



Markets Board

Date: WEDNESDAY, 18 JANUARY 2023

Time: *** 2.30 pm *** PLEASE NOTE THE START TIME ***

Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy Henry Pollard (Chairman)
Deputy Philip Woodhouse (Deputy Chairman)
Deputy Mark Bostock
Alderman Alison Gowman
Henry Jones
Gregory Lawrence
Deputy Edward Lord
Paul Martinelli
Catherine McGuinness
Wendy Mead
Deputy Brian Mooney
Ian Seaton
Hugh Selka
Oliver Sells KC
James Tumbridge
Alderman Sir David Wootton

Enquiries: julie.mayer@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe all virtual public meetings of the City of London Corporation by following the below link:

<https://www.youtube.com/@CityofLondonCorporation/streams>

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one civic 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.

Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

Michael Cogher
Acting 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 approve the public minutes and non-public summary of the meeting held on 9th November 2022.

For Decision
(Pages 5 - 12)

4. **DEPARTMENT OF THE CHIEF OPERATING OFFICER BUSINESS PLANS 2023/24**

Report of the Chief Operating Officer.

For Decision
(Pages 13 - 30)

5. **MARKETS KEY PERFORMANCE INDICATORS - INTERIM UPDATE**

Report of the Markets Director.

For Decision
(Pages 31 - 34)

6. **MARKETS BUSINESS PLAN UPDATE PERIOD 2 - 2022/23 (AUGUST-NOVEMBER)**

Report of the Markets Director.

For Information
(Pages 35 - 52)

7. **WHOLESALE MARKET RISK UPDATE REPORT**

Report of the Markets Director.

For Information
(Pages 53 - 66)

8. **GENERAL MANAGER UPDATES**

To receive updates from the General Managers of Billingsgate, New Spitalfields and Smithfield Markets.

For Information
(Pages 67 - 70)

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 approve the non-public minutes of the meeting held on 9th November 2022.

For Decision
(Pages 71 - 72)

13. **DEBT ARREARS - MARKETS - PERIOD ENDING 30TH NOVEMBER 2022**

Report of the Markets Director.

For Information
(Pages 73 - 86)

14. **TENANCIES AT WILL AND ASSIGNMENTS**

Report of the Markets Director.

For Information
(Pages 87 - 90)

15. **REPORT OF ACTION TAKEN**

Report of the Town Clerk.

For Information
(Pages 91 - 92)

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

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

Confidential Items

18. **CONFIDENTIAL MINUTES**

To approve the confidential minutes of the meeting held on 9th November 2022.

For Decision

19. **MARKETS CO-LOCATION PROGRAMME UPDATE**

Director of the Markets Co-Location Programme to be heard.

For Information

MARKETS BOARD

Wednesday, 9 November 2022

Minutes of the meeting of the Markets Board held at Guildhall at 11.00 am

Present

Members:

Deputy Henry Pollard (Chairman)
Deputy Mark Bostock
Alderman Alison Gowman
Gregory Lawrence
Wendy Mead
James Tumbridge

Deputy Philip Woodhouse (Deputy
Chairman)
Catherine McGuinness
Alderman Sir David Wootton
Deputy Edward Lord
Oliver Sells KC
Paul Martinelli

In Attendance

Officers:

Ben Milligan	- Environment Department
Donald Perry	- Environment Department
Daniel Ritchie	- Environment Department
Mark Sherlock	- Environment Department
Anna Dunne	- City Surveyor's Department
Julie Gibbs	- Environment Department
Ben Dunleavy	- Town Clerk's Department
Graeme Low	- City Surveyor's Department
Emma Moore	- Chief Operating Officer
Ellen Fouweather	- Town Clerk's Department
Paul Wright	- Remembrancer's Department
Clem Harcourt	- Chamberlain's Department
Richard Chamberlain	- City Surveyor's Department

Also in attendance

Jeff Stedman	- Chair, Billingsgate Tenants' Association
Paul Walker	- Chair, New Spitalfields Tenants' Association

1. APOLOGIES

Apologies were received from Deputy Brian Mooney.
Henry Jones observed the meeting virtually.

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

Mr Gregory Lawrence advised that he has been granted a dispensation to speak on all matters concerning the London Central Markets (Smithfield) other than: (i) those in which he has a disclosable pecuniary interest as a shareholder or director of any company which holds a tenancy in the market; and (ii) those which would affect only him personally or his business interests as opposed to the generality of tenants within the market. *NB. This dispensation will be in place until the next Common Council elections in March 2025.*

3. **PUBLIC MINUTES**

The public minutes of the meeting held on 7 September 2022 were approved as a correct record.

Matters arising:

A Member praised the visit to the Dagenham site, and that it highlighted the importance of investment in the development. The Chairman agreed and praised the Leader of Barking and Dagenham Council and their team.

4. **ANNUAL REVIEW OF THE TERMS OF REFERENCE**

Members' received a report of the Town Clerk relative to the annual review of the Board's Terms of Reference.

Officers suggested two amendments to the terms of reference, as follows:

- Removal of the reference to Members holding tenancies under the Constitution
- Update section 4b so that it refers to the Director of Markets, removing 'and Consumer Protection', and remove the reference to the Port Health and Environmental Services and Licensing Committees.

Members discussed the governance arrangements for the Markets Co-Location Programme (MCP). It was confirmed that, should the MCP be approved as a major capital buildings project, it would automatically become the responsibility of the Capital Buildings Board, with the Chairman and Deputy Chairman of the Markets Board joining Capital Buildings Board as ex-officio members for the duration of the project.

The Chairman expressed his view that the Board should have greater operational input into the project. A Member agreed that the Board should make clear that it would be available and willing to provide expertise on the detail of the project as it progressed.

A Member said that they were disappointed that consideration was not being given to alternative approaches for delivering the project, and suggested the creation of a corporate entity, responsible to the Markets Board, to oversee it.

Other Members advised that it was important to have clarity on the relationship between the two Boards and their respective to avoid clashes. Another Member agreed and said that the Capital Buildings Board had a project management role, while the Board could make available the market expertise.

The Chair of the New Spitalfields Tenants' Association said that the market tenants do not have the same relationship with the Capital Buildings Board as they do with the Markets Board. Another Member said that the proper relationship would be between the tenants and the officers delivering the project, and that the role of the Capital Buildings Board was to provide

oversight and ensure the project was delivered in accordance with strategy and to deadline.

The Chief Operating Officer said that there would be a transition period where current operations and future operations overlapped, and suggested that this would be the point where the Board would want to provide input.

A Member said that the Markets Board had a strong membership and felt it should have greater control over the MCP as the project went into an important new phase. They did not feel that the Capital Buildings Board had been effective. Another Member replied to clarify that the Capital Buildings Board had not been responsible for the project thus far, and therefore should not be held culpable for any delays.

RESOLVED, that – Members:

- Recommend that the Board's composition and terms of reference be amended as follows:
 - Removal of the reference to Members holding tenancies under the Constitution
 - Update section 4b so that it refers to the Director of Markets, removing 'and Consumer Protection', and remove the reference to the Port Health and Environmental Services and Licensing Committees

5. **REVENUE AND CAPITAL BUDGETS 2023/24**

Members received a joint report of the Chamberlain and the Markets Director relative to the Revenue and Capital Budgets 2023/24.

RESOLVED, that – Members:

- i. note the latest revenue budget for 2022/23 for Markets Board;
- ii. approve the Markets Board draft revenue budget for 2023/24 for submission to Finance Committee;
- iii. approve the Markets Board draft capital and supplementary revenue projects budgets for 2023/24 for submission to Finance Committee;
- iv. note that the draft budget does not include the estimated increases in energy costs which are currently being reviewed in light of changing market prices with budgets to be adjusted once a final agreement on energy forecasts are made;
- v. agree that amendments for 2022/23 and 2023/24 budgets arising from changes to recharges or for any further implications arising from Corporate Projects, energy price increases and other reviews and changes to the CWP and capital charges during budget setting be delegated to the Chamberlain in consultation with the Chief Operating Officer

6. **WHOLESALE MARKET RISKS UPDATE**

Members received a report of the Director of Markets providing an update on Wholesale Markets Risks.

In reply to a question from a Member, the Chief Operating Officer confirmed that the Markets did not hold key man or critical illness insurance but undertook to explore whether this would be useful.

A Member asked for clarity on how risks were represented by the flightpaths. Officers undertook to discuss ways to change the description.

A Member asked if there was a potentially unidentified risk of disruption from protest action in and around London and the M25. The Chief Operating Officer confirmed that this was covered by the congestion risk.

RESOLVED, that – Members note the report and the actions taken in the Markets Division to monitor, and manage effectively, risks arising from its operations.

7. GENERAL MANAGER UPDATES

The Board received the General Managers updates.

Billingsgate:

The General Manager at Billingsgate Market informed the Board that Billingsgate had won a third national award for the outbound logistics trial. The first 12 weeks of the trial had seen 87% of Billingsgate merchants participate, achieving a 37% reduction in emissions, 949 fewer Central London journeys and 23,941 fewer kilometres being driven. The General Manager thanked the Markets Co-location Team for their help in supporting this, and the Billingsgate Merchants for embracing the trial.

The Chairman congratulated Billingsgate on behalf of the Board for the success of the project and for its recognition. The Chairman informed Members that all three markets would be contributing to a float at the upcoming Lord Mayor's Show, and one of the vehicles involved would be a vehicle used in the trial.

A representative of the Billingsgate Tenants commented that the trial had been successful but required continuing resource to ensure future success.

New Spitalfields:

The Markets Director informed the Board that officers had investigated ongoing issues regarding missing pallets at New Spitalfields and identified two individuals who had been removing pallets from the site for their own gain. One had now been banned from the site indefinitely, and the other given a one-month ban. Since the ban, New Spitalfields had seen a quadrupling of the amount of pallets available on site.

A representative of New Spitalfields congratulated the General Manager at New Spitalfields for their work on the pallets issue.

RESOLVED, that – the updates from the General Managers be noted.

8. **CONCESSIONARY PARKING AT SMITHFIELD MARKET DURING THE CHRISTMAS PERIOD 2022**

Members received a report of the Markets Director relative to concessionary parking at Smithfield Market during the 2022 Christmas period.

A Member expressed their surprise that, despite agreement at previous meetings for greater information regarding car park usage during concessionary periods to be included in these reports to help inform the Board's decision, this had not been included in the report presented at this meeting.

Other Members said that the current situation for traders was worse than other and felt that the opinions of the General Manager and traders should be followed when making a decision. A Member in reply said that this was why he was pushing for further data to be included in reports, as they felt that the traders often pushed for a longer concessionary period than the Board might want to grant.

The Chairman said that he was minded to choose Option B, granting a concessionary period of 13 days.

The Chairman requested that when the request for a concessionary period came to the Board again before Easter, officers include the above data in the report.

RESOLVED, that – Members:

- agree a concessionary period of 13 days from Sunday 11 December to Saturday 24 December
- delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to review the concession after the first week should the situation for tenants worsen

9. **ENERGY UPDATE**

Members received a report of the City Surveyor providing an update on energy and carbon related issues.

A Member asked for further information on the various surveys referenced in the report, and if they were all relevant when considering the potential costs. An Officer replied that they were working with two companies on surveys, Vital Energy and Mitie. They had entered into a framework agreement with Vital Energy to identify opportunities, and the surveys were free of charge. Mitie were providing more holistic surveys to identify a wider issues across Net Zero for the Markets.

A Member said there seemed to be at least two separate gateway reports in progress to get spending. An Officer replied that they would like to streamline the process and would be looking to take advantage of delegated powers in the Climate Action Strategy Scheme of Delegation and delegated authorities following the Gateway 2 paper.

A Member asked if officers felt that the City Corporation had the right approach in energy procurement, as the last time energy had been procured the night-time operations of the markets had not been taken into account. An Officer replied that each supplier and the profile of energy usage from the supplier is reviewed, with unit rates provided accordingly. The officer undertook to investigate this in further detail and provide a response.

A Member congratulated officers in the reduction in carbon footprint evidenced in the report. They said that this reduction appeared to have been achieved mainly through resources drawn from the Markets Board's budget and asked if officers would in future be able to access the City Corporation's Climate Action Strategy fund, which was available for projects of this nature, as this would have helped to generate additional resource for the project. In reply, officers undertook to work with the Chamberlain's Department to see what they could do to access this fund.

