



## Markets Committee

**Date:** WEDNESDAY, 7 JULY 2021

**Time:** 11.30 am

**Venue:** INFORMAL VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:**

John Chapman (Chairman)	Michael Hudson
Deputy Henry Pollard (Deputy Chairman)	Deputy Henry Jones
Caroline Addy	Angus Knowles-Cutler
Adrian Bastow	Gregory Lawrence
Matthew Bell	Wendy Mead
Peter Bennett	Deputy Robert Merrett
Nicholas Bensted-Smith	Deputy Brian Mooney (Chief Commoner)
Mark Bostock	Hugh Morris
Deputy David Bradshaw	John Petrie
Simon Duckworth	Stephen Quilter
John Edwards	Deputy Elizabeth Rogula
Deputy Kevin Everett	Deputy John Scott
Helen Fentimen	Ian Seaton
Alderman Alison Gowman	Deputy Dr Giles Shilson
Alderman Prem Goyal	James Tumbridge
Deputy Tom Hoffman	Deputy Philip Woodhouse
	Dawn Wright

**Enquiries:** Antoinette Duhaney, 020 7332 1408,  
[antoinette.duhaney@cityoflondon.gov.uk](mailto:antoinette.duhaney@cityoflondon.gov.uk)

### Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://youtu.be/TEabGyT8BUs>

This meeting will be a virtual meeting and therefore will not take place in a physical location. Any views reached by the Committee today will have to be considered by the Director of Markets & Consumer Protection after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters.

This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15th April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available online via the City Corporation's webpages.

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

**John Barradell**  
**Town Clerk and Chief Executive**

# AGENDA

## Public Items

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 26th May 2021.

**For Decision**  
(Pages 5 - 10)

4. **OUTSTANDING ACTIONS LOG**

Report of the Town Clerk.

**For Information**  
(Pages 11 - 12)

5. **SUPERINTENDENT UPDATES**

The Superintendents to be heard.

**For Information**

6. **MARKETS COMMITTEE RISK UPDATE**

Report of the Director of Markets & Consumer Protection.

**For Information**  
(Pages 13 - 36)

7. **MARKETS REVENUE OUTTURN 2020/21**

Joint report of the Chamberlain and the Director of Markets and Consumer Protection.

**For Information**  
(Pages 37 - 56)

8. **MODERN SLAVERY STATEMENT UPDATE FOR 2020/21**

Report of the Chamberlain.

**For Information**  
(Pages 57 - 68)

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

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

11. **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.

**For Decision**

**Non-Public Items**

12. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 26th May 2021.

**For Decision**  
(Pages 69 - 72)

13. **SUPERINTENDENT UPDATES**

The Superintendents to be heard.

**For Information**

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

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

## **MARKETS COMMITTEE** **Wednesday, 26 May 2021**

Minutes of the meeting of the Virtual Markets Committee held on  
Wednesday, 26 May 2021 at 11.30 am

### **Members Present:**

John Chapman (Chairman)  
Deputy Henry Pollard (Deputy Chairman)  
Caroline Addy  
Matthew Bell  
Peter Bennett  
Mark Bostock  
Deputy David Bradshaw  
Simon Duckworth  
John Edwards  
Deputy Kevin Everett  
Helen Fentimen  
Alderman Alison Gowman  
Alderman Prem Goyal  
Deputy Tom Hoffman  
Michael Hudson  
Deputy Henry Jones  
Wendy Mead  
Deputy Robert Merrett  
Deputy Brian Mooney (Chief Commoner)  
John Petrie  
Deputy Elizabeth Rogula  
Ian Seaton  
Deputy Dr Giles Shilson  
James Tumbridge  
Deputy Philip Woodhouse  
Dawn Wright

### **Officers in attendance:**

Jon Averbs	- Director of Markets & Consumer Protection
Donald Perry	- Markets & Consumer Protection
Daniel Ritchie	- Markets & Consumer Protection
Mark Sherlock	- Markets & Consumer Protection
Debbie Howard	- Markets & Consumer Protection
Peter Young	- City Surveyor's Department
Anna Dunne	- City Surveyor's Department
Steven Chandler	- City Surveyor's Department
Simon Owen	- Chamberlain's Department
Leyla Dervish	- Chamberlain's Department
Andrew Fothergill	- Comptroller & City Solicitor's Department
Antoinette Duhaney	- Town Clerk's Department

## **ONE MINUTE SILENCE**

At the start of the meeting, the Committee observed a one minute silence as a mark of respect, following the death of Alderman Sir Roger Gifford.

### **1. APOLOGIES**

Apologies were received from Nicholas Bensted-Smith and Deputy John Scott.

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

There were no declarations.

### **3. PUBLIC MINUTES**

RESOLVED – That the public minutes of the meeting held on 10 March and 5 May 2021 be approved as a correct record.

### **4. OUTSTANDING ACTIONS LOG**

The Committee considered a report of the Town Clerk tracking progress on actions outstanding from previous meetings.

RESOLVED – That the report be noted and completed actions removed.

### **5. SUPERINTENDENT UPDATES**

The Committee heard oral updates from the Markets Superintendents on the matters set out below.

#### **Smithfield**

*Trade* - Trade was generally returning with a more noticeable increase in activity since the last government easing of COVID controls on 17<sup>th</sup> May 2021. Wholesale trade had increased significantly but retail trade was quieter. Traders were hopeful that in the coming weeks and months, trade would return to similar pre-pandemic trade levels. The Lord Mayor would be visiting the market on 10<sup>th</sup> June 2021 and local businesses were also re-opening but were noticeably less busy due to the reduced footfall of office workers.

*COVID-19* – COVID-19 risks were being managed appropriately and the Market had opened a Public Health approved Lateral Flow Test facility for all Corporation staff, approved by Hackney Public Health. Free lateral flow test kits were also available for all Market staff upon request.

*HGV Audit* – Following the audit on 21<sup>st</sup> March 2021 which identified 13% non-compliance, an improvement audit was carried out on 3<sup>rd</sup> May which indicated 8% non-compliance. The importance of full compliance had been reiterated and letters had been sent to traders reminding them of their obligations to perform safe HGV tenant banksman controlled deliveries.

In response to questions from Members, Officers reported that Climate Change considerations were reflected in the Departmental Business Plan.

### **Billingsgate**

*COVID-19* - Traders were being encouraged to take regular Lateral Flow Tests and home testing kits were being distributed among traders and their staff. Public Health guidance was being followed in respect of social distancing, face coverings, limiting numbers on the market floor, enhanced cleaning procedures and provision of PPE for staff. The market was also hosting a COVID-19 Mobile testing Unit 3-4 days per week on behalf of Tower Hamlets Council.

*Trade* - Tenants had generally reported a slight increase in trade as lockdown restrictions gradually eased and it appeared that Brexit had not significantly impacted trade.

*Filming* - The site remained popular with filming companies and requests were being accommodated wherever possible. Officers were cautiously optimistic that this will generate beyond expectations in 2021/22.

*Service Charges* - Regrettably there was an under recovery of 0.85% of the service charge budget or £20,362.12 at Billingsgate in 2020/21. This was due to the significant impact of COVID-19 on trade and reduced car parking income owing to less vehicles entering the site. There was a shortfall of car park income of £38,656 for 2020/21.

### **New Spitalfields**

*Trade* – Vehicle numbers for April 2021 were down 30% compared to the same period in 2020 but there had been a gradual month on month increase during 2021 thus far. Vehicle numbers had increased by 15% between March and April 2021 and a further increase was expected following further easing of restriction on 17<sup>th</sup> May 2021. Catering trade had increased to 30% of pre pandemic levels and cafes were now able to offer indoor dining.

*Brexit* – There was no significant impact in April 2021 due to deferred customs declarations for up to 6 months and most import checks had been pushed back to January 2022.

*COVID-19* – All Public Health and Government guidance was being followed and CoL staff, on-site waste contractors and tenants and their staff had been issued with lateral flow test kits.

*Air Quality* – subject to confirmation from the Spitalfields Markets Tenants Association (SpMTA), new regulations were being implemented for the use of electric forklifts within the market pavilion only. These new regulations would be implemented over a 3-year period to December 2024 by which time all tenants must use electric forklifts in preparation for the move to the new site at Dagenham Dock.

*Pedestrian gate and turnstile* - The gate and turnstile had been in operation since 11<sup>th</sup> May 2021. Initial teething issues had been addressed and the system was fully operational supporting security and safety on the site.

In response to questions from Members, Officers reported that the Climate Strategy targets were being actively supported and the market was working towards zero landfill waste.

RESOLVED – That the updates be noted.

**6. MARKETS BUSINESS PLAN UPDATE PERIOD 3 2020/21 (DECEMBER 2020 - MARCH 2021)**

The Committee considered a report of the Director of Markets & Consumer Protection providing an update on progress made during Period 3 (December-March) of 2020/21 against the key performance indicators (KPIs) and key improvement objectives.

RESOLVED – That the report be noted.

**7. WHOLESALE MARKET RISKS UPDATE**

The Committee considered a report of the Director of Markets & Consumer Protection outlining management procedures in place to meet the requirements of the Corporate Risk Management Framework.

RESOLVED – That the report be noted.

**8. SMITHFIELD MARKET CAR PARK UTILISATION: APRIL 2020 - MARCH 2021**

The Committee considered a report of the Director of Markets & Consumer Protection providing utilisation data on Smithfield Market Car Park for the period April 2020 to March 2021.

RESOLVED – That the report be noted.

**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
12-20	3

12. **NON-PUBLIC MINUTES**

The non-public minutes of the meetings held on 10 March & 5 May 2021 were approved as a correct record.

13. **SUPERINTENDENT UPDATES**

The Committee considered an oral report from the Superintendents on non-public matters.

14. **SMITHFIELD MARKET - POULTRY MARKET LETTING OF FIRST FLOOR OFFICES NUMBERED 202-203**

The Committee considered a report of the City Surveyor in respect of the letting of office space.

15. **MARKETS DEBT ARREARS FOR PERIOD ENDING 30TH APRIL 2021**

The Committee considered a report of the Director of Markets & Consumer Protection highlighting arrears of invoiced income.

16. **TENANCIES AT WILL AND ASSIGNMENTS**

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

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

There were no questions.

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

The Committee considered one item of urgent business.

**The meeting ended at 12.58 pm**

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Chairman

**Contact Officer: Antoinette Duhaney, 020 7332 1408,  
antoinette.duhaney@cityoflondon.gov.uk**

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## MARKETS COMMITTEE – OUTSTANDING ACTIONS (July 2021)

Meeting date	Agenda item	Action	Officer(s) responsible	Comment/Update
16.07.20	3	<p><b>Energy costs</b> – The Chairman referred to concerns raised at previous meetings in respect of energy costs for market traders. Despite the lengthy delay in sending correspondence to traders, the Chairman gave assurances that this matter was being monitored closely and further updates would be provided to the Committee in due course. A copy of the letter sent to traders would also be circulated to Committee Members for information.</p>	Director of Markets & Consumer Protection/ City Surveyor's	<p>A copy of a letter sent to the Chairman of SMTA has been circulated to Markets Committee Members.</p> <p>We continue to take steps across the Corporation to ensure we are able to manage energy costs in a way which seeks to mitigate costs, without increasing our exposure to markets. These steps tackle commodity prices but also consumption, as both of these elements impact the final cost of energy to tenants.</p>
16.07.20	4	<p><b>New Spitalfields Market Barrier</b> - There were a few outstanding technical issues and the payment machine had been converted to accept cash. There were also technical issues with the pedestrian gate and turnstile and it was anticipated that this would be operational by early autumn. Officers were liaising with the Comptroller's Department to draft a letter making a case for compensation from the contractors in lieu of delays in supplying/fitting equipment. <i>(The Chairman requested that a copy of the letter be circulated to Committee Members)</i></p>	Director of Markets & Consumer Protection/ Comptroller's	<p>Further advice being sought regarding delay in completing works in reasonable time and to the expected standard.</p>

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# Agenda Item 6

<b>Committee(s)</b> Markets Committee	<b>Dated:</b> 7 July 2021
<b>Subject:</b> Wholesale Market Risks Update Report	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1. People are safe and feel safe. 7. We are a global hub for innovation in finance and professional services, commerce and culture.</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>Report of:</b> Director of Markets & Consumer Protection	<b>For Information</b>
<b>Report author:</b> Donald Perry, Department of Markets & Consumer Protection	

## 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 has identified a number of departmental risks, of which the following fall within the remit of your Committee:

