </ul>
31	Capital Charges and depreciation	The (£32,000), -28% increase in depreciation is due to Poultry Market repairs.
32	Other central costs	The decrease of £115,000, 13% is due the reapportionment of costs based on the reduced full time equivalent staff numbers.

# Agenda Item 6

<b>Committee(s):</b> Markets	<b>Date:</b> 30 November 2016
<b>Subject:</b> Smithfield Market – Condenser Water Cooling System - Update	<b>Public</b>
<b>Report of:</b> The City Surveyor (Report no. CS396/16)	<b>For Information</b>
<b>Report author:</b> Andrew Crafter, Principal Engineer, City Surveyor's Department	

## Summary

This report provides a summary of progress on the City's trial to increase the operating temperature of Smithfield Market's Condenser Water Cooling System, which provides cooling to the Market Tenants' refrigeration equipment.

For the past few years the cooling system has been set to operate at 20°C. Following an abortive start in June 2016 due to hot weather, the trial to increase the temperature setting in 1° steps resumed in mid-October and has currently reached 23°C. So far, there have been no material reports of fridge problems. Further increases to 24° then 25°C are planned this month and early December, provided no widespread fridge issues arise. If the fridges operate successfully at 25°C, this temperature will remain the permanent setting.

## Recommendation(s)

Members are invited to note the contents of this report.

## **Main Report**

### **Background**

1. The Market's condenser water cooling system removes waste heat from 120 tenants' refrigeration units in East, West and Poultry Markets and dissipates it to the atmosphere via five cooling towers located in the Poultry Market. The system is operated and maintained by the City Corporation as Landlord.
2. Over the last few years the City Corporation has undertaken a programme of works to improve the water circulation in the three Markets and remove dirt contamination in the system. As a result performance has significantly improved.
3. The cooling system was originally specified to provide water to Tenants' fridges at 30°C. Over the years this was gradually reduced and for around the last five years has been set at 20°C. This was done to assist fridges at a time when there were issues with water flow, dirt contamination, system balancing, and Tenants' condenser under-sizing. Following completion of its remedial works, the City now wishes to increase the temperature to reduce its operating costs and the risk of breakdown and has commenced a trial to evaluate the impact, if any, on Tenants' fridges of increasing it.

### **Current Position**

4. Following an agreement reached with the Smithfield Market Tenants Association (SMTA), the trial to increase the operating temperature of the cooling system commenced on 20 June 2016, when the temperature of the water supplied from the cooling towers to the Tenants' fridges was increased from 20°C to 21°C. On 20 July 2016 it was raised a further degree to 22°C. The changes are made by resetting a control display on the City's Building Management System, which in turn automatically selects the number of cooling tower fans required to operate.
5. As a result of reported fridge problems arising in the hot weather at this time, particularly affecting North-East quadrant, the trial was suspended on 22 July, and the temperature reset to 20°C. Although the cooling towers cannot normally maintain this temperature during hot weather, in cooler spells and typically overnight, they may do so for brief periods, giving some respite to fridges.
6. The fridge problems that were experienced are partly explained by fine scale accumulation (or 'furring') on condenser internal surfaces which impairs heat transfer, and clogged water strainers, which reduces the water flow. Action was taken to deal with both of these and resulted in an improvement. In some cases, problems will have been exacerbated by undersized fridge condensers (see para 11 below).
7. Further problems were reported in September during hot weather, as has been the case in previous years. However, since October the system has settled down and reports have ceased.
8. It was agreed with the SMTA that the temperature trial could resume from mid-October. The temperature setting was therefore increased to 22°C on 18

October. As no problems were reported, it was raised a further step to 23°C on 31 October. It currently remains at this figure.

9. A single comment was received from one of the Tenants' maintenance contractors on 2 November that some fridge difficulties had been experienced, however no further details have been provided and no formal complaints received from Tenants.