A Member expressed their hope that officers would do everything to ensure that all alternative methods of energy would be available for the new Markets site. An officer replied that the current surveys being undertaken would help to explore all opportunities. It was also important to

The Chairman requested that officers return in six months with a further update.

RESOLVED, that – the report be received and its contents noted.

10. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

11. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chairman hoped that Members would be able to support the Markets Float at the upcoming Lord Mayor's Show.

The Chairman provided Members with an update on his trip with the Markets Director to the wholesale markets of Abu Dhabi. He said that he wanted the MCP to provide a food hub that would be the envy of the UK and which should aspire to create a market for the future.

The Chairman suggested, and Members agreed, that one way to fulfil these aspirations was to embrace third-party financing, should that be an available option, and hoped that a briefing session with top financiers could be convened. A Member returned to the subject of the establishment of a special purpose vehicle to aid in this, as they felt it was easier for these entities to get external funding. Another Member seconded this idea and suggested that market tenants should be encouraged to invest in any potential entity to ensure buy-in to its success.

12. **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	Paragraphs
13-18	1,2 & 3

13. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 7 September 2022 were approved as a correct record, subject to minor corrections.

14. **BILLINGSGATE MARKET - BILLINGSGATE ACTION PLAN - ADDITIONAL FISH HANDLING UNIT - GATEWAY 4 - OPTIONS APPRAISAL**

Members received a report of the City Surveyor relative to the additional fish handling unit at Billingsgate Market.

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

There was one item in the non-public session.

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

There were no urgent items.

17. **CONFIDENTIAL MINUTES**

The confidential minutes of the meeting on 7 September 2022 were approved as a correct record.

18. **MARKETS CO-LOCATION PROGRAMME UPDATE**

Members received an update from the Programme Director for the Markets Co-Location Programme.

The meeting ended at 1.14 pm

Chairman

Contact Officer: Ben.Dunleavy@cityoflondon.gov.uk
julie.mayer@cityoflondon.gov.uk

This page is intentionally left blank

Committee(s): Markets Board	Dated: 18 January 2023
Subject: Department of the Chief Operating Officer Business Plans 2023/24	Public
Does this proposal require extra revenue and/or capital spending?	No
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Emma Moore, Chief Operating Officer	For Decision
Report author: Emma Moore, Chief Operating Officer	

Summary

This report presents Members with the Business Plan for the Department of the Chief Operating Officer (COO) for the 2023/24 Financial Year. It also presents the Divisional plan for the Markets Directorate, which sits under the COO Plan and provides more detail.

Recommendation(s)

Members are asked to:

- Note the direction of travel within the Department of the COO and the associated transformation planning within the Markets Directorate.
- Approve the Department of the COO Business Plan for 2023/24 (**Appendix 1**).
- Approve the Markets Business Plan for 2023/24 (**Appendix 2**).

Main Report

Department of the COO Business Plan

1. The Department of the COO came into existence in summer 2021, as a result of the Target Operating Model (TOM) changes. This Department unites the following divisions under the COO:
 - a. Commercial Service
 - b. Corporate Health and Safety (H&S)
 - c. Digital and Information Technology Service (DITS)
 - d. Equality, Diversity and Inclusion (ED&I)
 - e. Human Resources (HR)
 - f. Markets
 - g. Project Governance

The focus for the COO in the 2021/22 and 2022/23 Financial Years has been on putting the right structures in place and building the team, particularly at the Senior Leadership level, and on completing TOM implementation.

2. Whilst the TOM gave the Corporation a strong platform for change, and much has been achieved this year, it is clear that there is more to do to support the Corporation's transformation journey and the necessary cultural shift which is required to continue improving the Corporation's agility, effectiveness and impact. COO functions are key to this shift, as our work reaches all parts of the organisation.
3. The plan for 2023/24 therefore marks the first year of our own multi-year transformation plan, structured around four key themes.
 - a. Transparency
 - b. Credibility
 - c. Partnership, and
 - d. Enablement.

The detail behind these themes is set out in the COO Business Plan. We consulted Chief Officers and Institution leads on these themes when setting our transformation agenda so that we were certain that they resonated, and that we are delivering what our clients expect from us.

4. These four themes provide the golden thread that runs through all of our COO Business Plans. We are united in pursuit of the key workstreams and aims in the Departmental Plan, and so these flow down into the more detailed divisional Business Plans for each team and promote cross-working. Each of the workstreams within these divisional Plans contributes to one of these four themes.
5. Key Performance Indicators (KPIs) can be found in each plan to ensure that we are able to track and report back on our progress. Over time, we will be moving to formalised service standards and "shared service" agreements to increase clarity and accountability.
6. The KPIs also enable us to communicate our progress and achievements to our staff. The Business Plans have already all been shared in draft with our team and those undertaking similar roles in the wider Corporation family. We presented them at the COO Conference on 4 November so that our teams had a chance to discuss them and provide feedback, in line with our 'transparency' theme.
7. As well as achieving our KPIs, success will be evidenced by the following outcomes:
 - a. An improvement in our productivity and effectiveness
 - b. Our clients will feel supported and understood, will know the value of the services we provide, and trust us to deliver them
 - c. Our clients will involve us early enough for our advice to make a difference.

This will be reflected in positive feedback from our clients and other partners.

8. Our plans are ambitious, which we believe mirrors the ambition and vision of our Committee Members. Working together, internally and with key partners, we will drive the necessary changes that will future proof the Corporation, setting us up for long term, sustainable success.

Divisional Business Plan: Markets

9. As explained above, each division within the Department of the COO has its own Business Plan which tracks back to the overarching COO Plan. This enables us to have both a uniting transformation plan as well as more detailed team level plans. These plans will also support objective setting with our teams: every member of staff will be able to see how their work is contributing to our overall aims.
10. Each Plan also contains an assessment of the current maturity level of the function, as well as where we intend to be by the end of 2023/24 if we are successful in delivering the Plan.
11. Within the COO Department, the one area of relevance to this Board's remit is the **Markets Directorate**.
12. The Markets Business Plan sets out the activity we will undertake to deliver on the vision for the City's Markets. This will involve delivery of the current thriving wholesale food markets, as well as delivering a pioneering site where we will co-locate two of our Markets, following approval of the Markets Co-Location Programme. The coming year will therefore be critical to the success of the Markets team and indeed a key strategic priority of the City of London Corporation.
13. To achieve this, our key workstreams next year will include:
 - Reviewing all health and safety policies and procedures, and reviewing the implementation of the interim maintenance strategy;
 - Working with our tenants on the detailed design brief for the new Wholesale Market;
 - Establishing a Compliance Team to monitor food hygiene and health and safety;
 - Vacating the Poultry Market at Smithfield by August 2023;
 - Carrying out a customer satisfaction survey of market tenants.We will also implement a Climate Resilience Plan for the Markets in collaboration with the colleagues in the Environment Department, in pursuit of the CoLC's Climate Action Strategy.
14. Much work has taken place during 2022/23 to lay the groundwork for delivering our plans for the coming year. This has included:
 - Implementing the Market Target Operating Model.
 - A new suite of Key Performance Indicators developed for implementation from April 2023.
 - A deep dive into our risks.
 - Approval of the Markets Co-Location Programme.

15. The Markets remain in a sustainable position financially, primarily funded by service charge, notwithstanding slower debt collection as a result of COVID repayment restrictions and linked to the MCP deal with the Smithfield Market Tenants Association. However, the challenging economic environment, as well as increases in salary costs (primarily at Smithfield Market where cannot be recovered via tenant service charges) and energy prices, are likely to put considerable strain on local risk budgets in 2023/24. Proposals to bring the current and future markets work together under one Director, and sharing of resources, will help to manage this pressure.
16. The Business Plans for the COO Department and Markets division can be found at **Appendices 1 and 2**.

Corporate & Strategic Implications

17. Strategic implications – Strategic priorities and commitments are expressed in the Department of the COO Business Plan at **Appendix 1**.
18. Financial implications – None.
19. Risk implications – Each COO division's key risks are captured in the team business plans. The highest scoring risks across the Department have then been captured in the Departmental Business Plan. Risks will continue to be managed in line with Corporation policy.
20. Resource implications – The COO has proposed a Markets Co-Location Resourcing Strategy, to be considered by Capital Buildings Board early 2023.
21. Equalities implications – The Department's EDI data is captured in the Departmental Business Plan. In addition, the ED&I Business Plan (another team within the COO Department) sets out our more detailed plans and approach to embedding ED&I across the whole Corporation.
22. Climate implications – The Markets have produced a climate action plan to meet the conditions of the CoLC's Climate Action Strategy.
23. Security implications – There are no security implications to the proposals put forward in these business plans.
24. Operational property implications – All operational property in the Department of the Chief Operating Officer falls either into the Corporate Estate – i.e. Guildhall, or as market sites. There is a formal operational property plan and assessment in place for all works through City Surveyors for current market sites and the decision by Court to move two of the three markets from their current sites to Barking and Dagenham sets out a timeline for vacating and then disposing/retaining those sites as part of the Market Co-location Programme ("Major Project").

Proposals

25. We recommend that the Committee approves the COO Department and Markets Business Plans for 2023/24.

Appendices

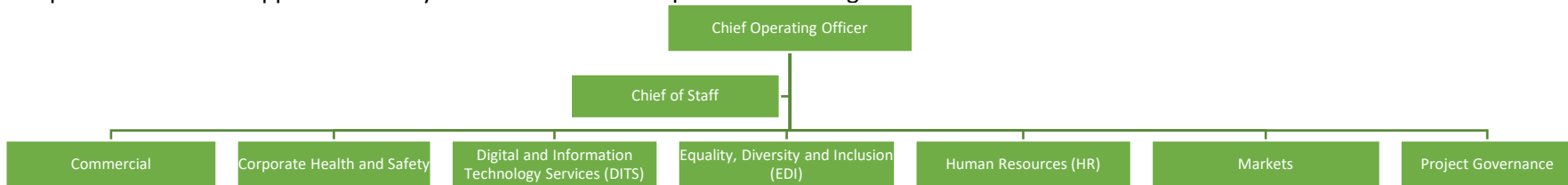
- **Appendix 1** – Department of the Chief Operating Officer Business Plan 2023/24
- **Appendix 2** – Markets Business Plan 2023/24

Emma Moore
Chief Operating Officer
T: 07562 907319
E: emma.moore@cityoflondon.gov.uk

This page is intentionally left blank

Department of the Chief Operating Officer

The Department of the Chief Operating Officer exists to enable the City of London Corporation to deliver its aims and objectives, through providing corporate and wider support to our key functions. It is made up of the following teams:



Our aims and objectives

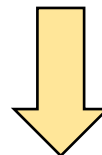
Whilst the TOM gave us a much-needed platform for change, it is clear that there is more to do to stabilise, embed and grow the Department over the coming years and to ensure that we are meeting our clients' needs. We have therefore set out the following aims for a multi-year transformation plan:

<div>Page:19</div> <p>Transparency</p> <ul style="list-style-type: none"> Our clients (all users of our services and ultimately those of the Corporation) are clear on the core services we do and don't provide, with robust and visible operating level agreements and KPIs to show how we are delivering The process to access our services and contact points are easy to follow and user-friendly We provide clear and transparent templates and costings for non-core requests and project resource 	<p>Credibility</p> <ul style="list-style-type: none"> Our clients understand our capabilities, where we can add value through strategic insight and market knowledge, and trust our expertise Our team are skilled, capable, and operate respected processes and procedures We work efficiently, are financially disciplined with forecast accuracy, strive for best value and are right-sized to match the needs of the organisation
<p>Partnership</p> <ul style="list-style-type: none"> It is our job to understand the complex and diverse priorities and objectives of our clients, working collaboratively and seamlessly with our partners, and using our expert knowledge to meet their needs and shape the future of the organisation We are proactive in supporting, advising and protecting the organisation, in offering our expertise to drive continual improvements, and have a defined process for issue resolution and responding to feedback We have a shared sense of purpose with our clients: their success is our success 	<p>Enablement</p> <ul style="list-style-type: none"> We ensure that people across the organisation are empowered and trained to use the resources they need to do their jobs, so that they know when to use our services and expertise and when they can support themselves We use technology to automate processes where possible and are open to improving our ways of working, so we can truly add value over and above transactional support We empower colleagues to navigate corporate processes and governance to facilitate their work, applying flexibility or bespoke solutions where needed
<p>OUTCOME: If we are successful in achieving our objectives, then we will see an improvement in productivity and effectiveness. In addition, our clients will feel supported and understood; will know the value of the services we provide and trust us to deliver them; and involve us early enough for our advice to make a difference. This will be reflected in positive feedback from our clients and other partners.</p>	

Each priority workstream within the COO team-level business plans has been mapped to one or more of these transformation objectives.