- MCP-BG 002: Building maintenance-management, Billingsgate (AMBER)
- MCP-NS 003: Building maintenance-management, New Spitalfields (AMBER)
- MCP-SM 012: Building maintenance-management, Smithfield (AMBER)
- MCP-BG 001: Workplace Transport, Billingsgate (AMBER)
- MCP-NS 001: Workplace Traffic Management, New Spitalfields (AMBER)
- MCP-SM 001: HGV Unloading Operations, Smithfield (AMBER)
- MCP-SM 011: Brexit – impact of Brexit on traders and imports, Smithfield (AMBER)
- MCP-NS 004: Brexit – impact of Brexit on tenants, New Spitalfields (GREEN)
- MCP-BG 003: Brexit – impact of Brexit on tenants, Billingsgate (GREEN)
- MCP-WM 001: Wholesale Markets Consolidation Project (AMBER)
- MCP-SM 013: East Poultry Avenue Canopy Failure, Smithfield (GREEN)
- MCP-SM 014: Glass Canopy Failure, Smithfield (GREEN)

## **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 its operations.

## **Main Report**

### **Background**

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

### **Current Position**

2. This report provides an update on 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. Risk Management is a standing agenda item at the regular Departmental Senior Management Group (SMG) meetings, over and above the suggested quarterly review. The 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 addition to the risk register as part of 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.
7. The risk register (attached at Appendix A) may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

8. As part of the City Corporation's response to the threat of the COVID-19 virus affecting the operation of services and support for its stakeholders, a command and control structure has been implemented with Gold, Silver and Bronze levels to manage the ongoing situation.
9. Gold requested that all Silver Groups should develop COVID-19 risks that may affect the departments that report to these groups. These risks are now recorded on the Pentana Risk system.
10. Guidance has been issued to all Chief Officers to report relevant Silver Group risks to their appropriate service/Grand Committee with the regular risk update reports that committee would receive. These risks are attached as Appendix B. Members are asked to note that no target date has been included for the mitigation of each risk given the current uncertainty of the duration of this pandemic.
11. This approach enables Members to question and seek assurance that departmental COVID-19 risks, held at Silver Group, are being managed and mitigated effectively.

### Summary of Key Risks

12. The Department of Markets and Consumer Protection's Risk Register for Markets (Appendix A) contains twelve risks. Our approach to all these risks is to reduce their rating by the target date shown on the Register. The risks are listed below with their current rating and direction of travel:
  - **MCP-BG 002:** Building maintenance-management, Billingsgate  
*(Current risk: Amber, 12, constant)*
  - **MCP-NS 003:** Building maintenance-management, New Spitalfields  
*(Current risk: Amber, 12, constant)*
  - **MCP-SM 012:** Building maintenance-management, Smithfield  
*(Current risk: Amber, 8, decreasing)*
  - **MCP-BG 001:** Workplace Transport, Billingsgate  
*(Current risk: Amber, 12, constant)*
  - **MCP-NS 001:** Workplace Traffic Management, New Spitalfields  
*(Current risk: Amber, 12, constant)*
  - **MCP-SM 001:** HGV Unloading Operations, Smithfield  
*(Current risk: Amber, 8, constant)*
  - **MCP-SM 011:** Brexit – impact of Brexit on traders and imports, Smithfield  
*(Current risk: Amber, 6, constant)*
  - **MCP-BG 003:** Brexit – impact of Brexit on tenants, Billingsgate  
*(Current risk: Green, 4, constant)*
  - **MCP-NS 004:** Brexit – impact of Brexit on tenants, New Spitalfields  
*(Current risk: Green, 4, constant)*
  - **MCP-WM 001:** Wholesale Markets Consolidation Project  
*(Current risk: Amber, 8, constant)*
  - **MCP-SM 013:** East Poultry Avenue Canopy Failure, Smithfield  
*(Current risk: Green, 4, constant)*
  - **MCP-SM 014:** Glass Canopy Failure, Smithfield  
*(Current risk: Green, 4, constant)*

13. The Department of Markets and Consumer Protection's COVID-19 Risk Register for Markets (Appendix B) includes one risk:

- **CVD19 SPGS 03:** Wholesale Markets  
(Current risk: Amber, 8, constant)

## Conclusion

14. 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: Wholesale Markets Risks
- Appendix B: Wholesale Markets COVID-19 Silver Group Risks

## Background Papers

Departmental Business Plan  
Department Risk Review  
Department Business Plan Progress Report  
Risk Management Strategy

### Contacts:

Donald Perry (*Report author*)  
Head of Business Performance  
T: 020 7332 3221  
E: [donald.perry@cityoflondon.gov.uk](mailto:donald.perry@cityoflondon.gov.uk)

Smithfield Market:  
Superintendent – Mark Sherlock  
T: 020 7332 3747  
E: [mark.sherlock@cityoflondon.gov.uk](mailto:mark.sherlock@cityoflondon.gov.uk)

New Spitalfields Market:  
Superintendent – Debbie Howard  
T: 020 8518 7670  
E: [debbie.howard@cityoflondon.gov.uk](mailto:debbie.howard@cityoflondon.gov.uk)

Billingsgate Market:  
Superintendent – Daniel Ritchie  
T: 020 7332 3067  
E: [daniel.ritchie@cityoflondon.gov.uk](mailto:daniel.ritchie@cityoflondon.gov.uk)

# Appendix A: Wholesale Markets Risks

Report Author: Joanne Hill

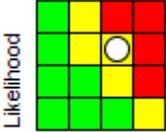
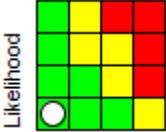
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Rows are grouped by subject

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/Risk Approach	Current Risk score change indicator
<b>P</b> <b>CP-BG 002</b> <b>Building</b> <b>maintenance-</b> <b>management</b>  29-Sep-2020 Jon Aaverns	<b>Cause:</b> The deterioration of physical assets due to the lack of adequate maintenance <b>Event:</b> Partial collapse or failure of structure. <b>Effect:</b> Serious harm to building occupiers and members of the public by exposure to various physical hazards Loss of use of physical assets through accident investigations and enforcement authority prohibitions, etc Financial losses through potential Health and Safety Executive (HSE) fees for intervention, prosecution, civil claims and reputational damage to the City.		<b>12</b>	A full condition survey has been completed by the appointed contractor and the results shared with the City Surveyor's Department. City Surveyor's and the local Market team plan to meet in mid-July to discuss the outcomes and agree the pathway forward.  <b>22 Jun 2021</b>		<b>1</b>	31-Jul-2021	
							Reduce	

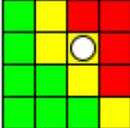
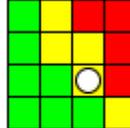
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-BG 002a	Condition survey to be carried out.	A full condition survey has been completed by the appointed contractor and the results shared with the City Surveyor's Department. City Surveyor's and the local Market team plan to meet in mid-July to discuss the outcomes and agree the pathway forward.	Daniel Ritchie	22-Jun-2021	31-Jul-2021

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/Risk Approach	Current Risk score change indicator
<b>MCP-NS 003 Building maintenance-management</b> 29-Sep-2020 Jon Averns	<b>Cause:</b> The deterioration of physical assets due to the lack of adequate maintenance <b>Event:</b> Partial collapse or failure of structure. <b>Effect:</b> Serious harm to building occupiers and members of the public by exposure to various physical hazards Loss of use of physical assets through accident investigations and enforcement authority prohibitions, etc Financial losses through potential Health and Safety Executive (HSE) fees for intervention, prosecution, civil claims and reputational damage to the City.	 Likelihood	<b>12</b>	A full condition survey took place during the week commencing 15 March. We are awaiting consultation on the Surveyor's report to enable a programme of works to be produced.  <b>18 Jun 2021</b>	 Likelihood	<b>1</b>	01-Sep-2021	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-NS 003a	Condition survey to be carried out.	The appointed contractor has completed the survey and we are awaiting consultation on the report to enable a programme of works to be produced.	Emma Beard; Debbie Howard	18-Jun-2021	01-Sep-2021



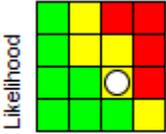
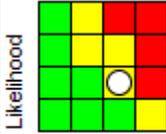
		and recommendations from the audit will take place during the week commencing 21 June 2021. The risk rating will be reviewed again once more detail of the recommended actions is known and the timeframes and funding for completion are agreed.			
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Risk 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/Risk Approach	Current Risk score change indicator
MCP-BG 001 Workplace Transport  26-Apr-2017 Daniel Ritchie	<b>Cause:</b> A lack of suitable and sufficient training and adequate management controls in relation vehicle movements at Billingsgate Market. <b>Event:</b> There is a risk of a life changing injury to a pedestrian if vehicle movements including forklift trucks 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.	Likelihood  Impact	12	This risk has been reviewed and is being held at Amber until we have total compliance with our traffic management policies.  22 Jun 2021	Likelihood  Impact	8	30-Sep-2021	Constant
							Reduce	

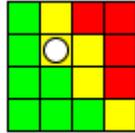
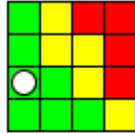
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-BG 001e	Respond to recommendations and agree an action plan.	An action plan has been put in place to deal with the highest risk factors.	Daniel Ritchie	22-Jun-2021	30-Sep-2021
MCP-BG 001f	Complete actions and record evidence with a view to reducing the risk rating (if appropriate).	Actions are currently being addressed in order of priority.	Daniel Ritchie	22-Jun-2021	30-Sep-2021



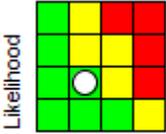
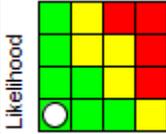
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP NS-001m	Risk will be reviewed on a monthly basis.	The pedestrian gate is now in operation and is being used to control pedestrian access outside of trading hours.	Emma Beard; Debbie Howard	18-Jun-2021	01-Sep-2021

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/Risk Approach	Current Risk score change indicator
MCP-SM 001 HGV Unloading Operations  24-Feb-2015 Mark Sherlock	<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>	 <p>Likelihood</p> <p>Impact</p>	8	<p>A 4-night HGV carcass delivery audit was carried out from the 3 May. There was 8% non-compliance (no attending tenant's banksman) across 107 deliveries during the audit. Letters to the delivery companies have been sent, re-iterating site rules, as well as the audit outcome details sent to the SMTA for review and improvement discussion with members at their next council meeting.</p> <p><b>18 Jun 2021</b></p>	 <p>Likelihood</p> <p>Impact</p>	8	31-Dec-2021	Constant
							Accept	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-SM 001k	Keep the risk under review.	A 4-night HGV carcass delivery audit was carried out from the 3 May. There was 8% non-compliance (no attending tenant's banksman) across 107 deliveries during the audit. Letters to the delivery companies have been sent, re-iterating site rules, as well as the audit outcome details sent to the SMTA for review and improvement discussion with members at their next council meeting.	Mark Sherlock	18-Jun-2021	30-Sep-2021

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/Risk Approach	Current Risk score change indicator
<p>MCP-SM 011 Brexit - impact of Brexit on traders and imports</p> <p>06-Sep-2019 Mark Sherlock</p>	<p><b>Cause:</b> The outcome of Brexit negotiations between the UK government and the EU fails to secure continuity of contracts and/or security of supply chains.</p> <p><b>Event:</b> The market tenants fail to prepare appropriately for the end of the Brexit transition period on 31 December 2020. Uncertainty around the potential outcomes until it is too late to react.</p> <p><b>Effect:</b> Delays and disruption in the food supply chain, and shortages of product over a prolonged period. There is also a risk, albeit unlikely, that this could impact the financial viability of some tenants' businesses. This in turn could lead to business failures and vacant premises at the markets but given the current position this seems highly unlikely.</p>		6	<p>Post-Brexit checks on some EU goods coming into Great Britain have been delayed by six months in order to give businesses more time to prepare. The government stated that the new timetable would help firms recovering in the wake of the COVID-19 pandemic.</p> <p>On 11 March 2021, the government announced a new timetable for border checks with full processes for some imports not required until January 2022.</p> <ul style="list-style-type: none"> <li>• Pre-notification requirements for Products of Animal Origin (POAO), certain animal by-products (ABP), and High Risk Food Not Of Animal Origin (HRFNAO) will not be required until 1 October 2021.</li> <li>• Full checks and import declarations will now commence in January 2022.</li> </ul> <p>The current situation and circumstances are under regular and constant review and the risk will be reviewed and amended appropriately as time progresses.</p> <p><b>18 Jun 2021</b></p>		2	31-Jan-2022	
		<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>		Reduce	Constant		