## **Proposals**

10. Due to electrical issues with the fans on cooling tower nos. 2 and 3, these towers had been manually set on their high speed fan settings by the Market Maintenance Department, to ensure cooling was available if needed. This caused the water to be over-cooled below its 23°C setting on colder days. For this reason the trial did not produce valid results between 31 October and 10 November. This issue has been addressed and the water supply has been holding a steady 23°C since then. It is therefore proposed that the next increase to 24°C will be applied on 21 November and the final step to 25°C on 5 December 2016.
11. Officers will continue to monitor the system closely and investigate any problems reported. If there is any widespread issue then the trial can easily be suspended and temperature control reset. However, any fridges still experiencing problems after condensers have been cleaned are likely to be those on the City's 'at risk' list (currently 12 in total) drawn up in 2014, and for these the answer should be for Tenants to upgrade their fridge condensers with larger capacity units (as already done for 2 fridges which were originally on the list), rather than the cooling system having to operate at a lower temperature to compensate for this.
12. By next summer East and West main condenser water pumps will have been replaced with higher capacity pumps. It is hoped that it will not then be necessary to reduce the system temperature in hot weather, but the option to do so will remain if needed. Once this work is completed, it is also planned to send a further reminder to those Tenants with 'at risk' fridges.

## **Other work to the cooling system**

13. On the evening of 9 September a small diameter branch pipe within disused stall 214 in the Poultry Market suffered a fracture causing a loss of water, depressurisation and several fridges around the Market to trip. Market Maintenance Department engineers were called in and were able to isolate the defective pipe and stop the leak.
15. In response to previous incidents, measures to improve resilience of the system by the City are continuing. The second, back-up, water softening unit and water hardness monitor have now been installed on the cooling system. These are monitored by the Building Management System and initiate alarms in the event of a failure.

16. A new alarm panel for critical cooling system alarms has now been installed in the Market Security office. This provides rapid notification of a pump, water softener, or make-up unit failure or high water temperature. A response procedure is being prepared to accompany this.

### **Corporate & Strategic Implications**

17. The system supports the meat trade at Smithfield Market and the following Strategic Aims:
  - To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.
  - To provide valued services to London and the nation.

### **Implications**

18. The cooling system operated by the City provides a critical service for Tenants' refrigeration equipment. A failure of the system could potentially expose the City to claims from Tenants for loss of product.
19. Operating the system at a higher temperature will reduce strain on the City's cooling towers and the risk of breakdown, as well as reducing operating costs. Whilst Tenants' fridges will have to run slightly longer, consuming more power, 25°C is felt to be a reasonable compromise, and still within their technical specification.
20. Officers will continue to monitor the system closely, investigate any problems reported, and take further action as appropriate.

### **Conclusion**

21. The trial to increase the water operating temperature of the cooling system is continuing and has currently reached 23°C. So far, there have been no material reports of problems. Further increases to 24° then 25°C will follow, provided no widespread fridge issues arise. If the fridges operate successfully at 25°C, this temperature will remain the permanent setting.

### **Background Papers**

Report of the City Surveyor 'Smithfield Market – Condenser Water Cooling System – update' to Markets Committee, July 2016 (Report ref. CS210/16).

#### **Andrew Crafter**

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<b>Committee:</b>	<b>Date:</b>
Markets Committee	30 November 2016
<b>Subject:</b> Strategic Review of Markets	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Decision</b>
<b>Report Author:</b> David Smith	

## Main Report

### Background

1. Members will recall that the Chairman of the Markets Committee initiated a Strategic Review of the City's Wholesale Markets some months ago. Shortly after that, the Greater London Authority (GLA) announced its intention to conduct its own strategic review of all London's wholesale Markets as part of its revision of the Mayor's London Plan. To avoid duplication, and because the GLA would be funding research which the City would also have to undertake and pay for, the City's Review was put on hold until the GLA's review was complete.
2. Unfortunately, we have recently been informed that the GLA do not, after all, intend to proceed with their London-wide Markets review, so it will be necessary for the City to go ahead independently.