Key Performance Indicators

#	KPIs 2023/24	Current Performance	Direction of Travel/Target
1	Transparency: All seven COO teams have an Operating Level Agreement (OLA) or other service agreement in place with all Chief Officer departments and institutions	N/A	100% by Year End
2	Credibility: All COO department employees have completed mandatory training	N/A	95%
3	Credibility: Forecasts to be increasingly accurate: +/- 10% at Period 6; +/- 5% at Period 9 and +/-1% by Year End.	N/A	99% forecast accuracy by Year End
4	Partnership: Client pulse survey showing a % satisfaction with COO Department services – in P5 and P12	N/A	10% improvement over the year (baseline to be set in Q4 2022/23)
5	Partnership: All queries responded to within defined timelines (which vary across the COO Department)	N/A	95%
6	Enablement: Productivity increase from continuous improvement (excluding EDI, which will have different measures)	N/A	-100 hours per COO area per year



OUTCOME: If we are successful in achieving our objectives, then we will see an improvement in productivity and effectiveness. In addition, our clients will feel supported and understood; will know the value of the services we provide and trust us to deliver them; and involve us early enough for our advice to make a difference. This will be reflected in positive feedback from our clients and other partners.

Department of the COO Transformation

Our major cross-cutting workstreams this year will be...

- **Priority 1:** Ensure the successful delivery of each COO division's priorities, as set out in their own Business Plans
- **Priority 2:** Following recruitment in 2022/23, build a collaborative and non-siloed approach across all COO teams, including across the Senior Leadership Team. Increased staff engagement leading to a better engagement and identification as the Department of the COO
- **Priority 3:** Work with colleagues across CoLC to embed our refreshed organisational priorities, and in particular to support the organisation in seeking opportunities for greater income generation and embedding a more commercially focused approach across all areas of operation
- **Priority 4:** Put in place a performance management approach which ensures that we are able to track our progress and communicate this to stakeholders. This will be supported by robust KPIs, refreshed risk registers and insightful data
- **Priority 5:** Ensure Member Committee confidence and understanding of our approach, and that it aligns with their expectations

What's changed since last year

- Successful recruitment of full COO Senior Leadership Team, including new leaders for DITS, EDI, Health and Safety and HR and new Chief of Staff
- Completion and implementation of all TOMs
- Corporate Services Committee approval of additional Health and Safety and HR resource for transformation
- Agreement to bring support provided by Agilisys in house
- Detailed reviews of our periodic financials and budget position, leading to greater grip on our expenditure
- Reward Refresh and Project Governance Review commenced
- Approval for uplifted delegation limits in HR, procurement and projects
- Creation of Corporate Health and Safety capability

Maturity index update

In February 2022, the COO carried out maturity index assessments of each division within the Department of the COO. As part of our planning for 2023/24, each COO division has produced a high level transformation plan for the next three years. Our business plans for 2023/24 therefore represent the first 12 months of this transformation.

To track our progress, we are using maturity index assessments. Each team's assessment can be found within their business plan. This shows where we currently are, where we have moved to in 2022/23 and where we hope to get to by the end of 2023/24.

The Corporate Plan outcomes we have a direct impact on are...

Due to the cross-cutting functions within Operations and the nature of our work, we support and enable the delivery of all Corporate Plan outcomes. In particular, we have a key role to play in achieving the following outcomes:

- **Outcome 2:** People enjoy good health and wellbeing
- **Outcome 3:** People have equal opportunities to enrich their lives and reach their full potential
- **Outcome 8:** We have access to the skills and talent we need
- **Outcome 9:** We are digitally and physically well-connected and responsive
- **Outcome 10:** We inspire enterprise, excellence, creativity and collaboration.

Our strategic commitments

We feed into the following Corporation-wide programmes:

- Resources and Priorities Refresh: many of the themes of this work are dependent on COO Department activity and action
- Major Projects: as well as project governance sitting within the COO Department, the COO is the Senior Responsible Officer for the Markets Co-Location Programme
- Reward Refresh: managed out of HR but having organisation-wide outcomes and impact
- Climate Action Strategy: in particular the actions relating to Scope 3 emissions, which the Commercial team is responsible for delivering

Our Team

Our People

Staffing levels posed a major challenge in 2022/23, due to the need to recruit into new EDI and Health and Safety teams, and a number of resource gaps across HR and DITS. Across Operations, 29 vacancies are currently out for recruitment. 2023/24 will therefore focus on building these teams; developing and retaining talent; and growing the sense of one team across the Department of the COO, all in pursuit of improved engagement and delivery of our transformation objectives.

In the 2022 Staff Survey, the engagement score for the COO Department was 47%, compared to the Corporation's overall engagement score of 52%. Our Staff Survey participation rate was 53% (compared to a Corporation overall participation rate of 51%).

Our plans to increase engagement include the continuation of a six-monthly COO Conference series for all staff within the Department (following a successful first in-person event in May 2022); and the embedding and developing of a Department-specific communications and engagement plan. Demonstrating action on feedback from the Staff Survey will also be crucial.

To support and develop our talented people, we have team skills and talent plans in each area. We will also continue to provide our in-house Learning and Development offer, ensuring that this meets the core needs of staff.

During 2023/24, we will bring to life the Head of Profession roles by developing communities across the breadth of the Corporation, with the COO Department acting as the central hub for professional expertise within the linked enabling functions.

Equality, Diversity and Inclusion

Operations has the corporate and Head of Profession lead for EDI across the whole of the City of London Group. To ensure the necessary focus on this critical area, a new EDI Director and team was recruited in 2022/23, reporting directly to the COO rather than sitting within HR (where it sat before the TOM.) Please see the EDI 2023/24 business plan for the detail on our focus over the coming year and beyond.

The make-up of the COO Department (as at 30 September 2022) is as follows:

- Total numbers: c.200 members of staff, with a turnover rate of 27.49% (of which 17.93% were voluntary leavers.)
- Gender: 39.82% female and 60.18% male. Of our 26 new starters in the past year, 53.85% were female, and all four new staff members recruited at Grades G and above were female.
- Working patterns: 210 full time staff and 16 part time staff (equating to 9.2 FTE)
- Age: 11.06% of our team are aged 30 and under, with 47.34% aged between 31 and 50 and 41.59% aged 51 and over.
- Disability: 83.63% of our staff state that they do not have a disability, with 5.31% declaring a disability and 11.06% not declaring either way.
- Sexual orientation: 70.80% of the Department declared themselves to be heterosexual, with 3.09% LGBTQIA+ and 26.11% not known or declined to specify.
- Religious beliefs: Five major religions are represented in the Department, as well as non-religious and spiritual beliefs. The largest staff groups are Christian (37%) and non religious (32.60%).
- Ethnic Groups: the ethnic make up of the Department is as follows: 58.41% White; 17.26% Black/Black British; 11.50% Asian/Asian British; 3.98% Mixed and Other Ethnic Groups (with 8.85% not known).

The data tells us that we have further to go in some areas to build a team that is representative of the wider communities we serve and collaborate with. Ethnicity in the COO teams is broadly comparable to that of London, and our LGBTQIA+ representation is in line with the national average. However women, young people and disabled colleagues are underrepresented. In future, we would also be keen to look at social mobility as a measure, and how this intersects with our other measures, to ensure that we are truly a diverse and inclusive Department.

Key Risks

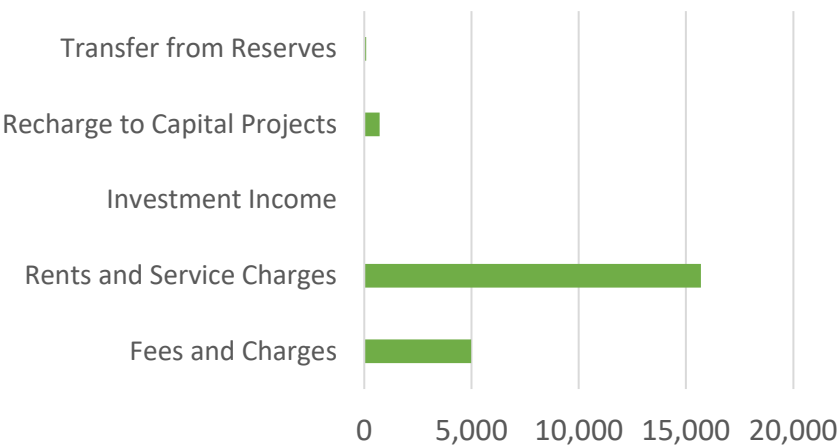
The table below shows the top scoring residual risks across the Department of the COO:

Division	Risk Title	Score
Health & Safety	Increase in major and/or extreme accident outcome, enforcement agency action, reputational and financial risk due to inability to meet legal requirements and other requirements, H&S objectives and continually improve	24
DITS	CR16 Information Security	16
Health & Safety	Inadequate planning and implementation of the strategic change for the new Corporation health and safety management system	16
Health & Safety	Decrease in risk management assurance/visibility for senior leaders	16
Markets	Wholesale Markets – Traffic Management	12
Health & Safety	Inadequate management of statutory wellbeing requirements	12
Commercial	Risk of provider failure due to ongoing impact of lockdown and economic downturn	12
Commercial	Supply chain issues and labour shortages impact the market's ability to/ interest in responding to tenders	12

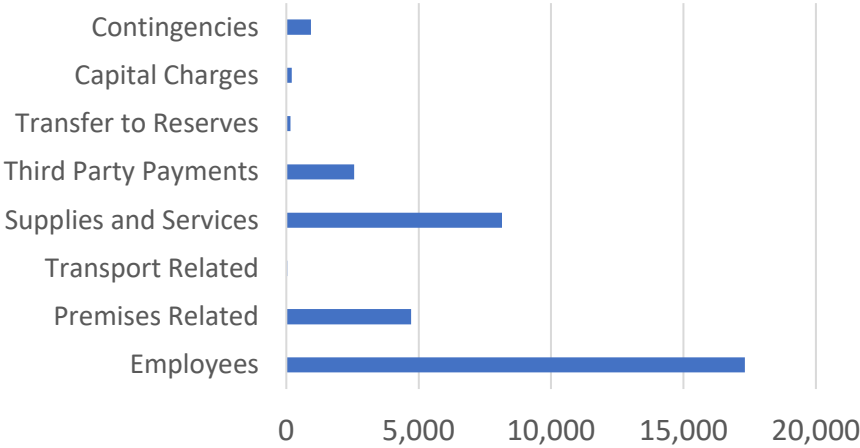
		Minor	Serious	Major	Extreme	
Likelihood		0	0	2	0	Likely
		0	0	4	1	Possible
		0	0	0	1	Unlikely
		0	0	0	0	Rare
		Impact				

Our Finances (P6 2022/23)

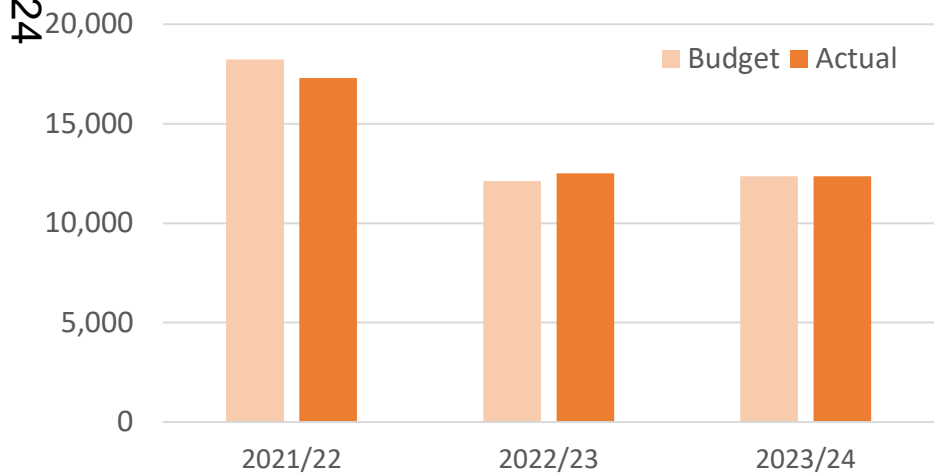
Where our money comes from (£'000)