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-SM 011a	Review the possibility of establishing HGV parking / holding areas in the vicinity of the market to cope with the anticipated increased volume of traffic, including the suspension of some on-street parking bays for this purpose. Other suggestions were West Poultry Avenue, where there is currently an contractors' compound, and Giltspur Street, which is apparently used for parking buses overnight at present.	A review of bays which are currently suspended due to Museum of London works and the Poultry Market roof project is underway in consultation with the Department of the Built Environment. Eight bays are currently fully suspended which removes the opportunity for 12 HGVs to park. The aim is to get some of these reviewed and, where at all possible, returned to Market use. The Superintendent is meeting with the Project Director and principal contractor (BuroFour) on 18 June to assess and discuss the best impact mitigation measures going forward. This impact will be more regularly reviewed going forward.	Mark Sherlock	18-Jun-2021	31-Jan-2022
MCP-SM 011b	Reschedule working hours for market staff to cover possible extended trading hours.	The recent annual leave moratorium that was in place for staff, has now been reviewed and cancelled, due to no impact on Market operations. All staff have been made aware and encouraged to use any remaining leave. Staffing levels and flexibility will be reviewed prior to the pending full import checks and resource plans will be amended depending upon advance impact information advised through CoL Brexit briefing groups or trader feedback.	Mark Sherlock	18-Jun-2021	31-Jan-2022
MCP-SM 011c	Extend parking permissible on-street parking periods. Be prepared to be flexible in response to demand possibly up to 1pm each day.	A review of the extension of the enforcement hours for on-street parking is in progress with the Department of the Built Environment. Markets Committee approved the principal of concessionary parking during Market hours on a needs necessitates basis under delegated authority between the Superintendent and the Chairman for January only. However due to the last minute trade deal between the UK and EU, the anticipated congestion around the Market did not materialise and the concession was not required.	Mark Sherlock	18-Jun-2021	31-Jan-2022
MCP-SM 011d	Open Charterhouse Street and Long Lane to two-way traffic.	Long Lane is now two-way from the junction of Lindsey Street. The Department of the Built Environment has declined the Superintendent's request for an additional access route to the Market via Giltspur Street.	Mark Sherlock	18-Jun-2021	31-Jan-2022

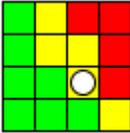
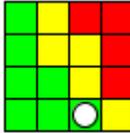
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
MCP-BG 003 Brexit - Impact  04-May-2021	<p><b>Cause:</b> The outcome of Brexit negotiations between UK Government and EU fails to secure continuity of contracts and/or security of supply chains.</p> <p><b>Event:</b> Market tenants fail to prepare appropriately.</p> <p><b>Impact:</b> Delays and disruption in the food supply chain create shortages of product over a sustained period placing businesses under threat of viability, with small risk of failure and vacant market premises.</p>	 <p>Likelihood</p> <p>Impact</p>	4	<p>Currently consulting with LFMA, tenants and industry bodies on impact of the new import and export rules to ensure business preparedness. Progress being kept under constant review.</p> <p><b>22 Jun 2021</b></p>	 <p>Likelihood</p> <p>Impact</p>	1	30-Sep-2021	Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-BG 003A	Consult with LFMA, tenants and industry bodies on impact of the new import and export rules to ensure business preparedness.	The Superintendent has met with colleagues from Port Health and Environmental Health to understand whether an 'in house' production of Export Health Certificates can be achieved in the medium term.		22-Jun-2021	30-Sep-2021

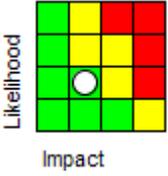
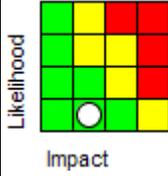
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>MCP-NS 004</b> <b>Brexit - impact of Brexit on tenants</b>  Page 28 17 Dec-2020 Emma Beard; Debbie Howard	<b>Cause:</b> The outcome of Brexit negotiations between the UK government and the EU fails to secure continuity of contracts and/or security of supply chains. <b>Event:</b> The market tenants fail to prepare appropriately for the end of the Brexit transition period on 31 December 2020. Uncertainty around the potential outcomes until it is too late to react. <b>Effect:</b> Delays and disruption in the food supply chain, and shortages of product over a prolonged period. There is also a risk, albeit unlikely, that this could impact the financial viability of some tenants' businesses. This in turn could lead to business failures and vacant premises at the markets but given the current position this seems highly unlikely.	 Likelihood	4	The outcome of the trade agreement between the UK government and the EU had a minor adverse effect on the supply chain of goods into the market. However, normal deliveries have since resumed. Implementation of the new border checks has now been delayed. Currently there appears to have been no visible effect on trade.  The availability of parking for delivery vehicles and waiting times for unloading may cause disruption to parking and unloading operations. These operations are being reviewed as part of the HGV management plan.	 Likelihood	2	01-Jan-2022	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-NS-004a	Review HGV parking/ unloading areas to provide additional spaces for the anticipated increased numbers of vehicles on site. These numbers may cause traffic management issues if arriving en masse, so a contingency plan for additional unloading areas will be developed.	The HGV area at the rear of the market hall has been enlarged and further areas at the sides of the market hall are being considered. This remains under review as part of the Traffic Management Plan.	Debbie Howard	18-Jun-2021	01-Jan-2022
MCP-NS-004b	Consult with the SpMTA to agree parking charges.	Consultation with the SpMTA is ongoing.	Debbie Howard	18-Jun-2021	01-Jan-2022
MCP-NS-004c	Consult with the SpMTA on the potential impact of the new import rules which are due to be fully implemented	It is highly unlikely that any tenant has been adversely affected by Brexit to date.	Debbie Howard	18-Jun-2021	01-Jan-2022

	from 1 July 2021.	Consultation with the SpMTA will continue until the impact, if any, of the new import rules on market tenants becomes clearer.			
MCP-NS-004d	Identify additional areas on the market site for the storage of produce.	Work is continuing to identify suitable areas for additional storage of produce and 'click and collect', as this has now been identified as a necessary requirement by some tenants. Costs are being obtained to remove concrete plinths at the ends of the market pavilion to provide additional parking.	Debbie Howard	18-Jun-2021	01-Jan-2022

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/Risk Approach	Current Risk score change indicator
<b>MCP-WM 001 Wholesale Markets Consolidation Project</b>  17 Mar-2020 Aaverns  <b>Page 30</b>	<p><b>Cause:</b> The Markets Co-location Project (MCP) team are leading a project to move the City's Wholesale Markets to a single site in Barking &amp; Dagenham. This proposed move may influence decisions on maintenance at the existing markets to ensure resources are not invested in works whose life will exceed the anticipated occupation of the respective market site. However, should the City of London Corporation be unable to, or decide not to, complete the MCP or determines an alternative use for the Barking site, the markets may not move and this could have an injurious effect on the continued operation of the markets on their existing sites.</p> <p><b>Event:</b> The City's three wholesale food markets, New Spitalfields, Smithfield and Billingsgate are unable relocate to the Barking site and find themselves with seriously dilapidated infrastructure due to the investment decisions taken in anticipation of the proposed move to the Barking site.</p> <p><b>Effect:</b> This could result in a major programme of works at the existing markets sites to catch up with the deferred maintenance in order to ensure the markets are fit for purpose. This could require significant additional capital investment. Relationships with tenants may be adversely affected due to the impact on normal operation of the refurbishment works, which could result in adverse publicity, possibly leading to reputational damage to the City and tenant claims against City of London Corporation for loss of earnings and other incurred costs Should the capital investment required be cost prohibitive, or the impact of the refurbishment cause severe disruption to tenants' businesses, this could trigger a decline in the markets, possibly to the point where they are irrecoverable.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>8</p>	<p>An Interim Maintenance Strategy for the Markets has been formulated and adopted.</p> <p>Site survey work for all three market sites is complete and the surveyor's preliminary findings have been received by the City Surveyor's Department. There will be used to inform forward maintenance plans in line with the strategy.</p> <p><b>22 June 2021</b></p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>31-Dec-2026</p> <p>Reduce</p>	<p></p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-WM 001a	Keep risk under regular review	This risk has been reviewed in the light of recent actions on condition surveys and the likely update of forward maintenance plans. The risk will continue to be kept under review to ensure it reflects the developing circumstances that will impact the future operation of the markets.	Jon Averbs	22 June 2021	31-Dec-2026
MCP-WM 001b	Agree and implement a maintenance strategy to ensure there are appropriate levels of maintenance such that the markets will not be forced to close due to failing infrastructure.	<p>A maintenance strategy has been agreed to ensure that appropriate levels of maintenance continue to be carried out until there is more certainty about the markets' move. This will cover the risk that the markets cannot operate due to failing infrastructure in the short term.</p> <p>Conditions surveys have been completed. Their findings will inform forward maintenance plans that will ensure that the markets continue to be maintained to a compliant level while striking a balance with the anticipated occupation of the existing sites.</p> <p>The City will continue to ensure it meets its lease commitments with regard to maintenance through a combination of local maintenance teams and the City Surveyor's Facilities Management Team. The Cyclical Works Programme and major project works will also continue as normal at the markets, subject to the terms of the interim maintenance strategy.</p>	Jon Averbs	24 June 2021	31-Dec-2026

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/Risk Approach	Current Risk score change indicator
MCP-SM 013 EPA Canopy Failure  17-Aug-2020 Mark Sherlock	<p><b>Cause:</b> Lack of condition survey and maintenance.</p> <p><b>Event:</b> Sections of concrete canopy fail and collapse following extreme weather.</p> <p><b>Effect:</b> Serious harm to building occupiers and members of the public by exposure to various physical hazards. Loss of use of physical assets through accident investigations and enforcement authority prohibitions, etc. Financial losses through potential Health and Safety Executive (HSE) fees for intervention, prosecution, civil claims and reputational damage to the City.</p>		4	<p>All safety and maintenance work has been completed in order to reopen East Poultry Ave and commence safe trading. Further rectification work will be identified by a wider condition survey. When we have sight of the initial findings of the wider condition surveys it is intended that any further work will be carried out as quickly as possible, noting the listed facade.</p> <p><b>18 Jun 2021</b></p>		2	31-Oct-2021	Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP -SM 013a	Survey and review all existing canopies in East Poultry and West Poultry Avenue. Erect crash mats and support props to secure remaining structure.	All safety and maintenance work has been completed in order to reopen East Poultry Ave and commence safe trading. Further rectification work will be identified by a wider condition survey. When we have sight of the initial findings of the wider condition surveys it is intended that any further work will be carried out as quickly as possible, noting the listed facade.	Mark Sherlock	18-Jun-2021	31-Oct-2021

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/Risk Approach	Current Risk score change indicator
MCP-SM 014 Glass Canopy Failure  07-Oct-2020	<b>Cause:</b> Spontaneous failure of overhead glazing panel. <b>Event:</b> Failure of the toughened glass overhead canopy panel/s. <b>Effect:</b> Lacerations, fractures and/or impact injuries to pedestrians who may be showered with glass fragments.	 Likelihood Impact	4	All remedial work on the SW Elevation is now complete and all scaffolding and netting has been removed. Pavements and loading bays are back in operation.  Any potential works to the remaining elevations are now under consideration by City Surveyor's Department (CSD) as part of the building condition audits and contractor recommendations.  <b>18 Jun 2021</b>	 Likelihood Impact	1	30-Sep-2021	Constant
							Reduce	

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Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
MCP-SM 014a	Condition survey to be carried out and mitigation plans agreed for safe return of glass canopy to operational uses.	All remedial work on the SW Elevation is now complete and all scaffolding and netting has been removed. Pavements and loading bays are back in operation.  Any potential works to the remaining elevations are now under consideration by CSD as part of the building condition audits and contractor recommendations.			Mark Sherlock	18-Jun-2021	31-Oct-2021

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## Appendix B: Wholesale Markets COVID-19 Silver Group Risks