### Proposal

3. The City does not have either the capability/expertise or the capacity to undertake this review in-house, so specialist Consultants will need to be engaged. This work is linked to the on-going Operational Property Review and it has been agreed that it will be funded from the Operational Property Review Reserve.
4. City Procurement have investigated potential firms and a number of companies have been identified who should be capable of undertaking the necessary breadth of the work to the required standard, with the assistance of the City Surveyor's staff for some specific aspects. Officers have, therefore, drafted and agreed a Specification for Consultants to undertake this work, which is attached at Appendix 1.
5. The estimated timescale is:
  - 30 Nov 16 - Markets Committee
  - Early January - issue ITT to industry
  -

- Mid-February - response from industry
- Early March - issue contract
- March to September - review conducted - milestones and timing of draft report to be agreed
- September - Final Report presented to the City
- Autumn onwards - Report considered by Committees - and probably Court of Common Council

### **Recommendation**

Members are recommended to approve the draft Specification.

### **Appendices**

- Appendix 1 – Review of Future Options Specification

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# DRAFT – 16 Nov 16 – For Committee Approval

## City of London Wholesale Markets

### Review of Future Options

#### Specification

##### Summary of Review Objectives

The review will examine the potential options and feasibility for the future of the City's wholesale markets to:

- a. Test the scale and nature of current and future demand for wholesale market facilities;
- b. Produce a set of potential options for the future that could meet the projected capacity requirements;
- c. Undertake an outline development appraisal of potential options arising from this assessment and consider transport and environmental implications;
- d. Provide broad financial appraisals for a shortlist of potential options;
- e. Make Recommendations for the Way Ahead

##### Background and Policy Context

1. The City of London Corporation (the City) owns and operates three wholesale food markets: Billingsgate (fish); New Spitalfields (fruit, vegetables, and flowers); and Smithfield (meat). Smithfield remains within the City but Billingsgate relocated to Canary Wharf in 1982 and Spitalfields to Leyton in 1991. To different degrees all have 'value added' functions involving pre-preparation of their products which is becoming increasingly important.

2. The status and location of the markets is a result of historic practice and protective legislation. Supermarkets and more efficient direct distribution systems have diminished the historic role of the markets but their turnover has been reasonably stable for the past decade and the previous decline has been partly offset by increases in the restaurant/hospitality sector, demand from small

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catering businesses, and, to a lesser extent, demand from specialist and ethnic food outlets. Demand from retail and street markets remains strong.

3. Over the past 14 years, two reviews of London's wholesale markets have been undertaken. A further review is now needed to look forward, as far as is practicable, for the next 25 years, to 2041.

4. In 2002, DEFRA and the City commissioned an independent review to consider the future of all London's wholesale markets by Nicholas Saphir. The report maintained that the legislation governing London's wholesale markets protected some existing wholesaler activities at the expense of the future prosperity of markets, creating inefficiency, uneconomic distribution, and waste. The report also argued that, if London's wholesale markets were to survive, they would have to be more responsive and offer a wider, more integrated range of services. Saphir recommended that markets should consolidate to composite sites to provide all the services customers require.

5. The GLA commissioned a further Wholesale Markets Review in 2006/7 which identified that market trends had placed intense competitive pressure on the wholesale markets and, in the next 15-20 years, the wholesale markets would need to be flexible, innovative and efficient if they were to be commercially viable. That review also concluded that consolidation offered the best opportunity to sustain London's wholesale market function to meet the anticipated need.

6. The Mayor's overall London Plan (Policy 4.4 and paragraph 4.24) recognizes that wholesale markets will continue to play an important role in London and sets out the Mayor's objective to retain an efficient wholesale market function to meet London's requirements.

### **Purpose of the City's Strategic Review**

7. There is growing pressure both internally and externally to consider the possibility of relocating Billingsgate Market, including pressure from the London Fish Merchants Association.