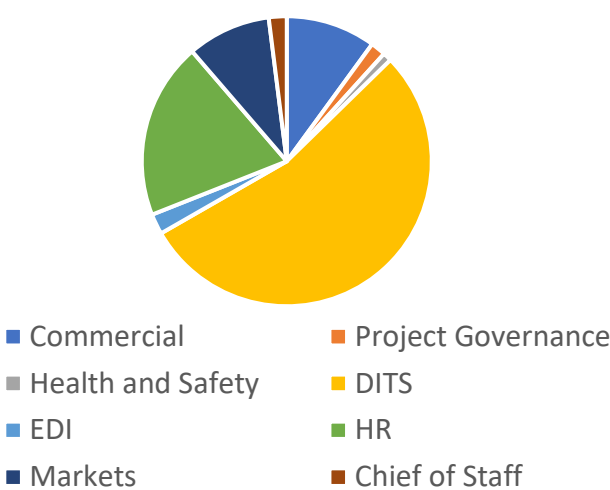
Where our money is spent (£'000)



Budget vs Actual (£'000)



2023/24 Local Risk Budget



Appendices

The more detailed 2023/24 planning for each Directorate within Operations can be found in each team's business plans. These plans therefore form appendices to this overarching Operations plan:

Appendix 1: Commercial Service Business Plan 2023/24

Appendix 2: Corporate Health and Safety Business Plan 2023/24

Appendix 3: Digital and Information Technology Service Business Plan 2023/24

Appendix 4: Equality, Diversity and Inclusion Business Plan 2023/24

Appendix 5: Human Resources Business Plan 2023/24

Appendix 6: Markets Business Plan 2023/24

Appendix 7: Project Governance Business Plan 2023/24

This page is intentionally left blank



THE MARKETS' VISION IS:

To provide a vital link in the food supply chain for London and the South by operating three thriving wholesale food markets, whilst developing a pioneering Market site on which we can co-locate our Markets and which will become London's wholesale food destination; a wholesale hub that covers all foods and food industry commodities.

What changed during 2022/2023

- The Markets Targeting Operating Model was implemented.
- Markets begin operating without covid restrictions.
- Smithfield Market is in the five best performing City of London sites for reducing energy consumption.
- New suite of Key Performance Indicators developed in collaboration with the Corporate Strategy Performance Team with implementation anticipated by April 2023
- Risk Management deep dive and a training refresh carried out.

Aims and Objectives

- To provide an exemplary trading environment for our staff, tenants, and market users that is safe and efficient.
- To provide high quality services to our tenants that are value for money.
 - To operate our markets in a manner that is compatible with our Climate Action Strategy commitments.

Our Strategic Commitments

Climate Action Strategy – We will implement a Climate Resilience Plan for the Markets in collaboration with the colleagues in the Environment Department.

There will be tactical improvements on existing sites focussed on energy efficiency and waste management, pending the move to a new Market facility. Strategic improvements will be focussed on the new facility which is planned to be BREEAM Excellent .

The Corporate Plan outcome the Markets have a direct impact on are.....

Outcome 4 – Communities are cohesive and have the facilities they need

Outcome 7 – We are a global hub for innovation in finance and professional services, commerce and culture

Outcome 10 – We inspire enterprise, excellence, creativity and collaboration.

Operational Property Requirements.

The Markets' Operational property holdings were reviewed with the City Surveyor in accordance with SO56. The Poultry Market at Smithfield has already been declared as surplus. The remaining properties are required for Markets operations until the move to a new market is completed.

Our major workstreams this year are

Transparency

<p>Priority 1. Review the implementation of the interim maintenance strategy to ensure the existing markets remain safe and fit for purpose as we transition to a new site. Update forward maintenance plans around asset condition and relocation timelines. Continue to focus on harmonising Health and Safety systems across the three sites.</p>	<p>Effective forward maintenance plans are essential to ensure that we continue to deliver safe environments in which to operate, while focussing on making the correct investment decisions for the existing infrastructure as we move towards a colocated Market.</p> <p>During this transitional period Health and safety management of our sites is a key priority.</p>
<p>Priority 2. Introduce a comprehensive set of robust Key Performance Indicators as part of a Markets performance pack.</p>	<p>We will look to introduce a comprehensive suite of KPIs by April 2023 that will, among other things, focus on delivering value for money services to our tenants, maintaining health and safety and effective debt management.</p>
<p>Priority 3. Comprehensive review of Health and Safety policies and procedures and alignment of Markets' Working Manuals / Codes of Practice.</p>	<p>Robust and consistent Health and Safety Policies/ procedures and alignment of the Markets enforcement policies.</p>

Partnership

<p>Priority 10. Carry out a customer satisfaction survey of market tenants.</p>	<p>Work with our tenants to understand how we can improve our service. Obtain an indicative measure of how our customers view our performance.</p>
<p>Priority 11. Continue to build links with the National Association of British Market Authorities (NABMA) and the World Union of Wholesale Markets (WUWM).</p>	<p>Work with national and international partner organisations to ensure we remain relevant as a Market Authority as we work towards colocation of the markets onto a world class facility at Barking Reach.</p>

Enablement

<p>Priority 4. Work with our tenants to contribute to the detailed design brief for the new Wholesale Market</p>	<p>Ensure that as the detailed design process progresses, post bill submission, the tenants' views are heard and taken into consideration.</p>
---	--

Major workstreams for 2024/25

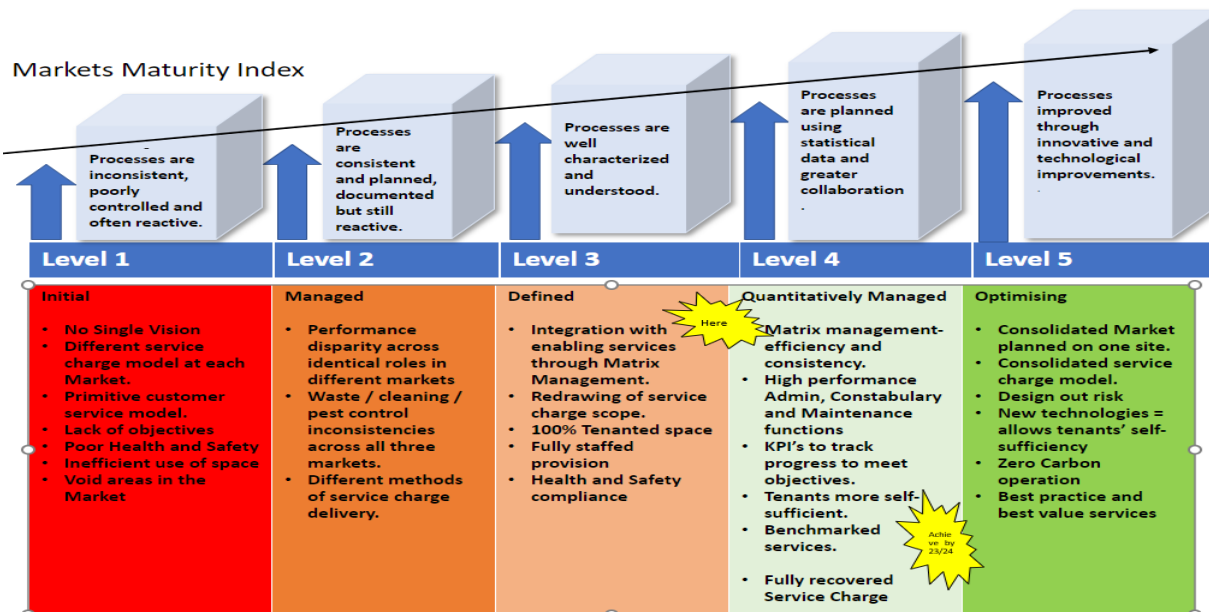
<p>Inbound logistics trial (BG)</p>	<p>Consolidating inbound delivery journeys we can reduce carbon emissions, improve air quality, and provide a better customer experience.</p>
-------------------------------------	---

Credibility

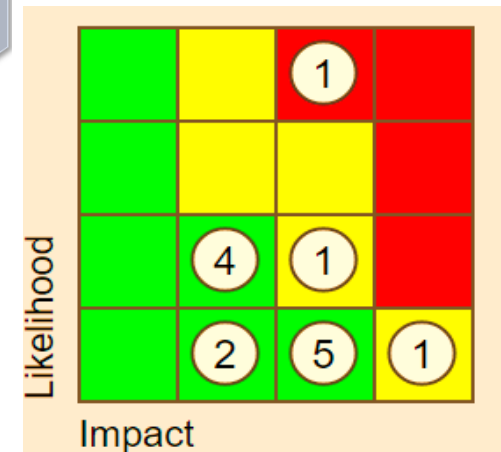
<p>Priority 5. Establish a Compliance Team to monitor food hygiene and health and safety across the three sites.</p>	<p>Team established and operational by April 2023 with outputs that support the safe and efficient operation of the Markets and maintains high standards of food hygiene.</p>
<p>Priority 6. Conclude the consolidation of maintenance and waste services operation to vacate the Poultry Market by August 2023 (SM).</p>	<p>The Poultry Market has been declared surplus to requirement. All CoL operation have to be moved of the Poultry Market at Smithfield by August 2023.</p>
<p>Priority 7. Cleaning project for high level structural steelwork to Market Pavilion (NSM).</p>	<p>Maintaining the food hygiene condition of the Market.</p>
<p>Priority 8. Build upon the first phase of work on our retail market offering by producing a detailed business case identifying the potential for development by December 2023.</p>	<p>Looking to develop a business case to Expand the City's offer with respect to retail markets.</p>
<p>Priority 9. Carry out intrusive survey of roof to establish extent of, and action, works required. (NSM).</p>	<p>Repairing the roof to a satisfactory and sustainable standard that will remain fit for purpose until the Market is relocated.</p>

Major workstreams for 2024/25

<p>Resurfacing entry and exit lanes and market pavilion roadway at (NSM).</p>	<p>Major maintenance activity to ensure the site remains safe for market users.</p>
---	---



Markets Risk Heat Map



Markets Dept Level Key Risk

N.B. All Key Risk information was correct at 22 August 2022 but is subject to continual review and change.
N.B The heat map include both departmental and service level risks.

Wholesale Markets – Traffic Management

12

Smithfield Market – Building maintenance management

8

Wholesale Markets Consolidation Project

8

Brexit – Impact on traders

4

Smithfield Market – EPA Canopy Failure

4

New Spitalfields Market - Air Quality – Market Pavilion

4

Billingsgate Market – Building maintenance management

4

Smithfield Market – Glass Canopy Failure

2

Wholesale Markets – Food Hygiene

2

Markets KPI's

MKP1 Each Market's outstanding debt as a percentage of their total invoiced income. Maximum 2% KPI.

Divert 90% of waste from landfill at the Markets.

Maintain a minimum 95% occupancy with the expectation to achieve 100%.

Improve the standard of incident reports, ensuring all information and evidence is gathered thoroughly and documented. All reports to be completed within 3 days following the reporting of an incident.

New draft Markets KPI's N.B these are example KPI's that we can select from but a decision is yet to be made.

Reduce net spend on disposal of contaminated waste / animal by-product.

% penalty notices issued compared to accidents each month. Aim for a downward trend in accidents following an increase in penalty notices issued across all markets.

Loss of income due to unlet space. Maintained loss of income at £ 90,000 across all three markets.

Our People

Market Staff Engagement score 30%

Develop an action plan to address the concerns raised by staff from the staff survey.

Deliver the corporate EDI priorities.

Support staff progression from grades A-C through training and where possible staff shadowing.

Create a safe environment where staff feel comfortable about sharing information.

SMG's and managers to embed a culture that filters down where all staff have regular one to one's, and training needs / opportunities are discussed during appraisals.