Report Author: Joanne Hill

Generated on: 22 June 2021



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/Risk Approach	Current Risk score change indicator
Page 95 COVID-19 SGPS Wholesale Markets (M&CP) 09-Apr-2020 Jon Avern	<p><b>Cause:</b> The spread of COVID-19 continues to escalate affecting staff, businesses and stakeholders.</p> <p><b>Event:</b> Trading at the markets reduces to a point where businesses will begin to close, either temporarily or cease trading permanently. Absence levels of CoL staff increase to a point where we are unable to provide critical services. This includes maintaining regulatory compliance</p> <p><b>Effect:</b> The spread of COVID-19 impacts on the City's ability to safely operate the three wholesale food markets leading to partial or full closure which may lead to permanent business closures and affect the future viability of the markets. Reputational damage to the City and public health risks may be realised due to overcrowding and failure of market users to follow COVID-Secure guidance. The City may also be unable to recover debts if businesses are not sufficiently able to mitigate the threat of coronavirus to enable them to reopen post lockdown.</p>		8	Trading is currently at a steady state.  We are working with relevant local authorities to ensure COVID-Secure guidelines are followed.  The hospitality industry will reopen in accordance with the government's COVID Roadmap out of lockdown. This is anticipated to lead to an increase in demand for the Markets.  We will continue to monitor closely as the hospitality sector begins to open up.  <b>22 Jun 2021</b>		4	19-Jul-2021	
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CVD19 SG BE 03a Planning	Prepare and implement plans that will be deployed based upon the continuing /evolving situation.	<p>A standard operating procedure has been produced with Public Health England and is in place at Smithfield Market. Lateral Flow Testing is being carried out for all market staff.</p> <p>Discussions are ongoing with the London Borough of Waltham Forest with a view to preparing a standard operating procedure for New Spitalfields Market.</p>	Jon Averbs	22-Jun-2021	19-Jul-2021
CVD19 SG BE 03c Market operations	Review market operations to evaluate the possibility of implementing social distancing, PPE and delivery of orders to reduce the need for collection and other measures to keep people safe.	<p>All three markets have implemented the following social distancing and public information measures:</p> <p>The constabulary are visible on the market floor and advising the public to stay apart.</p> <p>Posters are in place and visitors are given flyers reminding them of social distancing guidelines.</p> <p>During trading hours there are regular public address system announcements reminding market users of social distancing guidelines.</p> <p>Entry of customers into the Market Halls is being controlled to ensure maximum permitted numbers are not exceeded and appropriate social distancing is maintained.</p> <p>The Superintendents have spoken with tenants whose businesses attract more public sales and instruct them to do more to manage their customers.</p> <p>It has been decided that line marking is not an option as the tape will not stick to market flooring and coloured lines would fade quickly. These measures compare favourably with the steps taken by other UK wholesale markets.</p> <p>We continue to follow UK Government COVID-Secure guidance and are working with the relevant local authorities to ensure market users follow recommended guidelines.</p>	Jon Averbs	22-Jun-2021	19-Jul-2021
CVD19 SG BE 03d Financial considerations	Evaluate the implementation of temporary financial help for market tenants if packages provided by Central Government prove to be insufficient.	Letters offering financial support have been issued and we are responding to tenants' requests on a case-by-case basis.	Jon Averbs	22-Jun-2021	19-Jul-2021

# Agenda Item 7

<b>Committee(s): Markets</b>	<b>Dated: 07/07/2021</b>
<b>Subject:</b> Markets Revenue Outturn 2020/21	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b> The Chamberlain Director of Markets and Consumer Protection	<b>For Information</b>
<b>Report author:</b> Leyla Dervish, Chamberlain's Department	

## Summary

This report compares the 2020/21 revenue outturn for the services overseen by your Committee with the final budget for the year. The outturn for the year shows net expenditure of (£600k), compared to the final budget of (£899k) net expenditure, representing a net underspend of £299k as summarised below.

<b>Table 1 - Summary Comparison of 2020/21 Revenue Outturn with Final Budget</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variance Better/ (Worse)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(C-B)</b>
<b>Local and Central Risk</b>				
Director of Markets & Consumer Protection	4,391	3,447	3,190	(257)
City Surveyor	(1,791)	(1,657)	(990)	667
<b>Total Direct Net Income/ (Expenditure)</b>	<b>2,600</b>	<b>1,790</b>	<b>2,200</b>	<b>410</b>
<b>Capital and Support Costs</b>	<b>(2,506)</b>	<b>(2,689)</b>	<b>(2,800)</b>	<b>(111)</b>
<b>Overall Total Net Income/(Expenditure)</b>	<b>94</b>	<b>(899)</b>	<b>(600)</b>	<b>299</b>

The Director of Markets & Consumer Protection had a net overspend of (£257k) on his local and central risk budgets within Markets Committee. This mainly related to reduced income from car parking at all markets and filming income at Billingsgate Market as a result of the Covid-19 pandemic. This was in addition to increased bad debt provisions. The net overspend was partly offset by underspends in employment and net energy costs.

The City Surveyor's net underspend of £667k mainly related to savings and re-phasing on the 3-year cyclical works programme.

The Director of Markets and Consumer Protection has submitted a request to carry forward local risk underspends and this will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.

### Recommendation(s)

Members are asked to:

- Note the report and the proposed carry forward of local risk underspends to 2021/22.

### Main Report

#### Revenue Outturn for 2020/21

1. This report compares the 2020/21 revenue outturn for services overseen by your Committee with the final budget for the year. Appendix A3 details the budget movements between the original budget agreed by Markets Committee on the 29<sup>th</sup> January 2020 and the year-end final budget. The outturn position for your Committee's services during 2020/21 totalled net expenditure of (£600k), an underspend of £299k compared to the final budget of (£899k) net expenditure. A summary comparison with the final budget for the year is tabulated below. In this and subsequent tables, figures in brackets indicate expenditure, decreases in income or increases in expenditure. Figures without brackets represent income, increases in income or decreases in expenditure.

<b>Table 2 - Detailed Summary Comparison of 2020/21 Revenue Outturn with Final Budget</b>					
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variance Better/ (Worse)</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Local Risk</b>					
Director of Markets & Consumer Protection	(1,439)	(1,822)	(1,780)	42	A
City Surveyor					
- Repairs and Maintenance	(951)	(969)	(780)	189	
- Cyclical Works Programme	(840)	(688)	(210)	478	
City Surveyor Total	(1,791)	(1,657)	(990)	667	B
<b>Total Local Risk</b>	<b>(3,230)</b>	<b>(3,479)</b>	<b>(2,770)</b>	<b>709</b>	
<b>Central Risk</b>					
Director of Markets & Consumer Protection	5,830	5,269	4,970	(299)	C
<b>Total Local and Central Risk</b>	<b>2,600</b>	<b>1,790</b>	<b>2,200</b>	<b>410</b>	
<b>Capital and Support Services</b>	<b>(2,506)</b>	<b>(2,689)</b>	<b>(2,800)</b>	<b>(111)</b>	D
<b>Overall Total</b>	<b>94</b>	<b>(899)</b>	<b>(600)</b>	<b>299</b>	

2. The local risk underspend of £709k comprises the following variances:

**A. Director of Markets & Consumer Protection £42k underspend:**

i. **Smithfield Market** – underspend of £81k was mainly due to:

- £101k lower than budgeted net energy expenditure caused by reduced energy prices, decreased energy usage and energy efficiency measures introduced at the market. This was partly offset by reduced energy recharges to tenants;
- £43k reduction in fees for the management of the Rotunda car park, internal legal fees and traffic management at the market over the Christmas period;
- £31k underspend due to the proposed purchase of a forklift truck not taking place in 2020/21;
- £30k lower than expected costs for locally managed repairs and maintenance;
- (£103k) reduced income from the Rotunda car park caused by decreased usage of the car park during the Covid-19 pandemic;
- (£44k) increase in bad debt provisions for service charge and sundry debts.

ii. **New Spitalfields Market** – underspend of £22k was mainly due to a decrease in the cost of service voids for vacant premises and training costs being lower than budgeted.

iii. **Markets Directorate** – underspend of £4k was primarily due to conferences not taking place in 2020/21 as a result of the Covid-19 pandemic as well as underspends in training costs and communications, computing and printing.

iv. **Billingsgate Market** – overspend of (£65k) was largely due to a (£50k) reduction in public car parking income as a result of lower usage and (£20k) decreased income from filming projects, both as a result of the Covid-19 pandemic.

**B. City Surveyor £667k underspend:**

This underspend relates to:

- £478k underspend due to the re-phasing of projects relating to the Cyclical Works Programme (CWP) at Smithfield Market, comprises £320k in projects relating to CWP works at the main market and £158k for projects relating to the Rotunda car park and the Smithfield Outside Properties. The CWP does not form part of the City Surveyor's local risk budget and any variances will be carried over to 2021/22. This is a three-year rolling programme reported to the Corporate Asset Sub-Committee (CASC) quarterly, where the City Surveyor will report on financial performance and phasing of the projects. Under the governance of the programme, variances on budgets are adjusted for the life of the programme to allow for the completion of works which span multiple financial years. Projects which fall under the CWP have been reviewed under the Forward Maintenance Plan between the Superintendent and the City Surveyor to ensure assets are extended in service for as long as possible.
- £189k underspend relating to the Building, Repairs and Maintenance contract managed by the City Surveyor's Department due to lower than anticipated general breakdown repairs and contract servicing costs. This comprised

underspends of £155k at Smithfield Market, £31k at New Spitalfields Market and £3k at Billingsgate Market.

**C. Central Risk (£299k) overspend:**

- i. **Billingsgate Market** – overspend of (£273k) was mainly due to:
  - (£199k) reduced income from public car parking as a result of reduced usage of the car park during the Covid-19 pandemic;
  - (£40k) less income as a result of toll fees not being charged to tenants;
  - (£28k) increase in service charge voids relating to vacant premises.
- ii. **Smithfield Market** – overspend of (£68k) was mainly due to a (£61k) increase in the bad debt provision relating to rent debts.
- iii. **New Spitalfields Market** – underspend of £42k was mainly due to reduced professional fees costs of £76k relating to rent reviews at the market. This was partly offset by a (£38k) increase in the bad debt provision for rent debts.

**D. Capital and Central Support overspend (£111k) mainly related to:**

- (£109k) overspend in Chamberlain's central support recharges due to increased time spent on Market related activities as a result of the Covid-19 pandemic;
- (£75k) overspend in Comptroller and City Solicitor recharges relating to service provisions by the Rent Accounting and Information Compliance Teams;
- (£71k) overspend in IT recharges as a result of increased expenditure and time spent on new IT infrastructure needed to facilitate working from home arrangements during the pandemic;
- £89k additional income in Directorate recharges to other areas of the Department of Markets & Consumer Protection as a result of increased costs incurred on the Directorate account.

3. Appendix A1 and A2 provide a more detailed comparison of the local and central risk outturn against the final budget.

4. Appendix A3 shows the movement from the 2020/21 original budget (as agreed by your Committee in January 2020) to the final budget.

**Local Risk Carry Forward to 2021/22**

5. Chief Officers can request up to 10% or £500k of underspend (whichever is the lesser) of their final local risk budget to be carried forward, if it is not fortuitous and the resources were required for a planned purpose during the year and have been delayed for reasons beyond their control. Such requests are considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.

6. The Director of Markets & Consumer Protection had local risk underspends of £42k on the activities overseen by your Committee. The Director also had local risk underspending totalling £370k on activities overseen by other Committees. The Director is proposing that a total of £379k of his maximum eligible underspend of

£412k be carried forward, of which £20k relates to activities overseen by your Committee. This relates to the proposed purchase of a forklift truck at Smithfield Market to reduce future maintenance costs.

## Financial Performance of the Markets

7. For 2020/21, as tabulated in the below summary operating statement, there was a combined net operating income of £2.494m for the three wholesale markets. When capital charges and central support costs of (£2.923m) are added, there is a consolidated net expenditure to the City of London Corporation of (£0.429m).

<b>Table 3 - Summary Operating Statement 2020/21</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variance Better/ (Worse)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total Operating Expenditure	(16,027)	(16,283)	(14,570)	1,713
Total Operating Income	18,718	18,380	17,064	(1,316)
<b>Total Net Operating (Expenditure)/Income</b>	<b>2,691</b>	<b>2,097</b>	<b>2,494</b>	<b>397</b>
Total Central Costs	(2,506)	(2,726)	(2,923)	(197)
<b>Total Markets (Expenditure)/Income</b>	<b>185</b>	<b>(629)</b>	<b>(429)</b>	<b>200</b>

8. A breakdown of the financial performance of individual wholesale markets (excluding the Rotunda car park and outside properties at Smithfield) is set out in the operating statement in Appendix A4 which shows the net operating income/(expenditure) for each market. For 2020/21, there was net operating income of £2.082m at New Spitalfields Market and £1.158m at Billingsgate Market, which was offset by net operating expenditure of (£0.746m) at Smithfield Market to produce a combined net operating income of £2.494m for the three wholesale markets.
9. The difference between total market net expenditure of (£429k) (shown on Appendix A4) and revenue outturn of (£600k) net expenditure (shown on Table 1 in the main report) is the (£171k) net expenditure generated for the outside properties at Smithfield, including the Rotunda car park, which are not included in Appendix A4.