8. The City has therefore commissioned a Strategic Review of all of its three wholesale markets, which should provide a more detailed assessment of the

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feasibility of potential future market configuration options including development, transport, environmental and broad financial appraisals of the options, to enable the City to decide on the future organisation and location of the City's Wholesale Markets.

9. This review will be expected to take into account developments in other successful wholesale Markets in UK and within the EU, such as at Rungis near Paris.

### **PROJECT OBJECTIVES AND STAGES**

10. The Review will be undertaken within the wider context to:

- Secure competitive and efficient wholesale food distribution to meet London's future requirements;
- Ensure that market sites can be used effectively and contribute to wider strategic policy and planning objectives;
- Ensure that delivery to and from the markets is carried out in the most sustainable manner.

11. The specific objectives and stages of the Review are to:

- Test and review the scale and nature of demand for wholesale market facilities to 2041;
- Produce a set of potential options (market configurations) that could meet the projected future capacity requirement;
- Undertake a land use/development appraisal of potential options arising from this assessment and provide inputs for a transport and environmental appraisal;
- Provide broad financial appraisals for a shortlist of potential options.
- Make Recommendations on the Way Ahead

### **TASKS**

12. To address these objectives, the project will have four linked stages.

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### **Stage 1: Test and review the scale and nature of demand for wholesale market facilities to 2041.**

13. The main output of this stage will be estimates of demand expressed as a capacity requirement in terms of wholesale market floor-space and land requirements.

14. It should draw on analysis by Saphir (2002) and URS (2007) and check, update and, where necessary, revise this to take account of the range of factors likely to influence demand for wholesale market facilities over the period to 2041.

15. These are likely to include consumer requirements, technological changes, productivity and the importance of critical mass/clustering of wholesaling activities and changes in transportation, such as the introduction of the Ultra Low Emission Zone (ULEZ) in central London.

16. This stage will require an authoritative appreciation of

- trends, issues and data sources in sectors relevant to the current and future functions of the wholesale markets. The issues will include a summary of the legislative background relevant to individual markets;
- the relationships between growers (regional, national and overseas), wholesalers and importers, retailers and consumers
- transport access and policy requirements, such as relative future roles of rail, HGV, and vans, and changes in delivery operations and logistics, just in time delivery, and wider use of consolidation centres;
- turnover (value and volumes);
- catchment area of customers;
- the way in which changes in the demand for wholesale market functions may be modified by emerging new demands, such as eating out, requirements for 'whole'/organic food, Black, Asian and minority ethnic communities, and other dietary demands.
- the space requirements for each market, land that can be released for alternative uses, and a broad indication of land values which could be achieved for released land.
- any relevant plans or activities in other London wholesale markets

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### **Stage 2: Produce a set of potential options (market configurations) that could meet the projected future capacity requirement.**

17. Drawing on the future capacity requirements for land/floor-space derived in Stage 1, this stage of the study should work with the City Surveyor's department and their advisers to identify potential sites and combinations of sites (existing and/or new) that could meet the detailed future capacity requirement to meet the needs in Stage 1.

18. Consultants should take into account strategic and local planning objectives and development capacity of potential sites, market catchment areas and operational requirements, local access, labour market, environmental impacts and other relevant factors. This stage should produce a short list of potential options to form the basis of the land use/development, transport and environmental assessment (Stage 3).

19. For each option proposed at Stage 2, the consultants should set out the space requirements of each option, setting out the benefits in terms of land use and land release, approximate land values associated with these, and an outline timeline for the implementation of each option.

### **Stage 3: Undertake an appraisal of potential options arising from this assessment.**

20. This stage will test the land use, transport and environmental implications of the potential options for a revised wholesale market or network of markets.