Capital Project	Approved Budget £	Amount Unspent £
Billingsgate Market Additional Fish Handling Facility	112,000	18,605
Smithfield Market Car Park - Sprinkler and Fire Door Remedial Works	20,000	20,000
Poultry Market Canopy Deconstruction	382,000	50,632
Smithfield Replacement Glazing on Canopy	220,000	69,002.08
Smithfield Market – Water treatment Condenser Replacement	51,000	10,756.67
Billingsgate Action Plan CCTV	163,500	59,467.00
Grand Total	949,040.00	228,462.75

Committee(s)	Dated:
Markets Board	18.01.2023
Subject: Markets Key Performance Indicators – Interim Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Support a thriving economy. Shape outstanding environments.
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Ben Milligan, Markets Director	For Decision
Report author: Don Perry, Markets Department	

Summary

This report provides Members with an update on the work that has been carried out to develop a comprehensive set of Key Performance Indicators (KPIs) for the Markets that will support performance management and the delivery of our business plan objectives.

Officers from the Markets teams have worked with the Corporate Strategy and Performance Team (CPST) to review the availability and quality of performance data that is collected as well as the best way that this can support a set of KPIs that will illustrate our performance against our objectives and service priorities. The KPIs proposed herein for regular performance reporting to the Markets Board will be used to enable officers to make informed decisions on resource and performance issues, and this report seeks Members’ approval of these. It also provides a proposed roadmap for the development of KPIs for the dashboards in phases based upon the state of readiness of the data sources for each.

Recommendation

- It is recommended that Members approve the selected KPIs identified in Appendix 1 to the report, for performance reporting.

Main Report

Background

1. Following the implementation of the Target Operating Model for Markets, the Markets Director gave a commitment to review the KPIs used for performance reporting to the Markets Board. Previously these had been limited to a small set of high-level indicators that were included in regular business plan update reports to the Markets Committee.
2. The intention was to develop a comprehensive suite of indicators to communicate performance to the Board as well as support effective decision making by officers in the day-to-day management of the Markets.

Current Position

3. At present four KPIs are routinely reported to the Markets Board as part of the periodic Business Plan Update reporting. It was felt that broadening the scope of KPIs that are reported will give a more rounded picture of performance across key areas of Markets' activity.
4. A workshop was held with the CSPT and the Markets team to review the performance data that is currently collected and how this could be better used to illustrate business performance and help drive service improvements. Three key themes that align with the strategic commitments, objectives and major workstreams in our business plan emerged from the workshop and were the focus of work to develop a draft framework. These were:
 - Health, Safety, and Security
 - Operations
 - Value for Money

Further work was done to understand current data sources and capability. CSPT then began an audit of Market data to determine:

- Which elements of the draft framework were currently feasible
- Challenges/barriers to development of a performance product
- A roadmap for development of future measures

5. The outcome of this is given in Appendix 1 with Phase 1 items being well supported by data that is currently collected and is readily accessible. These items are expected to be reported upon to the Markets Board in a format that will enable visualisation of performance data, with the reporting period beginning in April 2023. Phase 2 items will require further work and are expected to be added to the performance reports later in 2023. Phase 3 items are desirable but will require significant additional work before they can be confirmed as part of the reporting suite.
6. The first stage of the further work that we will be doing with CPST will be to get the reporting and measurement of performance data up and running. We will then carry out an exercise to refresh and upgrade existing benchmarking of performance against appropriate industry standards and from that establish targets.
7. The Markets' management team have proposed the KPIs in Appendix 1 be used for performance reporting purposes, with each phase being delivered as data issues are resolved.

Conclusion

8. It is concluded that the KPIs represent a comprehensive suite of performance indicators against which progress can be monitored and challenged. Members are asked to approve the indicators selected or to suggest other indicators that they would like to see investigated for future reporting.

Appendix 1

	Phase 1	Phase 2	Phase 3
Health, Safety & Security	<ul style="list-style-type: none"> - Incidents* - Accidents* - Near Misses* - H&S Reporting compliance* - Reactive Maintenance inc. Pest Control: Jobs by type and pass/fail completion on time - Compliance with Food Hygiene Standards 	<ul style="list-style-type: none"> - Notices / Penalties - Safety/Security Activity inc. Stops and Searches - Planned v. Reactive Maintenance related to depreciating asset 	<ul style="list-style-type: none"> - Tenant compliance with training - Penalties linked to safety incidents - Safety incidents linked to depreciating asset
Operations	<ul style="list-style-type: none"> - Recycled Waste - Non-Recycled Waste - Energy Usage - Carbon Output - Complaints 	<ul style="list-style-type: none"> - Workforce Development 	<ul style="list-style-type: none"> - Tenant Survey - Tenant payments via EPOS - Complaints breakdown by theme & resolution
Value for Money	<ul style="list-style-type: none"> - Debt (% and £) by type and age - Occupancy: Market, Office, Other - Service Charge Voids 	<ul style="list-style-type: none"> - Index of unlet space - Abstractions and cost of agency staff cover - Internal SLAs 	<ul style="list-style-type: none"> - Value for Money: Planned v Reactive maintenance - Payment Plans

* These indicators were produced using Health and Safety data extracted from Reportline, which has now been decommissioned. CSPT are working with the Corporate Health and Safety Team to ensure that relevant Health and Safety data will be available in Phase 1 as planned, but this may be subject to delay as the new system comes online.

Committee(s)	Dated:
Markets Board	18.01.23
Subject: Markets Business Plan Update Period 2 2022/23 (August-November)	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4, 7
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Ben Milligan, Director of Markets	For Information
Report author: Don Perry, Markets Department	

Summary

This report provides an update on progress made during Period 2 (August-November) of 2022/23 against the key performance indicators (KPIs) and key improvement objectives outlined in the Markets' Business Plan 2022/23.

Recommendation(s)

Members are asked to:

- Note the content of this report and its appendices.

Main Report

Background

1. The 2022/23 Markets Business Plan set out four Key Performance Indicators (KPIs) and ten Key Improvement Objectives against which the Markets' performance has been measured throughout the year.
2. Updates on progress made against the KPIs and improvement objectives are provided in Appendix A.
3. Matters of general interest, including a list of visitors to the Markets are provided in Appendix B.
4. The provisional 2022/23 outturn position for the Markets Department reporting to Markets Board is provided at Appendix C.

Current Position

5. To ensure your Board is kept informed of progress against the current business plan, progress made against KPIs and key improvement objectives (Appendix A), matters of general interest (Appendix B), and financial information (Appendix C) is reported on a periodic (four-monthly) basis.
6. This approach allows Members to ask questions and have a timely input on areas of importance to them. Members are also encouraged to ask the Director for information throughout the year.
7. Progress against the departmental and local business plans is regularly discussed by Senior Management Groups to ensure any issues are resolved at an early stage.
8. Key points are that:
 - Approval at Court of the proposal to co-locate Billingsgate and Smithfield Market.
 - Market tenants from January will benefit from the City of London Corporation's investment in the purchase of a Solar farm.
 - Biofuel only being used in forklift trucks at Spitalfields but unfortunately this hasn't seen a reduction in NO2 levels within the Market Hall.
 - HGV policy in final draft, consultation with the tenants expected in January 2023.
 - Additional Fish Handling Unit – agreed building specification with tenants, planning permission submitted, and groundwork surveys being done in January.

Financial Information

9. At the end of November 2022, the Chief Operating Officer was £558k (552.5%) underspent against the local risk net income budget to date of £101k, over all the services managed by the Chief Operating Officer reporting to the Markets Board. Appendix C sets out the detailed position for the individual services covered by this department.
10. Overall, the Chief Operating Officer is currently forecasting a year end overspend position of £239k (18.8%) for her City Fund and City's Cash services. However, this excludes the impact of funding expected to be provided centrally for increasing energy and employment costs which is currently projected to result in an overall underspend of £175k (10.4%) on the Markets Board local risk budget.

Corporate & Strategic Implications

Strategic implications – The monitoring of key improvement objectives and performance measures links to the achievement of the aims and outcomes set out in the Corporate Plan 2018-23.

Financial implications - The position of each Markets debt is reported to Markets Board in KPI 1.

Resource implications - None

Legal implications - None

Risk implications – The Markets Risk Register includes any risks which are linked to the delivery of its Business Plan. A separate report on risk has been submitted to this Committee.

Equalities implications – None

Climate implications - None

Security implications - None

Appendices

- Appendix A – Progress against key performance indicators (KPIs) and key improvement objectives
- Appendix B - Matters of general interest.
- Appendix C – Financial information

Contacts:

Report author:
Donald Perry, Head of Business
Performance
donald.perry@cityoflondon.gov.uk

New Spitalfields Market:
General Manager – Emma Beard
T: 020 8518 7670
E: emma.beard@cityoflondon.gov.uk

Financial information:
Clem Harcourt, Chamberlain's
Department
clem.harcourt@cityoflondon.gov.uk

Smithfield Market:
General Manager – Mark Sherlock
T: 020 7332 3747
E: mark.sherlock@cityoflondon.gov.uk

Billingsgate Market:
General Manager – Daniel Ritchie
T: 020 7332 3067
E: daniel.ritchie@cityoflondon.gov.uk

This page is intentionally left blank

Progress against Key Performance Indicators 2022-23

Period Two: 1st August
– 30th November 2022

	Target 2022/23		Period 1	Period 2		Period 3
				Excluding Covid	Including Covid	
MKP 1	Each Market's outstanding debt as a percentage of their total invoiced income. Maximum 2% KPI target.	Billingsgate	6.87%	17.58%	23.23%	
		Smithfield	17.30%	3.63%	38.48%	
		Spitalfields	4.26%	8.05%	10.39%	
<p>Comments: The debt has been split into covid and non-covid debt and the reported percentages of outstanding debt exclude debts which were less than 30 days old on 31st October 2022.</p> <p>Billingsgate Market: 'debt-chasing' continues. In addition to one debtor being pursued by C&CS, four Letters before action have been issued. Three repayment plans have been agreed and are being satisfied. Three debtors are in advanced discussions regarding the terms of repayment with a further debtor yet to commit to terms.</p> <p>Smithfield Market: The debt management plan with the Smithfield traders is on target and debt will continue to fall in line with that, expecting full recovery to be achieved by the end of March 2024.</p> <p>New Spitalfields Market: 'debt chasing' continues. Most of the debt relates to two tenants, one of which is on a payment plan and is on target to pay, the other is currently being dealt with by C&CS after forfeiture of their lease for non-payment. All current debt is chased regularly using the escalation channels available to the local team.</p>						
	Target 2022/23		Period 1	Period 2		Period 3
MKP 2	Divert 90% of waste from landfill at the Markets	Billingsgate	100%	100%		
		Smithfield	100%	100%		
		Spitalfields	100%	100%		

	Target 2022/23		Period 1	Period 2	Period 3
MKP 3	Maintain a minimum 95% occupancy with the expectation to achieve 100%.	Billingsgate	99.6%	94.5%	
		Smithfield	100%	100%	
		Spitalfields	99%	99%	
Comments: Billingsgate Market: Reporting against overall square footage available. All shops, stands, units 100% let. Smithfield Market: Reporting against lettable space only; previous reporting has included non-lettable space within the Poultry Market.					
	Target 2022/23		Period 1	Period 2	Period 3
MKP 4	Improve the standard of incident reports, ensuring all information and evidence is gathered thoroughly and documented. All reports to be completed within 3 days following the reporting of an incident.	Billingsgate	100%	100%	
		Smithfield	100%	100%	
		Spitalfields	100%	100%	

Progress against key improvement objectives 2022-2023
Period Two: 1st August – 30th November 2022

Ref:	Objective	Progress to date
MKT01	To submit a private bill to Parliament for the colocation of the three wholesale markets in November 2022.	<p>Period 1: April – July 2022</p> <ul style="list-style-type: none"> Discussions are ongoing between officers and Tenants' Associations and their representatives. It is anticipated that a private bill will be submitted to Parliament in November 2022. <p>Period 2: August – November 2022</p> <ul style="list-style-type: none"> Approval at Court of the proposal to co-locate Billingsgate and Smithfield Markets to Dagenham Dock.
MKT02	Expand the City's offer with respect to retail markets.	<p>Period 1: April – July 2022</p> <ul style="list-style-type: none"> Investigating the ability to expand into retail markets. More work is needed to understand the opportunities that exist under current legislation, including the investment and resources required, and opportunities for collaborative working. Report into this to be provided in the January Board Meeting. <p>Period 2: August – November 2022</p> <ul style="list-style-type: none"> On further investigation the challenges presented by existing legislation, particularly on adopting new legislation will make it difficult to expand into retail markets and make them commercially viable. Report will now be submitted to March Markets Board.