## Appendices

- **Appendix A1** - Comparison of 2020/21 Local Risk Outturn with Final Budget
- **Appendix A2** - Comparison of 2020/21 Central Risk Outturn with Final Budget
- **Appendix A3** - Reconciliation of Original Budget to Final Budget - 2020/21
- **Appendix A4** - Wholesale Markets Operating Statement 2020/21
- **Appendix A5** – Operating Statement Variance Notes 2020/21

## Contact details:

Leyla Dervish

[leyla.dervish@cityoflondon.gov.uk](mailto:leyla.dervish@cityoflondon.gov.uk)

020 7332 3574

<b>Markets Committee - Comparison of 2020/21 Local Risk Outturn with Final Budget</b>					
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variance Better/ (Worse)</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>LOCAL RISK</b>					
<b>Director of Markets &amp; Consumer Protection</b>					
City Fund					
New Spitalfields Market Service Charge	(19)	(19)	(9)	10	1
New Spitalfields Market Corporate Account	(55)	(72)	(60)	12	2
New Spitalfields Market Repainting and Repairs	0	0	0	0	
<b>Total City Fund</b>	<b>(74)</b>	<b>(91)</b>	<b>(69)</b>	<b>22</b>	
City's Cash					
Smithfield Market Service Charge	(851)	(868)	(622)	246	3
Smithfield Market Corporate Account	(115)	(418)	(463)	(45)	4
Smithfield Other Services	191	191	71	(120)	5
Billingsgate Market Service Charge	0	0	0	0	
Billingsgate Market Corporate Account	(124)	(163)	(228)	(65)	6
Billingsgate Market Repainting and Special Works	0	0	0	0	
Markets Directorate	(466)	(473)	(469)	4	7
<b>Total City's Cash</b>	<b>(1,365)</b>	<b>(1,731)</b>	<b>(1,711)</b>	<b>20</b>	
<b>Total Director of Markets &amp; Consumer Protection</b>	<b>(1,439)</b>	<b>(1,822)</b>	<b>(1,780)</b>	<b>42</b>	
<b>City Surveyor</b>					
City Fund					
New Spitalfields Market Service Charge	(73)	(73)	(73)	0	
New Spitalfields Market Corporate Account	(55)	(55)	(24)	31	
<b>Total City Fund</b>	<b>(128)</b>	<b>(128)</b>	<b>(97)</b>	<b>31</b>	
City's Cash					
Smithfield Market Service Charge	(420)	(505)	(386)	119	
Smithfield Market Corporate Account	(829)	(438)	(124)	314	
Smithfield Other Services	(273)	(406)	(206)	200	
Billingsgate Market Service Charge	(141)	(180)	(176)	4	
Billingsgate Market Corporate Account	0	0	(1)	(1)	
<b>Total City's Cash</b>	<b>(1,663)</b>	<b>(1,529)</b>	<b>(893)</b>	<b>636</b>	
<b>Total City Surveyor</b>	<b>(1,791)</b>	<b>(1,657)</b>	<b>(990)</b>	<b>667</b>	8
<b>TOTAL LOCAL RISK</b>	<b>(3,230)</b>	<b>(3,479)</b>	<b>(2,770)</b>	<b>709</b>	

## **Explanations for Local Risk Variances**

1. **New Spitalfields Market Service Charge** – underspend of £10k was due to lower than anticipated costs of service charge voids for vacant premises.
2. **New Spitalfields Market Corporate Account** – underspend of £12k was due to a £9k reduction in training costs and a £3k decrease in the bad debt provision relating to service charge and sundry debts.
3. **Smithfield Market Service Charge** – underspend of £246k was due to the following:
  - £166k reduced energy costs as a result of lower energy prices and usage as well as energy efficiency measures introduced at the market;
  - £31k decrease in transport expenditure due to the proposed purchase of a forklift truck not taking place in 2020/21;
  - £13k lower costs for chilled water and heating caused by reduced usage and operational changes which has led to energy efficiency savings;
  - £12k reduction in locally managed repairs and maintenance costs;
  - £11k underspend on cleaning and domestic supply costs;
  - £11k less expenditure on employment due to vacant posts and reduced indirect employee expenses;
  - £10k reduced refuse collection costs caused by lower levels of waste and reduced trade at the market as a result of the Covid-19 pandemic;
  - £5k underspend on professional fees in relation to traffic management costs over the Christmas period;
  - £1k additional income from service charges;
  - (£14k) extra costs for equipment, furniture and materials largely due to the purchase of a new scrubber dryer to reduce future repair costs at the market.
4. **Smithfield Market Corporate Account** – overspend of (£45k) was due to the following:
  - (£244k) less income from the recharging of electricity and gas costs to tenants as a result of energy costs being underspent;
  - (£179k) reduced income from chilled water recharges due to lower than anticipated heating and cooling costs;
  - (£44k) increase in bad debt provisions for service charge and sundry debts;
  - (£7k) decrease in net income relating to unfit meat recharges due to lower levels of condemned meat at the market. This was partly offset by reduced refuse collection costs;
  - (£3k) increase in communications and computing costs following the purchase of computer hardware;
  - £215k decrease in energy costs as a result of lower energy prices and usage as well as energy efficiency measures introduced at the market;
  - £174k underspend in chilled water and heating expenditure due to energy efficiency measures and lower usage levels from commercial tenants during the Covid-19 pandemic;
  - £27k underspend due to lower than anticipated professional fees and internal legal fees;
  - £10k decrease in costs for locally managed repairs and maintenance works;
  - £5k decrease in employment costs as a result of vacant posts;
  - £1k underspend in the cost of cleaning and domestic supplies.

5. **Smithfield Other Services** – overspend of (£120k) was due to the following:
  - (£103k) lower than budgeted income from the Rotunda car park due to reduced usage from the car park as a result of the Covid-19 pandemic;
  - (£36k) higher than budgeted electricity costs at the Rotunda car park as a result of increased electricity usage;
  - £11k saving in management fees due to reduced manning levels at the Rotunda car park during the Covid-19 pandemic;
  - £8k underspend on repairs and maintenance costs.
  
6. **Billingsgate Market Corporate Account** – overspend of (£65k) was due to the following:
  - (£50k) reduced income from car parking as a result of lower usage of the car park during the Covid-19 pandemic;
  - (£20k) decrease in filming due to a reduction in the number of filming projects taking place at the market throughout the Covid-19 pandemic;
  - (£3k) additional repairs and maintenance costs;
  - (£3k) higher than budgeted employment costs;
  - (£3k) reduction in casual rent and other sundry income;
  - (£2k) higher than anticipated costs for equipment, furniture and materials;
  - (£2k) additional costs for communications and computing and hospitality expenses;
  - £18k decrease in internal legal fees.
  
7. **Markets Directorate** – underspend of £4k comprised the following:
  - £3k decrease in conference expenses due to events not taking place in 2020/21 as a result of the Covid-19 pandemic;
  - £3k reduction in training costs;
  - £2k underspend relating to communications, computing and printing costs;
  - £1k decrease in travelling expenses;
  - £1k underspend relating to equipment and furniture;
  - (£6k) higher than budgeted employment costs.
  
8. **City Surveyor** - underspend of £667k was due to:
  - £478k lower than budgeted costs relating to the re-phasing of the CWP at Smithfield Market;
  - £189k lower than budgeted costs for the Building Repairs and Maintenance contract managed by the City Surveyor's department of which £155k related to Smithfield Market, £31k related to New Spitalfields Market and £3k related to Billingsgate Market.

<b>Markets Committee - Comparison of 2020/21 Central Risk Outturn with Final Budget</b>					
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variance Better/ (Worse)</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>CENTRAL RISK</b>					
<b>Director of Markets &amp; Consumer Protection</b>					
City Fund					
New Spitalfields Market Service Charge	411	422	425	3	9
New Spitalfields Market Corporate Account	1,992	1,952	1,992	40	10
New Spitalfields Market Repainting and Repairs	22	7	6	(1)	11
<b>Total City Fund</b>	<b>2,425</b>	<b>2,381</b>	<b>2,423</b>	<b>42</b>	
City's Cash					
Smithfield Market Service Charge	(4)	(4)	(3)	1	12
Smithfield Market Corporate Account	1,523	1,015	974	(41)	13
Smithfield Other Services	101	101	73	(28)	14
Billingsgate Market Service Charge	324	364	351	(13)	15
Billingsgate Market Corporate Account	1,452	1,452	1,198	(254)	16
Billingsgate Market Repainting and Special Works	9	6	0	(6)	17
Markets Directorate	0	(46)	(46)	0	
<b>Total City's Cash</b>	<b>3,405</b>	<b>2,888</b>	<b>2,547</b>	<b>(341)</b>	
<b>TOTAL CENTRAL RISK</b>	<b>5,830</b>	<b>5,269</b>	<b>4,970</b>	<b>(299)</b>	

### **Explanations for Central Risk Variances**

9. **New Spitalfields Market Service Charge** – service charge income was £3k higher than budgeted to fund increased insurance and City Surveyors employee recharges.
10. **New Spitalfields Market Corporate Account** – the increase in net income of £40k included a £76k saving in professional fees relating to rent review costs offset by a (£38k) increase in the bad debt provision relating to rent debts. This was in addition to £2k in additional rent income.
11. **New Spitalfields Market Repainting and Repairs** – the transfer from reserves was (£1k) less than budgeted due to lower than anticipated City Surveyor's employee recharges relating to the level of works carried out.
12. **Smithfield Market Service Charge** – underspend of £1k was due to lower than anticipated Food Standards Agency (FSA) inspection fees.
13. **Smithfield Market Corporate Account** – the decrease in net income of (£41k) was due to:
  - (£25k) increase in the bad debt provision relating to rent debts;
  - (£21k) reduction in rent income from the Poultry Market;
  - £5k decrease in legal fees.

14. **Smithfield Other Services** – the decrease in net income of (£28k) was due to:
- (£36k) increase in the bad debt provision relating to outstanding rent debts at the Oriole Bar;
  - £5k reduction in professional fees;
  - £3k in additional rent income generated from the Smithfield Outside Properties.
15. **Billingsgate Market Service Charge** – service charge income was (£13k) lower than budgeted due to decreased costs for central support recharges and building, repairs and maintenance works managed by the City Surveyor's Department.
16. **Billingsgate Market Corporate Account** – the decrease in net income of (£254k) related to the following:
- (£199k) reduction in public parking income due to the Covid-19 pandemic;
  - (£40k) income reduction as a result of toll fees not being charged to tenants;
  - (£28k) increase in service charge voids;
  - (£10k) increase in professional fees relating to rent reviews and lease renewals;
  - £13k additional income from renting out space for their storage containers;
  - £6k reduction in the bad debt provision relating to rent debts;
  - £4k lower than budgeted spend on computer consumables and bank charges.
17. **Billingsgate Market Repainting and Special Works** – the transfer from reserves was (£6k) less than budgeted due to lower than anticipated City Surveyor's employee recharges relating to the level of works carried out.