21. The consultants should take account of:

- relevant national and international heavy goods vehicle movements;
- more local light goods vehicle movements;
- potential for any road capacity or traffic constraints, market areas and communities to be served, local access and environmental issues and broader transport and sustainability objectives;
- intended and likely changes to environmental restrictions to improve Air Quality, such as the imposition of the Ultra Low

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Emission Zone in central London, and the creation of consolidation and distribution centres.

### **Stage 4 Provide broad financial appraisals for potential options and Recommendations on the Way Ahead.**

22. This stage will provide broad financial appraisals to test the viability of a shortlist of options for market configuration to meet London’s wholesale market needs.

23. It should conclude by making Recommendations for the Way Ahead.

### **METHODOLOGY**

24. Within the budget, it is for the consultants to suggest the most effective methodology for achieving the objectives, addressing the issues, engaging with stakeholders and providing the outputs outlined in this brief. However, in responding to the brief, the consultants should address the following points, demonstrating that:

- the data, analysis and recommendations will be sufficiently robust to support practical implementation;
- it will draw on published GLA demographic, employment, and economic growth projections and market-based, quantified and referenced data;
- literature and other reviews are comprehensive and/or transparently representative. A full bibliography cross referenced to the text is required.

25. In addition to City Corporation departments and Members of Common Council, it is anticipated that the consultants will engage with the following stakeholders during the project:

- Market Tenants’ Associations;
- Other UK and EU Markets
- London boroughs where the wholesale markets are located
- London boroughs where there may be scope for a new consolidated market
- Greater London Authority
- Transport for London



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### **PROJECT MANAGEMENT**

26. The project will be steered by an internal City management group, to be chaired by the Chairman of the Markets Committee, comprising senior representatives of the City departments most closely involved. The management group will be expected to meet about monthly and/or at the completion of each stage to receive progress briefings from the Consultants and to give guidance or make decisions as necessary.

27. The City will nominate one officer to be the focal point for liaison with the Consultants. This officer will be a member of the management group.

28. The Consultants will be expected to produce a comprehensive project plan for agreement by the management group at its first meeting.

29. Regular progress reports will be made to the City's Markets Committee and other Committees as appropriate and necessary. The ultimate recommendations from the review are likely to be presented to the Court of Common Council.

### **PROJECT OUTPUTS**

30. The following outputs will be required:

- Interim, draft final and final reports in electronic format;
- Executive summaries to each of these reports;
- Data/tables/figures/diagrams to be provided in an appropriate format (eg. Excel spreadsheets, JPEGs)
- Full referencing of sources in draft final and final reports according to agreed conventions;
- Up to three presentations of the final results to audiences selected by the City.

31. The final report should be presented in five bound copies and one unbound copy. An electronic copy of the report on CD in Microsoft Word and all tabulated outputs in Excel should also be provided.

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32. The consultants will be required to present the report findings at up to three seminars, to be arranged by the City.

### PROCESS AND TIMETABLE

Tenderers should devise a programme of work and resourcing to reflect the following key stages.

#### **To be confirmed**

ITT issued	
Tenders received	
Consultants appointed	
Interim report received	
Draft final report received	
Final report sign-off	

### EVALUATION

A preliminary evaluation of quotations will be undertaken and consultants may be invited to attend an interview to clarify their written bid. The final evaluation will take into account information provided at interview.

Response to Specification	Evidence	Weight
Quality of proposals	<ul style="list-style-type: none"> <li>Realistic, concise achievable and sustainable project methodology.</li> <li>Suitability of the timetable and ability to meet it</li> </ul>	50%
Experience in relation to the contract requirements	<ul style="list-style-type: none"> <li>Demonstrable experience and track record of carrying out similar project(s)</li> <li>Evidence of projects delivered on time</li> <li>Experience of staff allocated to the project, with CV's to be included with the responses.</li> </ul>	15%
Management and quality assurance arrangements	<ul style="list-style-type: none"> <li>Evidence of programme and project management</li> <li>Evidence of quality assurance processes and arrangements.</li> </ul>	5%

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Response to Specification	Evidence	Weight
Price	<ul style="list-style-type: none"> <li>• Evidence provided in pricing schedule</li> </ul>	30%

The marks for each question in the technical section will be given in the range of 0-5, where 5 is the highest mark and 0 is the lowest mark achievable (see below).