Ref:	Objective	Progress to date
MKT03	Make reductions in energy consumption and help to reduce our tenants' carbon footprint, working in collaboration with the City Surveyor's Energy Team.	<p>Period 1: April – July 2022</p> <ul style="list-style-type: none"> • The Energy Team are working with the Markets' management to deliver Climate Action Strategy actions. This includes site level energy surveys and the procurement of consultancy resource to manage and deliver the programme. The surveys are now nearing completion for the largest fifteen operational sites, including the Markets. A capital project delivery plan is currently in development. and interventions that have a payback of < 5 years will be prioritised. • Measures for the markets have been identified from the surveys and will be assessed for inclusion within the Corporate Property and Housing Landlord Project Plan (NZ1) delivery plan. • A report from the Energy Team for quarter 4 of 2021/22 shows that Smithfield Market is in the five best performing City of London sites in terms of reduction in energy consumption, showing a 38% reduction relative to the 2018/19 baseline data.
		<p>Period 2: August – November 2022</p> <p>Smithfield</p> <ul style="list-style-type: none"> • The Power Purchase agreement is expected to begin from the 1st of January, providing some relief from the current high prices. Earlier this month the solar farm was finally connected to the grid. • We anticipate this will reduce electricity prices from approximately 34p per kWh with EBRS support to around 25p per kWh. This benefit is taken as an average across the year and subject to confirmation of related non-commodity costs. • We are reviewing the option of capital investment via the Climate Action Strategy at the Markets. Where investment meets criteria around payback, level of carbon saving and site longevity these opportunities will be taken forward. <p>An energy team presentation to the Smithfield tenants to be arranged for the latter part of January 2023.</p>
MKT04	Target recruitment and source new recruits from London's most deprived Boroughs.	<p>Period 1: April – July 2022</p> <ul style="list-style-type: none"> • Contact with Tower Hamlets and Waltham Forest recruitment Dept made in order for Market jobs to be advertised through their websites – this will widen the pool of applicants applying for Market jobs. No jobs have been advertised to-date but the plan going forward is to advertise more widely.

Ref:	Objective	Progress to date
		Period 2: August – November 2022 <ul style="list-style-type: none"> Looking to advertise market jobs through these links when they arise and work with a charity 'Connecting Communities' which is a 12-borough employability programme that supports adults who are not in full time work, training, or education, to get into work.
MKT05	Carry-out a tenant satisfaction questionnaire. Use the same questions that were used in the Tenants Survey that was carried out at New Spitalfields Market 2019/20.	Period 1: April – July 2022 <ul style="list-style-type: none"> The questionnaire to be sent out in January 2023, before that time questions will be reviewed and the best electronic platform for tenants to access the questionnaire decided.
		Period 2: August – November 2022 <ul style="list-style-type: none"> The questionnaire that was issued to New Spitalfields Market tenants in 2019 will be reissued to all tenants across all three Markets in January 2023. There are 22 questions split into 5 categories – Tangibles, Reliability, Responsiveness, Assurance and Empathy.
MKTSM06	HGV Unloading Compliance Work	Period 1: April – July 2022 <ul style="list-style-type: none"> A report reviewing HGV movement over the past 3 years has been drafted and keeping a log of daily HGV operations has been introduced. The purpose is to measure the level of compliance and implement the right controls based on the findings. An HGV policy is being worked on and will be an appendix to the working manual.
		Period 2: August – November 2022 <ul style="list-style-type: none"> HGV policy in final draft stage. To be reviewed in Dec 22 / Jan 23 and included in the Working Manual along with a revised forklift truck policy. Consultation with the tenants' association on from Jan 23 onwards.
MKTSM07	Completion of approved Capital Works Projects	Period 1: April – July 2022 <p>Smithfield - Projects completed in the last 6 months:</p> <ul style="list-style-type: none"> East Market side stream filter. 25year sprinkler inspection (remedials to follow). Glazed canopy remedials/replacement to the south and east elevations (a further gateway for the remaining north elevation has just commenced). Replacement of high-level lighting in Grand Avenue, fixed wire test remedials. <p>Projects currently in progress: -</p> <ul style="list-style-type: none"> Smoke curtain replacement, fire alarm full survey (remedials to follow).

Ref:	Objective	Progress to date
Page 44		<ul style="list-style-type: none"> • Replacement and upgrading of lighting and selective cable and distribution boards in the car park. • Replacement of cold-water tanks in the east and west markets, and a survey of the condenser water pipework. 3 PIDs have been successfully presented to Chamberlain and these are now starting the gateway process – East Poultry Ave structural remedials/reinstallation of the canopy, remedial works to the remaining north elevation glass canopy, ceiling covering and selective water ingress remedials in the car park. Funding of £1.9m allocated. • CWP works that align with the Edge survey reports are also planned for 2022/23 namely – condenser water pipework replacement, pumps replacement, fume extract ductwork replacement and trace heating replacement. These are in addition to projects running from 2021/22 – BMS replacement, and selective pumps replacement and Air Handling Unit (AHU) works.
		<p>Period 2: August – November 2022</p> <ul style="list-style-type: none"> • Replacement of high-level lighting in Grand Avenue, fixed wire test remedials. Both completed. <p>Projects currently in progress: -</p> <ul style="list-style-type: none"> • Smoke curtain replacement, fire alarm full survey (remedials to follow). Smoke curtains replaced; fire alarm survey completed (some recommendations made). • Replacement and upgrading of lighting and selective cable and distribution boards in the car park. Now reported as completed • Replacement of cold-water tanks in the east and west markets, and a survey of the condenser water pipework. 3 PIDs have been successfully presented to Chamberlain and these are now starting the gateway process – East Poultry Ave structural remedials/reinstallation of the canopy, remedial works to the remaining north elevation glass canopy, ceiling covering and selective water ingress remedials in the car park. Funding of £1.9m allocated. Water tank works partially delivered, PM to seek additional funding. Project for the replacement of the condenser water pipe works on the fridge decks has commenced – due for completion January '23. Still awaiting final approval around the projects impacted by the Capital review. If approved these will then progress via the GATEWAY process. • CWP works that align with the Edge survey reports are also planned for 2022/23 namely – condenser water pipework replacement, pumps replacement, fume extract ductwork

Ref:	Objective	Progress to date
		<p>replacement and trace heating replacement. These are in addition to projects running from 2021/22 – BMS replacement, and selective pumps replacement and Air Handling Unit (AHU) works. Most of these are due to commence in January '23 , all bar the condenser pipe work project, are being delivered via the minor works team.</p> <ul style="list-style-type: none"> • New condensing boiler installed East Market.
MKTBG08	Deliver the agreed works from Billingsgate Plan.	<p>Period 1: April – July 2022 Actions agreed for 2022</p> <ul style="list-style-type: none"> • CCTV system: Installed and handed over. Over 100 4K cameras now installed across the site. This will be an invaluable resource and ensure better compliance of site rules. • Additional Fish Handling Unit: Further meetings with tenants to consider design and a final meeting likely to take place in September to agree structure before works progress. • Cold Store roof: Difficulty in finding a contractor to undertake works continue. • Trade buyer permit system in place. • Reconfiguration of trade car park part complete. <p>Actions agreed for 2023</p> <ul style="list-style-type: none"> • Outbound Logistics trial: 12-week trial saw 20,000 boxes of product delivered with an estimated reduction in CO₂ emissions of 37% This trial was delivered a year ahead of schedule. <p>Period 2: August – November 2022</p> <ul style="list-style-type: none"> • Additional Fish Handling Unit – Agreed building specification with tenants. Planning permission submitted. Groundwork surveys being undertaken in January 2023. • Cold Store Roof – Project works went to tender in December 2022. Several different contractors have attended site to price works. • Outbound Logistics Trial – Deadline for tender submissions 16 December 2022 to turn trial into a more permanent facility for the tenants at Billingsgate.
MKTNS09	An intrusive survey of the roof will be commissioned 2022/23 to establish the full extent of the works required.	<p>Period 1: April – July 2022</p> <ul style="list-style-type: none"> • A quote for the survey has been agreed but some preliminary works are required to repair the roofs access system before the survey can commence. These repairs are currently being assessed and quoted for.

Ref:	Objective	Progress to date
		Period 2: August – November 2022 <ul style="list-style-type: none"> • A new quote is being issued for the access system repairs and the roof survey to be carried out as part of one project. It is still expected that work will be carried out in 2022/23.
MKTNS10	Monitoring air quality in the Market Hall following the introduction of biofuel only in FLT's.	Period 1: April – July 2022 <ul style="list-style-type: none"> • From 1st April red diesel for use in forklift trucks was banned, and only biofuel is being sold at the Market. Tenants have been allowed to use up any white fuel they have but once used up, biofuel will be used exclusively to operate forklift trucks. • The air quality statistics will be monitored regularly, at present it is too early to notice any changes. Tenants have been using up their white fuel but going forward we expect to see the impact from biofuel only being used. Period 2: August – November 2022 <ul style="list-style-type: none"> • The results from our air quality monitoring have not shown any significant reduction in NO2 levels.

Matters of General Interest to the Committee

Billingsgate Market

	Visitors/Filming/photography	Fee Received
August 3 rd 7-8 th 14-18 th	Unit Base Parking	£2270+VAT
	Filming	£2680+VAT
	Unit Base Parking	£15900+VAT
September 8-9 th 17-18 th	Unit Base Parking	£3710+VAT
	Unit Base Parking	£12980+VAT
October 9-16 th	Unit Base Parking	£13830+VAT
November 11-13 th	Moonage Pictures Filming	£28780+VAT

Smithfield Market

	Visitors/Filming/photography	Fee Received
August	No Visitors	N/A
13th September	Ugandan Trade Delegation – Tour of the Market	N/A
20th October	Lord Mayor visit	N/A
November	No Visitors	N/A

New Spitalfields Market

	Visitors/Filming/photography	Fee Received
5th August	FORD – Hire for exhibition space	£540 including VAT
6th September	Ugandan Trade Delegation – Tour of the Market	N/A
6th October	Visit by San Francisco Wholesale MKT	N/A
November 2nd	Visit by Rt Hon Penny Mordaunt MP, Leader of the House of Commons.	N/A
7th November	Royal College of ART – Photography project	N/A

This page is intentionally left blank

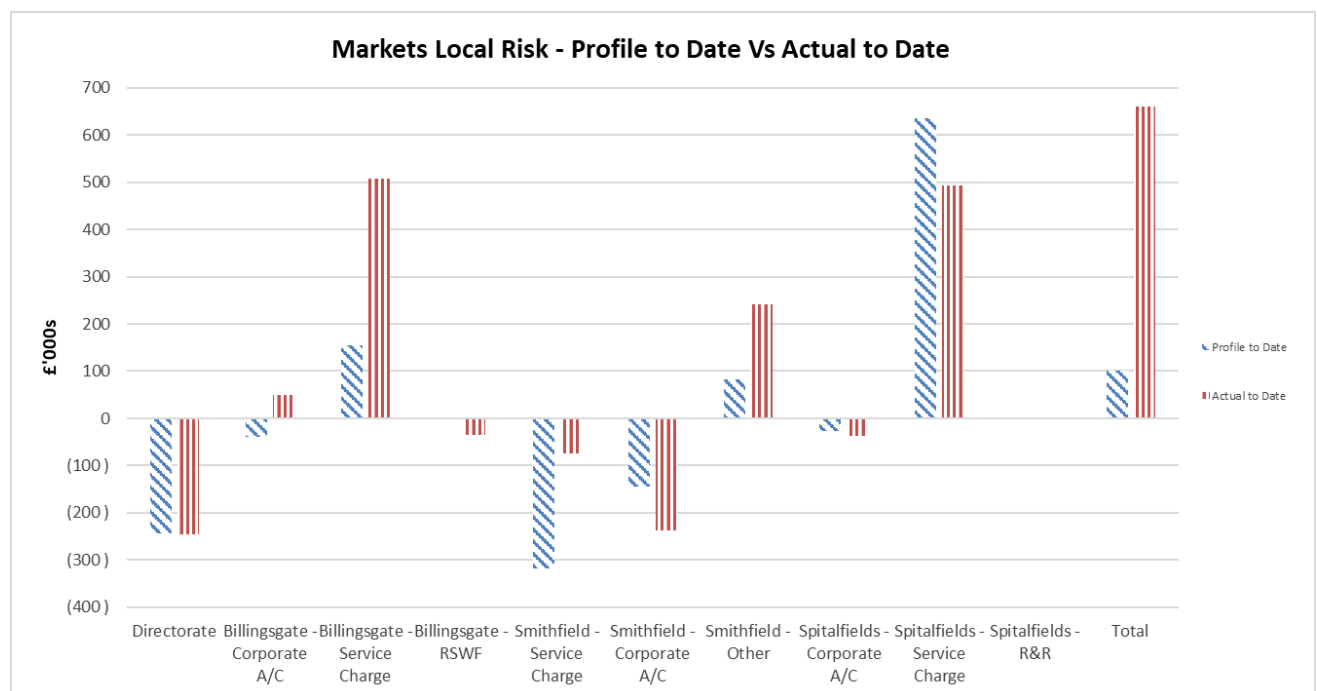
Appendix C

Summary

At the end of November 2022, the Chief Operating Officer was £558k (552.5%) underspent against the local risk net income budget to date of £101k, over all the services managed by the Chief Operating Officer reporting to the Markets Board. Table A sets out the detailed position for the individual services covered by this department.