<b>Markets Committee - Reconciliation of Original Budget to Final Budget - 2020/21</b>	
	<b>£'000s</b>
<b>Original 2020/21 Budget (All Risks)</b>	<b>94</b>
<b>Local Risk including City Surveyors Repairs and Maintenance</b>	
Original Budget 2020/21 - as agreed by Markets Committee on 29th January 2020	(3,230)
Carry forward funding to cover costs of business rates not being re-charged to Smithfield Market tenants	(236)
Contingency Fund monies to cover costs of business rates not being re-charged to Smithfield Market tenants	(67)
Centrally funded apprenticeship costs	(27)
Centrally funded contribution pay	(20)
Revised estimates budget changes as reported to Markets Committee on 13th January 2021 mainly relating to the re-phasing of works as part of the Cyclical Works Programme.	134
Centrally funded salary payments made to staff in response to Covid-19	(33)
<b>Final 2020/21 Local Risk Budget including City Surveyors Repairs and Maintenance</b>	<b>(3,479)</b>
<b>Central Risk</b>	
Original Budget 2020/21 - as agreed by Markets Committee on 29th January 2020	5,830
Revised estimates budget changes as reported to Markets Committee on 13th January 2021 mainly relating to increased income from service charges as a result of increased recharges and costs from the Building, Repairs and Maintenance contract.	21
Supplementary Revenue Project funding for Canopy and Guttering Works at Smithfield Market	(332)
Centrally funded pension strain costs	(250)
<b>Final 2020/21 Central Risk Budget</b>	<b>5,269</b>
<b>Support Services and Capital Charges</b>	
Original Budget 2020/21 - as agreed by Markets Committee on 29th January 2020	(2,506)
Revised estimates budget changes as reported to Markets Committee on 13th January 2021 mainly relating to increased income from recharges to other areas of the Department of Markets & Consumer Protection.	6
Revisions to capital charges at New Spitalfields Market	(175)
Centrally funded Film Liaison Staff Costs at Billingsgate Market	(14)
<b>Final 2020/21 Support Services and Capital Charges Budget</b>	<b>(2,689)</b>
<b>Final 2020/21 Budget (All Risks)</b>	<b>(899)</b>

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## Wholesale Markets Operating Statement 2020/21

Appendix A4

	New Spitalfields Market					Billingsgate Market					Smithfield Market					Total Markets				
	Original Budget OR	Final Budget FB	Actual	Variance	Notes	Original Budget OR	Final Budget FB	Actual	Variance	Notes	Original Budget OR	Final Budget FB	Actual	Variance	Notes	Original Budget OR	Final Budget FB	Actual	Variance	
	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000		2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000		2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000		2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	
<b>Operating Expenditure:</b>																				
<b>Employment Costs</b> (basic pay, NI, pension, overtime, training and recruitment advertising)	(1,694)	(1,759)	(1,634)	125	1	(1,951)	(1,995)	(1,894)	101	6	(2,052)	(2,238)	(2,223)	15		(5,697)	(5,992)	(5,751)	241	
<b>Premises</b> (Energy, repair and maintenance, rates, insurance, water, pest control, cleaning materials)	(1,468)	(1,421)	(1,300)	121	2	(1,203)	(1,229)	(1,042)	187	7	(3,842)	(3,825)	(2,792)	1,033	10	(6,513)	(6,475)	(5,135)	1,340	
<b>Transport</b> (Vehicle running costs, congestion charge and travel costs)	(1)	(1)	(0)	1		(36)	(31)	(42)	(11)		(2)	(34)	(3)	31		(39)	(66)	(46)	20	
<b>Supplies and Services</b> (Refuse collection, equipment hire/maintenance and purchase, uniforms and clothing, communication and office expenses)	(306)	(340)	(301)	39		(166)	(162)	(154)	8		(412)	(418)	(449)	(31)		(884)	(920)	(903)	17	
<b>Waste and Recycling Contract</b>	(2,894)	(2,830)	(2,736)	94	3	0	0	0	0		0	0	0	0		(2,894)	(2,830)	(2,736)	94	
<b>Total Operating Expenditure</b>	<b>(6,363)</b>	<b>(6,351)</b>	<b>(5,972)</b>	<b>379</b>		<b>(3,356)</b>	<b>(3,417)</b>	<b>(3,132)</b>	<b>285</b>		<b>(6,308)</b>	<b>(6,515)</b>	<b>(5,467)</b>	<b>1,048</b>		<b>(16,027)</b>	<b>(16,283)</b>	<b>(14,570)</b>	<b>1,713</b>	
<b>Operating Income:</b>																				
<b>Rent</b>	2,102	2,102	2,104	2		990	990	1,003	13		1,627	1,627	1,607	(20)		4,719	4,719	4,714	(5)	
<b>Charges for Services</b> (Service charge income, filming, car parking, insurance, advertising hoarding, wayleaves and tolls, reimbursement of directly recovered costs and interest income, contributions to repair fund)	6,278	6,220	5,950	(270)	4	3,868	3,891	3,286	(605)	8	3,853	3,550	3,114	(436)	11	13,999	13,661	12,350	(1,311)	
<b>Total Operating Income</b>	<b>8,380</b>	<b>8,322</b>	<b>8,054</b>	<b>(268)</b>		<b>4,858</b>	<b>4,881</b>	<b>4,289</b>	<b>(592)</b>		<b>5,480</b>	<b>5,177</b>	<b>4,721</b>	<b>(456)</b>		<b>18,718</b>	<b>18,380</b>	<b>17,064</b>	<b>(1,316)</b>	
<b>Net Operating (Expenditure)/Income</b>	<b>2,017</b>	<b>1,971</b>	<b>2,082</b>	<b>111</b>		<b>1,502</b>	<b>1,464</b>	<b>1,158</b>	<b>(306)</b>		<b>(828)</b>	<b>(1,338)</b>	<b>(746)</b>	<b>592</b>		<b>2,691</b>	<b>2,097</b>	<b>2,494</b>	<b>397</b>	
<b>Central Costs:</b>																				
<b>Capital Depreciation Charges</b>	(1,057)	(1,232)	(1,232)	0		(117)	(117)	(116)	1		(99)	(111)	(111)	(0)		(1,273)	(1,460)	(1,459)	1	
<b>Other Central Costs</b> (Transfer to and from reserves to fund repairs and works including non-government grants, support costs and Directorate apportionment)	(266)	(280)	(330)	(50)	5	(372)	(391)	(477)	(86)	9	(595)	(595)	(656)	(61)	12	(1,233)	(1,266)	(1,464)	(198)	
<b>Total Central Costs</b>	<b>(1,323)</b>	<b>(1,512)</b>	<b>(1,562)</b>	<b>(50)</b>		<b>(489)</b>	<b>(508)</b>	<b>(594)</b>	<b>(86)</b>		<b>(694)</b>	<b>(706)</b>	<b>(767)</b>	<b>(61)</b>		<b>(2,506)</b>	<b>(2,726)</b>	<b>(2,923)</b>	<b>(197)</b>	
<b>Total Market (Expenditure)/Income</b>	<b>694</b>	<b>459</b>	<b>521</b>	<b>62</b>		<b>1,013</b>	<b>956</b>	<b>564</b>	<b>(392)</b>		<b>(1,522)</b>	<b>(2,044)</b>	<b>(1,514)</b>	<b>530</b>		<b>185</b>	<b>(629)</b>	<b>(429)</b>	<b>200</b>	

**NOTES:** The above operating statement excludes expenditure and income related to the Smithfield Car Park and Outside Properties. Brackets signify an expenditure item and/or an adverse position. Non-brackets signify an income item and/or a favourable position.

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### **Wholesale Markets Operating Statement Variance Notes – 2020/21**

The tables below analyse the variances for the wholesale markets as reported on the operating statement which is attached at Appendix A4. The statement compares the 2020/21 final budget to the actual outturn for 2020/21.

Brackets signify an expenditure item and/or a worse than budget position and non-brackets signify an income item and/or a better than budget position. All variances of £50k or more have been detailed below.

<b>New Spitalfields Market</b>		
<b>Notes</b>	<b>Description</b>	<b>2020/21 Final Budget to Actual Outturn</b>
<b>Operating Expenditure</b>		
1	Employment Costs	£125k staff cost underspend was due to vacant positions in maintenance and security roles.
2	Premises	<p>£121k underspend due to:</p> <ul style="list-style-type: none"> <li>• £64k energy costs due to a decrease in energy prices and energy efficiency measures introduced at the market;</li> <li>• £59k in repairs &amp; maintenance costs of which £31k related to the building, repairs and maintenance contract managed by City Surveyor's and £28k relating to locally managed repairs and maintenance costs;</li> <li>• £10k water expenditure as a result of reduced consumption.</li> </ul> <p>These were partly offset by total overspends of (£12k) in the cost of cleaning and domestic supplies and insurances.</p>
3	Waste and Recycling Contract	£94k overall underspend relating to the waste and recycling contract delivered by Countrystyle Recycling Ltd. This was due to lower than anticipated costs for both the fixed and variable elements of the contract as well as an underspend in the rebate repaid to tenants due to income from the rebate being less than expected.
<b>Operating Income</b>		
4	Charges for Services	<p>(£270k) less income than budgeted due to:</p> <ul style="list-style-type: none"> <li>• (£164k) service charge income as a result of reduced service charge expenditure;</li> </ul>

		<ul style="list-style-type: none"> <li>• (£60k) rebate and declared waste income and recharges to tenants from the contract with Countrystyle Recycling Ltd due to lower levels of waste at the market;</li> <li>• (£48k) income from the entry barrier and parking permits due to reduced trade at the market as a result of Covid-19;</li> <li>• (£40k) electricity and heating income recharged to tenants due to reduced energy costs.</li> </ul> <p>This was partly offset by additional income of £42k in undeclared waste, reimbursable works and the sale of plant as well as other forms of sundry income.</p>
<b>Central Costs</b>		
5	Other Central Costs	<p>(£50k) overspend was due to:</p> <ul style="list-style-type: none"> <li>• (£20k) IT recharges as a result of increased infrastructure costs and officer time spent to support working from home arrangements during the pandemic;</li> <li>• (£19k) reduced transfers from reserves due to lower than budgeted costs of works met through the Repainting and Repair fund;</li> <li>• (£12k) central support costs relating to increased recharges from Chamberlain's and the Comptroller and City Solicitor;</li> <li>• (£10k) Directorate recharges.</li> </ul> <p>This was partly offset by a total underspend of £11k for City Surveyor's employee recharges and City Procurement recharges.</p>

<b>Billingsgate Market</b>		
<b>Notes</b>	<b>Description</b>	<b>2020/21 Final Budget to Actual Outturn</b>
<b>Operating Expenditure</b>		
6	Employment Costs	£101k staff cost underspend was due to vacant positions in security and cleaning roles.

7	Premises	<p>£187k underspend was due to:</p> <ul style="list-style-type: none"> <li>• £110k in repairs &amp; maintenance costs of which £3k related to the building, repairs and maintenance contract managed by City Surveyor's;</li> <li>• £57k energy costs as a result of lower energy prices and energy efficiency measures introduced at the market;</li> <li>• £49k service charge contribution to the Repainting and Special Works account as a result of the overall level of works being less than anticipated.</li> </ul> <p>This was partly offset by overspends totalling (£29k) primarily relating to the increased cost of service charge voids for vacant premises.</p>
<b>Operating Income</b>		
8	Charges for Services	<p>(£605k) less income than budgeted due to:</p> <ul style="list-style-type: none"> <li>• (£288k) car parking income of which (£249k) related to public parking and (£39k) related to trade parking. This was due to reduced occupancy levels during the Covid-19 pandemic;</li> <li>• (£147k) service charge income as a result of reduced levels of service charge expenditure;</li> <li>• (£49k) contribution to the Repainting and Special Works account as a result of lower than anticipated levels of works;</li> <li>• (£40k) toll fees not being charged to tenants;</li> <li>• (£27k) energy costs recharged to tenants as a result of a reduction in energy prices;</li> <li>• (£22k) water costs recharged to tenants due to reduced levels of consumption;</li> <li>• (£20k) filming income caused by a reduction in filming projects at the market during the Covid-19 pandemic;</li> <li>• (£12k) casual rent and other sundry income.</li> </ul>

<b>Central Costs</b>		
9	Other Central Costs	<p>(£86k) overspend was due to:</p> <ul style="list-style-type: none"> <li>• (£28k) transfers from reserves due to the level of works met by the Repainting and Special Works Fund being less than expected;</li> <li>• (£25k) IT recharges as a result of increased infrastructure costs and officer time spent to support working from home arrangements during the pandemic;</li> <li>• (£22k) central support recharges mainly relating to increased recharges from Chamberlain's and the Comptroller and City Solicitor;</li> <li>• (£11k) Directorate recharges.</li> </ul>

<b>Smithfield Market</b>		
<b>Notes</b>	<b>Description</b>	<b>2020/21 Final Budget to Actual Outturn</b>
<b>Operating Expenditure</b>		
10	Premises	<p>£1,033k underspend due to:</p> <ul style="list-style-type: none"> <li>• £381k electricity costs caused by a reduction in energy prices and energy efficiency measures at the market;</li> <li>• £320k re-phasing of works in the Cyclical Works Programme (CWP) managed by City Surveyor's;</li> <li>• £186k primarily relating to heating and cooling costs due to changes in the operation of heating and cooling equipment as well as reduced levels of consumption during Covid-19;</li> <li>• £136k in repairs &amp; maintenance costs of which £113k related to the building, repairs and maintenance contract managed by City Surveyor's and £23k related to locally managed repairs and maintenance costs;</li> <li>• £10k cleaning and domestic supplies costs and insurances.</li> </ul>
<b>Operating Income</b>		

11	Charges for Services	<p>(£436k) less income due to:</p> <ul style="list-style-type: none"> <li>• (£239k) utility recharges from tenants caused by a reduction in energy prices and energy efficiency measures at the market;</li> <li>• (£179k) recharging of heating and cooling costs due to an underspend caused by changes in the operation of heating and cooling equipment as well as reduced levels of consumption during the pandemic;</li> <li>• (£14k) collection of condemned meat recharges as a result of lower costs incurred by the Animal By-Product (ABP) facility;</li> <li>• (£4k) reimbursable works and other sundry income.</li> </ul>
<b>Central Costs</b>		
12	Other Central Costs	<p>(£61k) overspend due to:</p> <ul style="list-style-type: none"> <li>• (£42k) central support costs relating to increased recharges from Chamberlain's and the Comptroller and City Solicitor;</li> <li>• (£20k) IT recharges as a result of increased infrastructure costs and officer time spent to support working from home arrangements during the pandemic;</li> <li>• (£12k) Directorate recharges.</li> </ul> <p>This was partly offset by a £13k underspend in City Surveyor's employee recharges.</p>

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<b>Committee(s)</b>	<b>Dated:</b>
Markets Committee – <b>For Information</b>	7 July 2021
Policy and Resources Committee – <b>For Decision</b>	8 July 2021
Bridge House Estates Board – <b>For Decision</b>	14 July 2021
City of London Police Authority Board – <b>For Decision</b>	19 July 2021
Court of Common Council – <b>For Decision</b>	22 July 2021
<b>Subject:</b> Modern Slavery Statement Update for 2020/21	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>1, 2, 3, 5</b>
<b>For Bridge House Estates, which outcomes in the Bridge House Estates Bridging London Strategy 2020-45 does this proposal aim to support?</b>	<b>2</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> the Chamberlain	
<b>Report author:</b> Lisa Moore, Responsible Procurement Manager	

## Summary

In November 2018, Policy and Resources Committee adopted the City Corporation’s Modern Slavery Statement developed in response to the Modern Slavery Act 2015 (the 2015 Act). This was, and remains to-date, a voluntary statement to reflect the City Corporation’s commitment to responsible business principles across all of its activities, and also to reflect the wider responsibilities of the City Corporation under the 2015 Act, having regard to the diverse functions it undertakes.