0 - Unacceptable.	Demonstrates lack of evidence of understanding of the requirement.
1 - Poor	Does not completely meet the minimum requirement and acceptability is doubtful.
2 - Fair	Shows some evidence of understanding of the requirement but provides a limited or inadequate response.
3 - Good	Demonstrates satisfactory understanding of the requirement – meets minimum requirement.
4 - Very Good	Demonstrates good understanding of the requirement above minimum requirement.
5 - Excellent	Full and accurate understanding of the requirement with some innovation/added value.

Upon award of contract, the City will hold an inception meeting as soon as practicable and finalise the brief and other details of the project, including the timetable.

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# Agenda Item 8

<b>Committee(s)</b>	<b>Date:</b>
Markets Committee	30 November 2016
<b>Subject:</b> Markets Committee Risk	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>
<b>Report Author:</b> Donald Perry	

## Summary

This report has been produced to provide the Markets Committee with assurance that risk management procedures in place within the Department of Markets and Consumer Protection are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

Risk is reviewed regularly by the departmental Senior Management Team as part of the on-going management of operations within the Department of Markets and Consumer Protection. In addition to the flexibility for emerging risks to be raised as they are identified, a process exists for in-depth periodic review of the risk register.

The Department of Markets and Consumer Protection have identified a number of departmental risks. Of these, the most significant risks for this Committee to consider are:

- MCP-NS 001 – Workplace Traffic Management (Current Risk: AMBER)
- MCP-SM 001 – HGV Unloading Operations (Current Risk: RED)
- MCP-SM 002 – Cooling Towers (Current Risk: AMBER)

## Recommendation(s)

Members are asked to:

- Note the report and the actions taken in the Department of Markets and Consumer Protection to monitor and manage effectively risks arising from our operations.

## Main Report

### Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department.

### Current Position

2. This report provides an update of the key risks that exist in relation to the operations of the wholesale markets within the Department of Markets and Consumer Protection. The report also outlines the processes adopted for the on-going review of risk and mitigating actions.

## **Risk Management Process**

3. The Department of Markets and Consumer Protection risk management is a standing agenda item at the regular Departmental Senior Management Group (SMG) meeting, over and above the suggested quarterly review. SMG receives the risk register for review, together with a briefing note highlighting any changes since the previous review. Consideration is also given as to whether any emerging risks exist for inclusion in the risk register as part of Divisional updates on key issues from each of the Superintendents and Assistant Directors, ensuring that adequate consideration is given to operational risk.
4. Between each SMG meeting, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly.
5. Regular risk management update reports are provided to this Committee in accordance with the City's Risk Management Framework.

## **Identification of New Risks**

6. New and emerging risks are identified through a number of channels, the main being:
  - Directly by SMG as part of the regular review process.
  - In response to regular review of delivery of the departmental Business Plan; slippage against key deliverables, for example.
  - Annual, fundamental, risk register review, undertaken by the tier of management below SMG.

The risk register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

## **Summary of Key Risks**

7. The Department of Markets and Consumer Protection's Risk Register for Markets, attached as Appendix 1 to this report, has one RED risk and two AMBER risks:

### **MCP-NS 001 – Workplace Traffic Management (Current Risk: AMBER)**

Over 200 forklift trucks are in operation on the New Spitalfields Market site.

An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.

### **MCP-SM 001 – HGV Unloading Operations (Current Risk: RED)**

A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities, undertaken by staff employed by Smithfield Market tenants, on an area under the overall control of the City, could result in a serious or life changing injury to pedestrians, caused by uncontrolled or unguided reversing vehicles.