Overall, the Chief Operating Officer is currently forecasting a year end overspend position of £239k (18.8%) for her City Fund and City's Cash services. However, this excludes the impact of funding expected to be provided centrally for increasing energy and employment costs which is currently projected to result in an overall underspend of £175k (10.4%) on the Markets Board local risk budget.

1. The end of November 2022 monitoring position for the Chief Operating Officer's services reporting to Markets Board is provided at Table A. This shows a net underspend to date of £558k (552.5%) against the overall local risk net income budget to date of £101k for 2022/23.

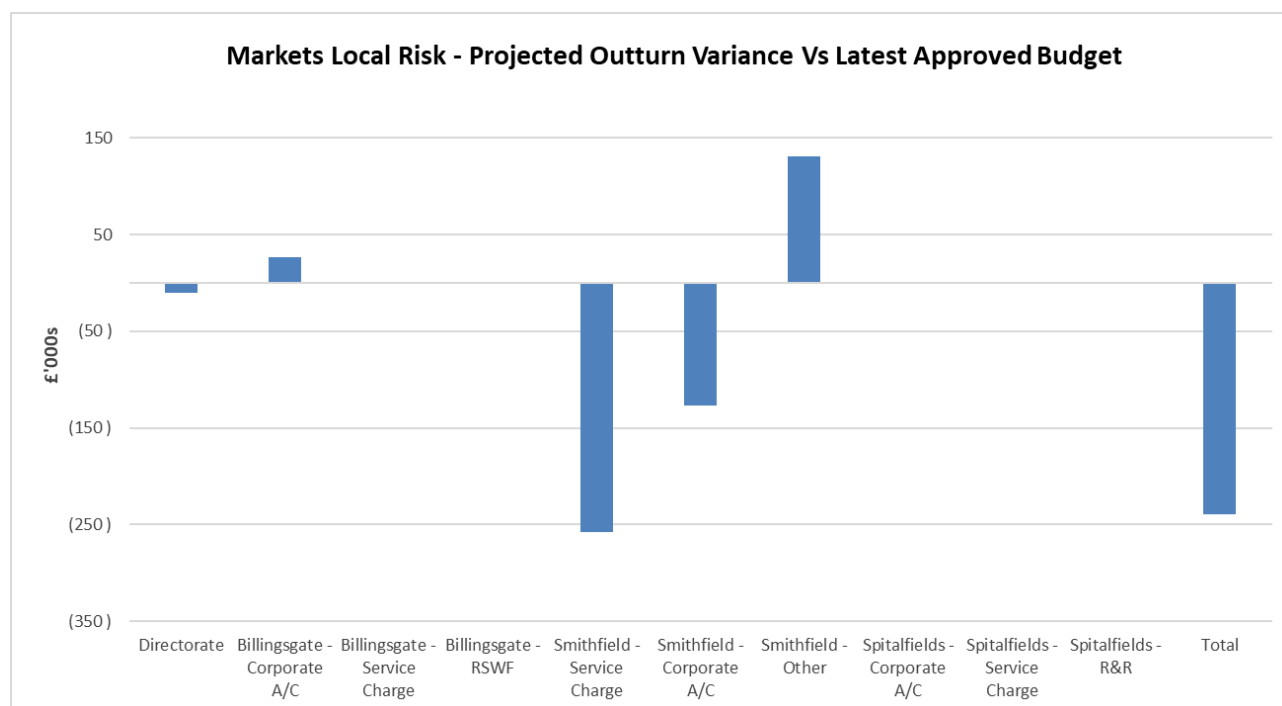


1. Graph shows the actual local risk net position against the profiled budget to date for each Division in Markets.
2. A position above the baseline is favourable i.e. net income.
3. A position below the baseline is unfavourable i.e. net expenditure.
4. Markets total actual to date net income of £659k is £558k underspent against the profiled net income budget to date of £101k.

2. Overall, the Chief Operating Officer is currently forecasting a year end overspend position of £239k (18.8%) for her City Fund and City's Cash services.

Appendix C

3. However, Members should note that the forecasted overspend position excludes the impact of budgetary adjustments expected to be provided centrally to cover the costs of increasing energy prices, the impact of the pay award to staff from July 2022 and other inflationary pressures. Once this central funding is accounted for, there is projected to be an underspend for 2022/23 of £175k (10.4%) on the Markets Board local risk budget.



1. Zero is the baseline latest approved budget for each Division of Service.
2. Graph shows projected outturn position against the latest approved budget.
3. A variance above the baseline is favourable i.e. either additional income or reduced expenditure.
4. A variance below the baseline is unfavourable i.e. additional expenditure or reduced income.
5. Overall the Service is forecasting a local risk overspend of £239k at year end. However, this excludes central funding due to be provided for energy costs, the July 2022 pay award and other inflationary pressures. Assuming this central funding is received, Markets would currently be forecasting an underspend of £175k.

4. The reasons for the significant budget variations are detailed in Table A, which sets out a detailed financial analysis of each individual division of service relating to this Board, for the services the Chief Operating Officer manages.
5. The better than budget position at the end of November 2022 is explained by underspends in employment costs due to vacant posts which will result in reduced service charges to tenants. This in addition to additional income from licenses and filming at Billingsgate Market as well as an increase in income from the Rotunda Car Park at Smithfield.
6. The Chief Operating Officer currently anticipates that there is projected to be an overspend for 2022/23 and this is forecast to amount to £239k. This is primarily due to anticipated increases in energy costs from October 2022 at Smithfield Market which are not fully recoverable from tenants due to

Appendix C

the current cap on the service charge. This is in addition to the estimated cost of works at Smithfield Market following a recent health and safety incident as well as reduced income from public parking at Billingsgate Market due to reduced visitor numbers in Canary Wharf.

7. Members should however note that budgetary support is expected be provided centrally in 2022/23 to cover increased costs from rising energy prices as well as the impact of the pay deal to staff from July 2022 and other inflationary pressures. It is currently anticipated that this central funding will result in an overall projected underspend of £175k on the Markets local risk budget.

Appendix C

Table A

Markets Local Risk Revenue Budget - 1st April to 30th November 2022												
(Expenditure and unfavourable variances are shown in brackets)												
	Latest Approved	Budget to Date (Apr-Nov)			Actual to Date (Apr-Nov)				Forecast for the Year 2022/23			
	Budget 2022/23 £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Variance Apr-Nov £'000	Latest Approved Budget £'000	Forecast Outturn £'000	(Over)/Under £'000	Notes
Markets (City's Cash)												
Directorate	(379)	(244)	0	(244)	(245)	0	(245)	(1)	(379)	(389)	(10)	
Billingsgate - Corporate Account	(93)	(167)	127	(40)	(161)	210	49	89	(93)	(67)	26	1
Billingsgate - Service Charge	0	(1,693)	1,848	155	(1,503)	2,010	507	352	0	0	0	2
Billingsgate - Repainting and Special Works	0	0	0	0	(36)	0	(36)	(36)	0	0	0	3
Smithfield - Service Charge	(806)	(1,969)	1,652	(317)	(1,760)	1,685	(75)	242	(806)	(1,064)	(258)	4
Smithfield - Corporate and Direct Recovered	(76)	(937)	793	(144)	(761)	524	(237)	(93)	(76)	(203)	(127)	5
Smithfield - Other (Including Car Park)	150	(452)	534	82	(384)	625	241	159	150	281	131	6
	(1,204)	(5,462)	4,954	(508)	(4,850)	5,054	204	712	(1,204)	(1,442)	(238)	
Markets (City Fund)												
Spitalfields - Corporate Account	(48)	(26)	0	(26)	(41)	3	(38)	(12)	(48)	(49)	(1)	
Spitalfields - Service Charge	(17)	(3,442)	4,077	635	(3,791)	4,284	493	(142)	(17)	(17)	0	7
Spitalfields - Repair and Repainting	0	0	0	0	0	0	0	0	0	0	0	
	(65)	(3,468)	4,077	609	(3,832)	4,287	455	(154)	(65)	(66)	(1)	
TOTAL MARKETS BOARD LOCAL RISK	(1,269)	(8,930)	9,031	101	(8,682)	9,341	659	558	(1,269)	(1,508)	(239)	
<p>1. Billingsgate Corporate - underspend due to additional income received from licenses and filming.</p> <p>2. Billingsgate Service Charge - underspend to date due to savings in employment costs as a result of staff vacancies and additional income from licenses.</p> <p>3. Billingsgate Repainting and Special Works - overspend due to additional repairs and maintenance costs which will be funded through tenant repair reserves.</p> <p>4. Smithfield Service Charge - underspend primarily due to employment costs as a result of vacant posts. There is projected to be an overspend at year-end due to increasing energy and waste costs. Central funding is expected to be provided to cover the increase in energy prices.</p> <p>5. Smithfield Corporate - overspend largely due to works incurred following a health and safety incident at the market.</p> <p>6. Smithfield Other - underspend due to savings from the new contract for management of the Rotunda Car Park as well as additional income from car parking.</p> <p>7. Spitalfields Service Charge - overspend due to inflationary increases from the waste and recycling contract as well as increasing energy costs and reduced income from the entry barrier.</p>												

Committee(s)	Dated:
Markets Board	18.01.23
Subject: Wholesale Market Risk Update Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4, 7
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Ben Milligan, Director of Markets	For Information
Report author: Don Perry, Markets Department	

Summary

This report has been produced to provide the Markets Board with assurance that risk management procedures in place within the Markets Division 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 Markets Division of the Chief Operating Officer's Department. A process exists for in-depth periodic review of the risk register and for emerging risks to be identified.

In accordance with the City of London's Risk Management Framework, and as agreed by Markets Committee in November 2021, this report only considers key departmental level risks with a current risk score of 6 or above (i.e., those classed as Red or Amber) and which fall within the remit of your Board:

The Wholesale Markets Traffic Management risk has been reviewed and is now back to Amber following a comprehensive traffic management plan and safe system of work being completed and introduced into the Poultry Market in November following a serious forklift truck accident that took place at Smithfield Market on 4 July. CoL also made a formal submission back to the HSE on the 14th November following their improvement notice in late August, the HSE confirmed that CoL had effectively complied with the notice and that the case would be closed.

- COO-MKT WM 004: Wholesale Markets – Traffic Management (AMBER, 8)
- COO-MKT SM 012: Building maintenance-management, Smithfield (AMBER, 8)
- COO-MKT WM 001: Wholesale Markets - Consolidation Project (AMBER, 8)

Recommendation(s)

Members are asked to:

- Note the report and the actions taken in the Markets Division 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 Board 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 Chief Operating Officer's Department. The report also outlines the processes adopted for the ongoing review of risk and mitigating actions.