In 2018 the intention was to publish an annual update to track progress but due to delays and then disruption caused by Covid-19, no further updates have been published since the original statement was adopted. This report seeks approval to publish and adopt an update to the published statement that includes areas of improvement since the initial statement and relevant statistics from the last financial year. As with the original statement the update encompasses all the City Corporation’s functions, including as corporate Trustee of Bridge House Estates.

Local authorities are not currently obliged to publish a statement, but central government has announced their intention to strengthen the provision of, and widening the application of, the 2015 Act to make certain requirements binding and enforceable as well as to extend the requirements for transparency in supply chains to the public sector. These changes are anticipated to come into force later this year. This update to the statement as recommended is intended to comply with any revised requirements for the City Corporation in the discharge of its local authority and other public functions.

## Recommendation(s)

As relevant to their Committees' Terms of Reference Members of the following Committees are recommended to endorse for onward approval by the Court of Common Council the proposed policy update to the City Corporation's Modern Slavery Statement published in 2018 at **Appendix 1**, being the Bridge House Estates Board for the City Corporation as Trustee of Bridge House Estates (Charity Reg. No. 1035628), Members of the City of London Police Authority Board for the City Corporation as police authority, and Members of the Policy & Resources Committee in the discharge of all other City Corporation functions.

## Main Report

### Background

1. The Modern Slavery Act 2015 (the 2015 Act) was introduced to tackle modern slavery in the United Kingdom and set an example for other countries seeking to do the same. The 2015 Act *inter alia* includes a number of offences, provisions for the protection of victims, and requires commercial entities that operate in the UK, with a turnover of more than £36m, to produce an annual Modern Slavery Statement detailing current and planned actions to tackle this crime. References to 'modern slavery' in this report include circumstances of slavery, servitude, forced or compulsory labour and child labour, and human trafficking.
2. The City Corporation was not a relevant commercial organisation as defined by section 54 of the Act, however, in November 2018, Policy and Resources Committee signed off the [City Corporation's Modern Slavery Statement](#). This was a voluntary statement to reflect the City Corporation's commitment to responsible business principles. Additionally, the Statement encompassed the City Corporation's wider activities in addressing modern slavery in the discharge of all of its functions, including by the City Corporation Police Force, as a local authority, and its funding activities in London both as Trustee of Bridge House Estates (Charity Reg. No. 1035628) (through its funding arm, City Bridge Trust) and in partnership with others, such as Heart of the City (Charity Reg. No. 1165434; Co. Reg. No. 5973126).
3. The Modern Slavery Statement outlined the roles, remits, commitments and work undertaken to detect and prevent modern slavery by the City of London Police, Community and Children Services Department, Markets and Consumer Protection Department, Human Resources Team, City Procurement Team, the Barbican Centre, City Bridge Trust and Heart of the City. It also detailed plans for continuous improvement.
4. The Statement is structured to reflect our actions according to the City Corporation's responsibilities and the level of control or influence the organisation can exert. Each section includes requirements of a Modern Slavery Statement under s.54 of the Modern Slavery Act:
  - (a) Remits and relevant risks – Within the remit of each Department; identifying the people, places, trades and industries at the highest risk.

- (b) Policies and commitments – Overarching and department-specific policies and commitments tackling modern slavery and other labour rights abuses.
- (c) Existing interventions – Actions already being undertaken to identify and deal with modern slavery and to minimise the risk of it occurring.
- (d) Continuous improvement – Assessing the effectiveness of our current interventions, creating plans to bridge identified gaps, developing appropriate performance indicators, monitoring and reporting on progress.

### **Current Position**

5. Following an Independent Review of the 2015 Act in 2019 which was presented to Parliament, HM Government has committed to introducing a range of measures to strengthen the current reporting requirements under section 54 of the Modern Slavery Act 2015, including:
  - (a) Extending the reporting requirement to public bodies with a budget of £36 million or more.
  - (b) Requiring organisations to submit their statement to the [Government modern slavery statement registry](#)
  - (c) Setting a single reporting deadline of 30 September by which statements should be published annually.
  - (d) Introducing financial penalties for organisations that fail to meet their statutory obligations to produce annual modern slavery statements.

### **Proposal**

6. It was the intention to complete annual updates to the City Corporation's existing statement voluntarily, but delays and then the impacts of Covid-19 meant that no updates have been published to-date. The City Corporation is now in the position where, we understand from September 2021, it will soon be required to publish a statement.
7. Due to the detail in the original statement on organisational structure, remit, and responsibilities, it is proposed that it is kept on the website with a shorter progress update being published at this time. The overarching statement will be reviewed next year. This will allow the City Corporation to consider how the discharge of its obligations under the 2015 Act, and otherwise its voluntary responses and actions to address modern slavery and servitude in the discharge of its wider functions, should be communicated. It will also allow for internal governance changes within the City Corporation's operational structure as a result of the on-going work to review and implement a new Target Operating Model to be reflected. It is intended that matters will be kept under annual review going forward to provide greater transparency on what has been achieved over the relevant period.
8. Members, as relevant to their Committee's responsibilities, are asked to recommend to the Court of Common Council for approval the publication of the update to the statement on the City Corporation website and also on HM Government's Modern Slavery Statement registry.

## Modern Slavery Statement Update

9. The update focuses in more detail on what has been done since the last update and on continuous improvement in four key areas:
  - (a) Our Organisation - Prioritising our commitment at the highest level, protecting and educating staff and taking dedicated action and collaborating across the City Corporation to combat modern slavery.
  - (b) Our Jurisdiction - Minimising the risk of modern slavery occurring in the Square Mile and City Corporation property, referring any victims on to the help they need, ensuring any perpetrators are brought to justice and helping to identify modern slavery in any place the City Corporation has a presence.
  - (c) Our Domestic Supply Chain - Using responsible procurement and rigorous contract management to mitigate the risk of modern slavery taking place within our UK supply chains.
  - (d) Our Global Supply Chain - Using responsible procurement and effective due diligence procedures to minimise the risks of using global suppliers who contravene human and labour rights and exploit people through modern slavery.
10. The full Modern Slavery Statement update can be found in **Appendix 1**.

## Corporate & Strategic Implications

11. **Strategic implications** – Tackling modern slavery aligns with several aims of the City Corporation’s Corporate Plan as well as the Responsible Business Strategy and the Responsible Procurement Policy. It also aligns with Bridge House Estates’ *Bridging London Strategy 2020-45*, and the charity’s funding strategy, *Bridging Divides 2018-2023* delivered through the charity’s funding arm, City Bridge Trust.
12. **Financial implications** – There are no financial implications for this update.
13. **Resource implications** – Work on modern slavery has already been established and is being delivered by the relevant Departments and Teams. This paper does not request any changes to the level of resources allocated to tackle modern slavery.
14. **Legal implications** – The current statement adopted by the City Corporation has been adopted voluntarily and extends beyond the strict requirements of a usual modern slavery and human trafficking statement published under section 54 of the 2015 Act. Section 54 requires relevant commercial organisations with a turnover of £36m to set out the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of the organisation’s own business. HM Government has indicated that public bodies with a budget over £36m will also soon be required to publish a Modern Slavery Statement which would, depending upon how those requirements are implemented, potentially require the City Corporation to publish a Statement.

15. **Risk implications** – HM Government has indicated that public bodies should be prepared to publish a modern slavery statement by September. Whilst those requirements are unclear at this time for an organisation as complex as the City Corporation, having regard to the current approach which has been adopted to voluntarily publish a statement which complies with the requirements of section 54 of the 2015 in the discharge of all the City Corporation’s functions, it is recommended that an update is published in advance of September to set out the City Corporation’s actions over the past financial year to ensure appropriate transparency in its supply chains and the organisation itself . This will mitigate against the risk of possible financial penalties which might arise in the absence of having an up-to-date modern slavery statement published in line with statutory and HM Government requirements.
16. **Equalities implications** – There are no specific equalities implications on the proposal of this paper. Work to tackle modern slavery and, as relevant to the functions being discharged by the City Corporation, Equalities Impact Assessments would be completed by teams undertaking work to ensure proper consideration of equalities implications.
17. **Climate implications** – Not applicable
18. **Security implications** - Not applicable

## **Conclusion**

19. The publication of the proposed update to the current Modern Slavery Statement which was published by the City Corporation in 2018 is a clear and transparent demonstration of the City Corporation’s commitment to tackling modern slavery, both internally and externally. It brings current and future actions into one place providing oversight and a point of reference to ensure effective collaboration across the organisation, and in partnership with others.

## **Appendices**

Appendix 1 – Modern Slavery Statement Update 2021

### **Lisa Moore**

Responsible Procurement Manager, Chamberlain’s

E:lisa.moore@cityoflondon.gov.uk

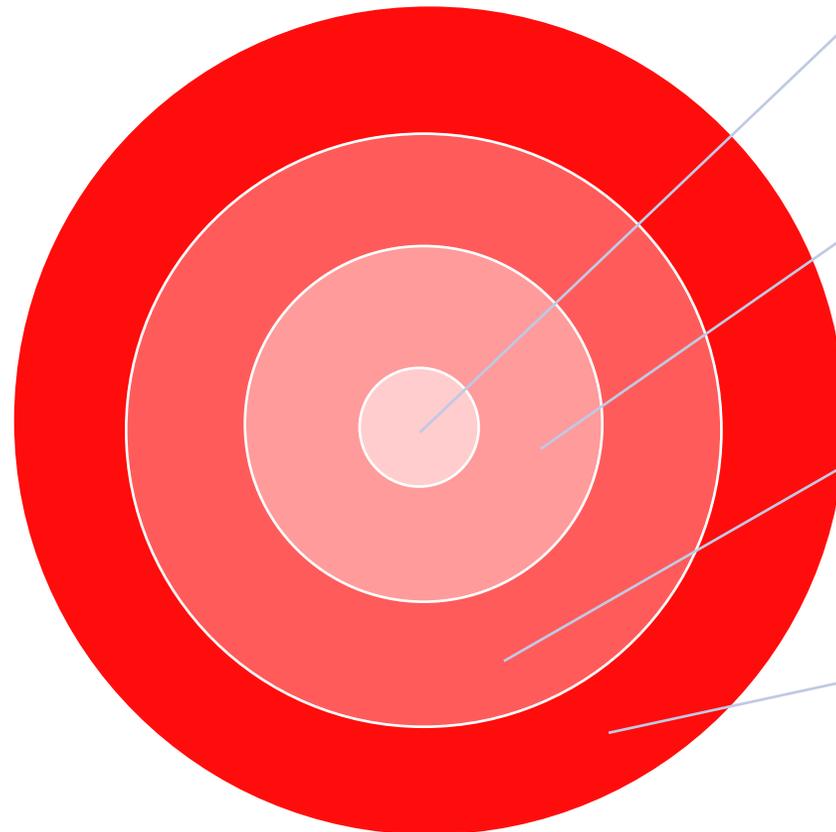
T:0207 332 3273

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## Introduction

- The [first Modern Slavery Statement](#) published by the City Corporation was released in November 2018 and remains available online. As well as outlining our approach to tackling modern slavery at that time, it outlines in detail our organisation's remits and risks related to modern slavery, alongside the City Corporation's structure and various legal functions, including as charity trustee of Bridge House Estates (Charity Reg. No. 1035628) (BHE).
- This current Modern Slavery Statement focuses in more detail on what is being done across the organisation: practices that have now been established to combat modern slavery, recent progress and continuous improvement commitments. Its publication follows the release of the City Corporation's Responsible Procurement Policy.
- In the interest of due diligence, transparency and responsible business commitments, this Modern Slavery Statement is produced by the City Corporation on a voluntary basis alongside peer organisations who are required to comply with Section 54 of the Modern Slavery Act 2015.
- For the purposes of this Statement and associated Policy, the term 'Modern Slavery' encompasses slavery, servitude, human trafficking, forced or compulsory labour and child labour.