An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.

This risk was previously rated as AMBER and although some safety improvements have been made, as yet we do not have the full co-operation of the market tenants and as their collaboration is key to reducing this risk we have temporarily escalated this risk back to its previous RED rating.

### **MCP-SM 002 – Cooling Towers (Current Risk: AMBER)**

Failure adequately to manage or maintain the cooling towers at Smithfield Market could result in an outbreak of Legionellosis. St Bartholomew's Hospital is within the drift area of these towers which exacerbates the impact of this risk due to the close proximity of susceptible persons.

If this risk were to be realised it could result in prosecution, a fine and reputational damage for the City.

### **Conclusion**

8. Members are asked to note that risk management processes within the Department of Markets and Consumer Protection adhere to the requirements of the City Corporation's Risk Management Framework. Risks identified within the operational and strategic responsibilities of the Department of Markets and Consumer Protection are proactively managed.

### **Appendices**

- Appendix A – Markets Risk Register Summary

### **Background Papers**

Department Business Plan

Department Risk Review

Department Business Plan Progress Report

Risk Management Strategy

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# MCP Markets Committee Risk Report Appendix A

Report Author: John Smith

Generated on: 16 November 2016



Rows are sorted by Risk Score

Code & Title: MCP-NS New Spitalfields Risk Register 1 MCP-SM Smithfield Risk Register 2

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-SM 001 HGV Loading Operations 00 24-Feb-2015 Matthew Hill	<p><b>Cause:</b> A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities undertaken by staff employed by Smithfield Market tenants.</p> <p><b>Event:</b> Serious or life changing injury to members of the public, market staff and other service users caused by uncontrolled or unguided reversing vehicles.</p> <p><b>Effect:</b> Realisation of this risk could result in a prosecution, fine and reputational damage for the City.</p>	 Likelihood Impact	16	<p>This risk was previously rated as AMBER and although some safety improvements have been made, as yet we do not have the full co-operation of the market tenants and as their collaboration is key to reducing this risk we have temporarily escalated this risk back to its previous RED rating.</p> <p><b>16 Nov 2016</b></p>	 Likelihood Impact	8	30-Dec-2016	  Decreased Risk Score

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-SM 001a	Commission Freight Transport Association to conduct audit and prepare a risk assessment relating to whole site traffic management and unloading issues.	The FTA have now completed their work and delivered the findings which were broadly accepted and understood by the SMTA.	Matthew Hill	08-Jan-2016	15-Dec-2015
MCP-SM 001b	Loading bay risk assessment to be reviewed and issued to	P. Spooner reports: All risk assessments have been revised and updated. The tenants have been	Matthew Hill;	16-Jun-	02-Mar-

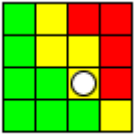
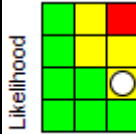



Loading bay risk assessment	market tenants.	provided with the H&S report finalized in June 2014.	Robert Wilson	2015	2015
MCP-SM 001c Action Plan	Develop and implement an action plan.	Action plan completed and agreed with SMTA.	Matthew Hill	15-Nov-2016	30-Dec-2016

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-NS 001 <b>Workplace Traffic Management</b>  24-Feb-2015 Ben Milligan	<b>Cause:</b> Over 200 forklift trucks operate on the New Spitalfields Market site. <b>Event:</b> There is a serious risk of life changing injury to a pedestrian if vehicle movements in this constrained space are not appropriately managed and controlled. <b>Effect:</b> An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.	 Likelihood Impact	12	Mitigation works are continuing and a programme of line marking has commenced to identify no parking areas etc. HGV and van parking areas are being considered to improve safe parking and loading.  <b>08 Nov 2016</b>	 Likelihood Impact	8	02-Jan-2017	  Decreased Risk Score

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-NS 001i Train Managers In Forklift Safety	A member of staff from all tenants to be nominated and trained in FLT safety procedures.	Meeting held with Morgan Training Solutions. They will build a training scheme now to deliver to 15-20 managers at a time. COL will sign off course content and the SpMTA will facilitate the booking/promotion.	Ben Milligan	14-Nov-2016	28-Sep-2016
MCP-NS 001j Create Time Segregation	Artic Time Segregation and No Tolerance in market hall.	A parking policy has now been implemented that encompasses HGV parking. Penalty charge notices have been implemented to ensure that vehicles park in their respective areas. Curtain side trucks now have special provision for their parking and unloading. An offence has been created for forklift drivers unloading HGVs outside loading times allowable around the market. HGVs onsite must not unload around the market beyond 3am up until 8am.  Once the car park at the far end of the market has been reviewed and the parking changed, as required, these HGVs will not be allowed to unload around the market between 12 midnight and 8am. This is the next step in the process.	Ben Milligan	14-Nov-2016	30-Sep-2016

MCP-NS 001k Install Barrier System	Controlled barriers entry system for pedestrians and vehicles.	Project, Project Sub, and Markets Committees all passed with no issues. Procurement are now inviting potential installation companies in to show the level of technical solution they believe should be installed. Once this has occurred, a detailed gateway 5 report will be created for final sign off at the Markets Committee.	Ben Milligan	07-Sep-2016	01-Oct-2018
MCP-NS 001l Segregate Walkways	Create segregated walkways in crossroads.	Work completed to segregate pedestrians from FLT's in the fire paths.	Ben Milligan	14-Nov-2016	10-Nov-2016
MCP-NS 001m Segregate Main Walkways	Segregated walkways outside tenants stands.	The option to install barriers to segregate the public will not be adopted at this time. Once all other options have been exhausted if improvements are not forthcoming then this option may be required.	Ben Milligan	09-Mar-2016	01-Mar-2016
MCP-NS 001n Prohibit Forklifts	No fork lift truck movements in market pavilion during trading hours.	This is part of the long term plan and is scheduled for Q4 of 2016.	Ben Milligan	27-Jan-2016	02-Oct-2017

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>P</b> <b>62</b> <b>62</b> MCP-SM 002 Cooling Towers 24-Feb-2015 Matthew Hill	<b>Cause:</b> Inadequate management and maintenance of the cooling towers at Smithfield Market. <b>Event:</b> An outbreak of Legionellosis associated with these towers. St Bartholomew's Hospital is within the drift area of these towers which exacerbates the impact of this risk due to the close proximity of susceptible persons. <b>Effect:</b> If this risk were to be realised it would result in prosecution, a fine and reputational damage for the City.	 Likelihood Impact	8	Strategic spread of information given to key staff after alerts to high legionella count results on condenser water so to trigger shutdown of system or part of system in quickest time. Decided at recent system meeting. <b>04 Nov 2016</b>	 Likelihood Impact	8	31-Jul-2016	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-SM 002a Establish regular communication	Establish regular formal communication with the City Surveyor's department to provide positive confirmation that control measures, implemented on behalf of M&CP, continue to be effective.	The cooling tower system is sampled every month and results have always been negative for legionella.  David Renshaw Health & Safety Advisor City Surveyor's Department holds a monthly review with the water treatment company (ESG on behalf of MITIE) where all the cooling towers and any issues re water are discussed, and any actions facilitated. The outcome of these is	Matthew Hill	01-Jun-2016	26-May-2016

		<p>communicated by CSs to the Market. CSs also undertake quarterly audits of site records to ensure records are well managed. CSs hold monthly review meetings with MITIE's water treatment contractor (ESG) to review all cooling tower results and any issues arising. Copies of all audits undertaken (including external EHO ones) are filed on site in the cooling tower water hygiene log book.</p> <p>The Market now has regular checks in place in relation to CSs records on site, checked monthly by the O&amp;AM/Head of Maintenance.</p>			
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