- The Modern Slavery Statement is divided into four sections, which set out the steps the City Corporation is taking:
- in discharging its functions to ensure that modern slavery is not taking place in its business, jurisdiction or supply chains.
  - to use its wider influence to reduce modern slavery risks and impacts.



**Our Organisation:** Prioritising our commitment at the highest level, protecting and educating staff and taking dedicated action and collaborating across the City Corporation to combat modern slavery.

**Our Jurisdiction:** Minimising the risk of modern slavery occurring in the City of London (or Square Mile) and on City Corporation property, referring any victims to the help they need, ensuring any perpetrators are brought to justice and helping to identify modern slavery in any place the City Corporation has a presence.

**Our Domestic Supply Chain:** Using responsible procurement and rigorous contract management to mitigate the risk of modern slavery taking place within our UK supply chains.

**Our Global Supply Chain:** Using responsible procurement and effective due diligence procedures to minimise the risks of using global suppliers who contravene human and labour rights and exploit people through modern slavery.

# Endorsed Modern Slavery Statement and Policy

City of London Corporation



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*The City of London Corporation recognises its responsibility to help identify and eliminate modern slavery through its activities. The organisation will ensure that effective due diligence procedures are in place to safeguard against any form of modern slavery taking place within our business, our jurisdiction or our supply chain. These procedures will be reviewed and continuously improved upon over time.*

This Policy and Modern Slavery Statement is endorsed and signed off by:

John Barradell  
Town Clerk and Chief Executive  
Signed July 2021

Catherine McGuinness  
Chairman, Policy & Resources Committee  
Signed July 2021 \_\_\_\_\_

# Our Organisation

Prioritising our commitment at the highest level, taking dedicated action and collaborating across the City of London Corporation to combat modern slavery



## Risks

Modern slavery is prevalent in many industries, both within and outside of the UK. The City Corporation recognises the risk associated with its own activities; this Modern Slavery Statement sets out our response.

## Policies and commitments

Corporate Plan: People are safe & feel safe, Businesses are trusted to be environmentally and socially responsible. Responsible Business Strategy 2018-23: Promoting human rights through our every day work and decision making. BHE Bridging London Strategy, 2020 – 2045: aim to be sustainable.

## Established Practice and Remit

- To ensure the most effective approach to tackling modern slavery, leads from across the organisation formed a working group to coordinate efforts, offer mutual support and make sure that resources, training and lessons learned were and continue to be shared.
- With representation from: the City of London Police, Bridge House Estates, Markets & Consumer Protection, the Barbican, Department for Community & Children's Services, and central support Departments - Town Clerk's (Human Resources and Learning & Development), Chamberlain's, and Comptroller & City Solicitor's.
- A modern slavery e-learning course is available to all staff, raising awareness of their role in identifying and reporting concerns.

## Recent Progress

- This Modern Slavery Statement was co-authored by relevant leads across the organisation, coordinated by the Procurement and Responsible Business teams.
- Significant progress on combatting modern slavery has been made by individual teams, which is detailed further on, but from an organisational perspective, the most substantive progress includes:
  - Increased cross-departmental training and awareness raising events and cooperation with external agencies.
  - Increased cooperation with regional and national groups.
  - Establishment of an independent Responsible Business Panel, who advise on the City Corporation's approaches to ensuring social value, sustainability, and human and labour rights.
  - Living Wage commitment has been enhanced to include any person working under any of our contracts for two or more hours. This removes the requirement for people to be working on our sites or for longer periods of time (previously eight weeks).

## Continuous Improvement

- An analysis of the nature of funds within CoL's investment portfolio was carried out. As work on responsible investment progresses, the risk of Modern Slavery being associated with our investment portfolio will be one of the Environmental, Social, Governance (ESG) aspects considered, to help shape CoL's investment activities and improve the transparency of due diligence measures undertaken.
- Will now publish a Modern Slavery Statement on annual basis.

# Our Jurisdiction

Minimising the risk of modern slavery occurring in the Square Mile and on City Corporation property, referring any victims on to the help they need, ensuring any perpetrators are brought to justice and helping to identify modern slavery in any place the City Corporation has a presence



## Risks

People at the highest risk of being victims of modern slavery in the Square Mile include sex workers, street traders, hospitality workers, cleaners, security personnel, construction workers and those providing domestic and care services or personal health and beauty services.

## Policies and Commitments

City of London Police's Action Plan on Modern Slavery and Human Trafficking uses a four-pronged approach based on protection, preparation, prevention and pursuit. The Department for Children and Community Services (DCCS) work in partnership with City and Hackney Adult Safeguarding Board, City and Hackney Safeguarding Children's Partnership Board and the Safer City Partnership.

## Established Practice and Remit

- While a corporate responsibility, DCCS are leaders for safeguarding children and adults in the City of London. They act as the single point of contact (SPOC) for Modern Slavery reporting.
- As per of their core duties, Markets & Consumer Protection (MCP) officers frequently visit sites in the Square Mile posing risks of modern slavery and are vigilant in observing and reporting any suspicious circumstances.
- The Serious Organised Crime board, led by the City of London Police (CoLP), brings together key agencies, assuming an advisory function to disrupt organised crime groups, inhibiting modern slavery activities.
- Specific roles and responsibilities are delegated within CoLP around training and intelligence and to deal with the victim(s), the suspect(s) or organised crime groups and the subsequent investigation.

## Recent Progress

- Modern Slavery continues to be a topic of interest for MCP at the Licensing Liaison Partnership (which includes the Border Force).
- CoLP had 12 modern slavery referrals and 4 'duty's to notify' in 2020. Numbers were reduced in 2020 due to a reduction in footfall in response to Covid-19 and a large reduction in crime traditionally linked to criminal exploitation.
- 13 CoLP officers completed a College of Policing four day Modern Slavery Investigator course enabling them to provide tactical advice on Modern Slavery investigations.
- 16 CoLP officers completed a College of Policing 2 day Modern Slavery Victim Liaison Officer Course to assist in the identification and support of victims.
- Modern Slavery training inputs have been provided to frontline officers, new recruits and custody officers.
- CoLP have actively participated in Modern Slavery and County Lines intensification activity, identifying potential victims.

## Continuous Improvement

- A SPOC for modern slavery issues to be set up in MCP and will be attending the MOPAC commissioned Focus on Labour Exploitation (FLEX) modern slavery 'train the trainer' in June and July, with training to be delivered to the teams after.
- A bespoke, shorter Modern Slavery investigator course is being developed internally for City of London Police investigators.
- CoLP continue to develop partnerships across the community and within policing to improve the identification and response to modern slavery.
- DCCS are investigating referral pathways into services including those supporting homeless people.
- DCCS will review the current internal training and promote further awareness.

# Our Domestic Supply Chain

Using responsible procurement and rigorous contract management to mitigate the risk of modern slavery taking place within UK supply chains.



## Risks

Based on the value and nature of contracts, the highest risks of modern slavery occurring in our UK supply chain include entry level roles in the construction, security, waste, cleaning and laundering, food harvesting and processing, and care industries, those typically undertaken by agency, seasonal and/or migrant workers, or those without formal UK qualifications

## Policies and Commitments

The City Corporation's Responsible Procurement Policy 2020 includes commitments to pay the Living Wage and guard against modern slavery, human and labour rights abuses, and unfair working practices in high risk supply chains.

## Established Practice and Remit

- Domestic supply chain categories: Healthcare/ homecare and supported living, taxis, food, security, hazardous waste and construction sites.
- The requirement for all suppliers that are in scope of the Modern Slavery Act 2015 to have a valid Modern Slavery Statement is incorporated as a pass/fail procurement criterion in the City Corporation's Supplier Questionnaire (SQ).
- A dedicated Responsible Procurement resource overseeing tailored interventions to ensure supply chain due diligence in all contracts posing a high risk of UK modern slavery.

## Recent Progress

- In depth training was delivered in February 2021 to all City Procurement staff including Commercial Contract Management, Procurement Operations, Sourcing & Category Management and Accounts Payable staff on Responsible Procurement including modern slavery.
- Guidance on relevant contract types and recommended interventions to minimise the risk of domestic modern slavery in our supply chains has also been provided to procurement staff.
- Supplier evaluation questions have been expanded to include checking validity of Construction Skills Certification Scheme (CSCS) cards.
- Collaboration with London Heads of Procurement – with the Responsible Procurement Manager leading a workshop on tackling modern slavery in supply chains.
- Commitment in our Responsible Procurement Policy (published in 2020) to tackle modern slavery and a supplementary Action Plan drafted focusing on domestic modern slavery.

## Continuous Improvement

- Introducing a specific requirement for site managers/ other relevant (sub)contractor staff to have the facility to check CSCS cards.
- Enhanced compliance provisions within standard contract terms in conditions.
- Explore whether or not it is something that could be incorporated into street works/ construction codes of conduct.
- Implement more structured internal procurement guidance for relevant decision making boards and commissioning officers.
- To complement the newly signed RP Policy, a focused Action Plan, including increased monitoring of compliance by high risk categories, will be implemented.

# Our Global Supply Chain

Using responsible procurement and effective due diligence procedures to minimise the risks of using global suppliers who contravene human and labour rights and exploit people through modern slavery



## Risks

The highest risks of modern slavery in our global supply chain, especially forced and child labour are associated with the production and manufacture of electronic equipment, textiles, agricultural commodities and construction materials. Conflict minerals (gold, tin, tantalum and tungsten) and cobalt found in computer equipment and vehicles are also of significant concern.

## Policies and Commitments

Underpinned by the City Corporation's Responsible Business Strategy, our Responsible Procurement Policy 2020 makes specific human and labour rights commitments, with an action plan focussed on tackling modern slavery in global supply chains

## Established Practice and Remit

The Responsible Procurement Manager tailors interventions to ensure supply chain due diligence in all contracts posing a high risk of global modern slavery, such as:

- For relevant contracts with lower risk/ spend/ leverage, pass/fail confirmation of adequate due diligence is required, to ensure awareness of and compliance with ILO conventions. High risk materials are outlined.
- For higher spend/ risk/ leverage contracts more active steps are taken within the procurement process including requiring contractors to declare current due diligence procedures followed by staged, mutually agreed upon continuous improvement requirements based on hot spot risks.

## Recent Progress

- Since the publication of the City Corporation's first Modern Slavery Statement in November 2018, 99.66% of contracts by value (a total contract value of £4,227,854,738), which are deemed to be of high risk in terms of global modern slavery, have had active interventions incorporated. 0.18% of the remaining proportion (a total contract value of £7,542,818) were framework contracts established by third parties, with 0.15% (a total contract value of £6,728,930) relying on the validity of the contractor's Modern Slavery Statements alone. A goal of 100% active interventions has now been set, including for framework contracts.
- The City Corporation presented examples of procurement interventions as part of the Local Government Association (LGA) webinar on Modern Slavery in Local Government Supply Chains on 16 December 2020, and over the last three years has continued to work with the LGA, Home Office, Ethical Trade Initiative (ETI) and Greenwich University's Business, Human Rights, and Environmental Research (BHRE) Group to raise awareness and support the broadening of the Modern Slavery Act 2015 to the public sector.
- Commitment in our Responsible Procurement Policy published 2020 to tackle human and labour rights abuses in high risk supply chains and a supplementary Action Plan drafted focusing on global modern slavery.

## Continuous Improvement

- Enhanced bank of questions for contract tenders and guidance with an increased focus placed on working with contractors to reduce risks of modern slavery within their supply chains.
- Contribute towards pan-London work through the London Responsible Procurement Network and London Procurement Network, which will include workshops involving industry representatives.
- Sign-off and implementation of an Action Plan which includes actions such as identifying supply chain hotspots for current high risk contracts and developing supplier action plans for improvement.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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