Risk Management Process

3. Risk Management is a standing agenda item at the regular Markets Division Senior Management Group (SMG) meetings, over and above the suggested quarterly review. At each meeting, the SMG reviews existing risks and considers whether there are any emerging risks for addition to the risk register.
4. Between each SMG meeting, risks are reviewed in consultation with risk and control owners, and updates are recorded in the corporate risk management system (Pentana).
5. Regular risk management update reports are provided to this Board 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 Business Plan; slippage against key deliverables, for example.
 - An annual, fundamental, risk register review, undertaken by the tier of management below SMG.
7. The risk register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

Summary of Key Risks

8. The Risk Register for the Wholesale Markets contains three departmental level risks with a current rating of 6 or above (i.e. those classed as 'Red' or 'Amber' on the City of London Risk Matrix, a copy of which is provided at Appendix A).
9. A Summary Risk Register is attached at Appendix B and the detailed Register at Appendix C. Our approach to all these risks is to reduce their rating.

Risk Flight Path

10. Following a Member query, clarification was sought from the Corporate Risk Manager on what the flight path graphic in the summary risk register (Appendix B to this report) shows. It has been confirmed that the flight path is a plot of varying risk score versus elapsed time since the risk was added to the system and illustrates the upward or downward movement of the current risk score from the date the risk was added to the Pentana system to date, with the Y axis representing the varying risk score and the X axis representing elapsed time since the risk was added to the system.

Corporate & Strategic Implications

Strategic implications: Effective management of risk is at the heart of the City Corporation's approach to delivering cost effective and valued services to the public as well as being an important element within the corporate governance of the organisation.

Financial implications: None

Resource implications: None

Legal implications: None

Risk implications: The proactive management of risk, including the reporting process to Members, demonstrates that the Markets Division of the Chief Operating Officer's Department is adhering to the requirements of the City of London Corporation's Risk Management Policy and Strategy.

Equalities implications: There are no proposals in this report that would have an impact on people protected by existing equality legislation.

Climate implications: None

Security implications: None

Conclusion

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

Appendices

- Appendix A: City of London Corporation Risk Matrix
- Appendix B: Wholesale Markets Risks – Summary Risk Register
- Appendix C: Wholesale Markets Risks – Detailed Risk Register

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

Smithfield Market:
General Manager – Mark Sherlock
T: 020 7332 3747
E: mark.sherlock@cityoflondon.gov.uk

New Spitalfields Market:
General Manager – Emma Beard
T: 020 8518 7670
E: emma.beard@cityoflondon.gov.uk

Billingsgate Market:
General Manager – Daniel Ritchie
T: 020 7332 3067
E: daniel.ritchie@cityoflondon.gov.uk

City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	Impact				
	X	Minor (1)	Serious (2)	Major (4)	Extreme (8)
	Likely (4)	4 Green	8 Amber	16 Red	32 Red
	Possible (3)	3 Green	6 Amber	12 Amber	24 Red
	Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
	Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

This page is intentionally left blank

COO MKT Markets Committee Risk Summary Report










Report Type: Risks Report

Generated on: 03 January 2023



Rows are sorted by Risk Score

Traffic Light: Amber 5 Green 13

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
COO-MKT-SM	Building maintenance management	8			
COO-MKT-WM 001	Wholesale Markets Consolidation Project	8			
COO-MKT-WM 004	Wholesale Markets – Traffic Management	8			

This page is intentionally left blank

COO MKT- Markets Committee Risk Report (Detailed Risk Register)

Report Author: Jane Poulton

Generated on: 03 January 2023



Rows are sorted by Risk Score

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
COO-MKT-SM 012 Building maintenance management 29-Sep-2020 Mark Sherlock	Cause: The deterioration of physical assets due to the lack of adequate maintenance. Event: Partial collapse or failure of structure. Effect: 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 Impact	8	Work with CSD to review Edge reports and agree priorities is ongoing. There is some funding agreed for works in 22/23 but the bulk of any necessary future works will come in 23/24 and beyond. A plan document should be available from CSD after consultation with the Market by the end of December with relevant PID's being raised for funding. 12 Dec 2022	 Likelihood Impact	1	31-Mar-2023 Reduce	Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
COO-MKT-SM 012e	Works priorities and phasing in progress to be agreed with City Surveyor's Department (CSD). CSD to raise PIDs to	Funding for various works are being managed by the CSD in line with PID and Gateway processes. There is currently a full review of capital expenditure for future financial years and			Mark Sherlock	12-Dec-2022	31-Mar-2023

	continue with further surveys and pricing exercises.	this could well impact the ability to deliver proposed works from the surveys. Some Smithfield projects have been prioritised due to their urgent H&S nature, therefore the action will be reviewed and updated as funding streams are confirmed. CWP works currently in progress are upgrades to the condenser water pipework, upgrades to the BMS system in the West market, and selective pumps replacement and air handling unit works.			
--	--	---	--	--	--

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
COO-MKT-WM 001 Wholesale Markets Consolidation Project 17-Mar-2020 Ben Milligan <div>Page 63</div>	Cause: The Markets Co-location Project (MCP) team are leading a project to move the City's Wholesale Markets to a single site in Barking & 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. Event: 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. Effect: 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.	 Likelihood Impact	8	The submission of a private bill to Parliament in November 2022 to relocate the markets was a major step forwards in reducing the likelihood of this risk, however it is not enough in itself to reduce the risk score at this stage. 29 Dec 2022	 Likelihood Impact	4	31-Dec-2026	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
COO-MKT-WM 001a	Keep risk under regular review	This risk has been reviewed in the light of the submission in November 2022 of the private Bill to Parliament to relocate the Markets, and recent actions on remedial works arising from the condition surveys. 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.	Ben Milligan	29-Dec-2022	31-Dec-2026
COO-MKT-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>The interim maintenance strategy will ensure that appropriate levels of maintenance continue to be carried out until there is more certainty about the markets' move. This will address the risk that the markets cannot operate due to failing infrastructure in the short to medium term.</p> <p>Capital funding has been approved for three projects that will address the most significant findings of the condition survey at Smithfield. The Billingsgate Action Plan is progressing with projects to introduce new fish handling facilities, an outbound logistics trail and works to the Cold Store roof underway. Further intrusive survey work has been commissioned at New Spitalfields to establish in detail the works needed and provide an estimate of costs.</p>	Ben Milligan	29-Dec-2022	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
COO-MKT-WM 004 Wholesale Markets - Traffic Management <div>Page 65</div>	Cause: A lack of suitable and sufficient training and adequate management controls in relation to vehicle movements at each of the Markets. Event: There is a serious risk of life changing injury to a pedestrian if vehicle movements are not appropriately managed and controlled. Effect: An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.		8	A comprehensive traffic management plan and safe systems of work were completed and introduced into the Poultry Market in early November following the fork lift truck accident. CoL also made a formal submission back to the HSE on the 14th November following their improvement notice in late August. The following day the HSE confirmed that CoL had effectively complied with the notice and that the case would be closed. The Market will ensure that there is regular review and monitoring of controls to ensure on-going effectiveness. 12 Dec 2022		8	30-Dec-2023	
							Reduce	Decreasing

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
COO-MKT-WM 004a	Re-engage consultant to provide assurance that essential recommendations have been actioned and that the risk has reduced.	Meeting with Q shop tenants and LFMA cancelled owing to merchants Christmas commitments. Revised date to be set early in the new year. Feedback has been received from a minority of impacted merchants. Increased constabulary patrols to maintain better order in the intervening period. Other recommendations being worked through in order of priority.	Daniel Ritchie	20-Dec-2022	30-Mar-2023
COO-MKT-WM 004b	Keep the risk under review.	There have been three recent incidents involving forklift trucks and pedestrians. While all the incidents were due to human error, we have undertaken another review of the entire site and identified some additional safety measures that could mitigate the risk. These measures largely consist of additional pedestrian crossing points, signage and accessible walkways around the market perimeter. These works are already underway and are expected to be complete by Feb 2023.	Emma Beard	20-Dec-2022	28-Feb-2023

COO-MKT-WM 004c	Keep the risk under review and undertake regular audits of HGV movements.	<p>A comprehensive traffic management plan and safe system of work for the Poultry Market was completed and submitted to the HSE on the 14th November. The following day the HSE confirmed that the Market submission had effectively complied with the improvement notice and the case was closed. Controls will be regularly reviewed to ensure their effectiveness and continuing compliance.</p> <p>A revised HGV operations plan is in progress and will be appended to the Market Working Manual after consultation with the tenants' association.</p>	Shelley Ross-Harding; Mark Sherlock	12-Dec-2022	31-Mar-2023
-----------------	---	--	-------------------------------------	-------------	-------------

MARKETS BOARD 18th JANUARY 2023

GENERAL MANAGERS' UPDATES

Billingsgate Market

Cleaning

Since the last meeting of the Markets Board there have been two new starters within the cleaning team. Though not specifically about cleaning, I have received a further written complaint regarding the lack of gritting on a Monday morning during the recent cold weather. Gritting and winter maintenance falls within the remit of the cleaning team. The site was gritted before the end of the shift on the Saturday and then overtime was paid on the Sunday to ensure that this was 'topped up'. Although the market is not open on Sundays and Mondays, the facility effectively operates 24/7.

Cleaning standards continue to be amongst the highest priorities for our tenants and all stakeholders at the market.

Staffing

We currently have four vacancies within our cleaning team following a partially successful recruitment campaign. By the time the Board meets in January, I expect a further campaign to have been launched to fill these positions. In the meantime, we have covered these roles with agency staff. We have been more successful in recruiting to our three vacant constable positions. At the time of writing, we await final documentation from all three appointees before a start date can be agreed early in the new year. The vacant Electrician post remains extremely challenging to recruit to.

Energy

As Members will recall, tenants were offered a workshop/seminar on practical tips they can use to minimise energy use. There was limited interest, which could possibly be attributed to the time of year. Tenants will be offered a further opportunity during the first quarter of 2023. The data we collect locally indicates that the trend line for energy use on the service charge continues to fall; although for individual tenants it continues to rise slightly.

Health & Safety

All accidents continue to be recorded and investigated promptly. in line with City of London Corporation standards. Our local H&S team continue to meet quarterly with the support of tenants, Trade Unions and other stakeholders.

Daniel Ritchie - General Manager

New Spitalfields Market

Staffing

We have recruited a General Maintenance Operative who will join the team on 16th January. One further General Maintenance Operative and the Electrician post remains vacant. We have appointed 2 new Market Constables, both expected to join the team in January, leaving one vacancy to fill. In January 2023, our current Business Administration Apprentice will complete their qualification and we are looking to recruit a new apprentice in the Spring.

Health and Safety

Following a recent increase in forklift truck related accidents at New Spitalfields Market, a full review of our site safety controls, and our traffic management plan have taken place. The three recent incidents were not caused by any site-specific system failings. However, we will be introducing additional controls. They include additional signage for pedestrians and vehicles (look both ways, pedestrians crossing etc). Additional marked pedestrian walkways around the market's perimeter and additional pedestrian crossing points at higher risk areas. The aim being to encourage pedestrians to always use these safety systems and for them to be clearly marked with signs, to keep Forklift operators vigilant. All improvement works have commenced, with completion expected by March 2023.

Cleanliness

In July 2022 we joined the other Markets in outsourcing our Pest Control program when our in-house operative retired. The transition has been successful, and tenants have a dedicated telephone and email address for reporting concerns or sightings. In October 2022, the tenants Premises Compliance Inspections were taken over by the new Markets Compliance Team; formed under the Target Operating Model (TOM). This has seen a period of transition at the market while the Graduate EHO, responsible for carrying out our inspections, is trained and becomes familiar with the site. During a routine inspection by an Environmental Health Officer from the London Borough of Waltham Forest, one of the tenants was closed after being issued with an Emergency Hygiene Prohibition Notice. Whilst they have since re-opened, having passed a re-inspection, it provided us with an opportunity to look at how we can better manage the Premises Compliance and Pest Control adherence of tenants.

Pest Controllers are now sending us regular 'red flag' emails alerting us to any specific concerns they identify on a tenant's premises. The tenant then receives a letter from myself, highlighting our concerns and their responsibilities under the lease and as a food business operator. The Market Compliance Team are also notified. The Environmental Health Practitioner, managing this new team, has also included a few additional fields in the standard Premises Compliance form, which will increase the focus on housekeeping and cleansing. The new fields also require the Inspector to upload photographic evidence. I feel confident that, with this improved approach, we should not see a repeat of the recent tenant closure.

Energy

New Spitalfields Market has been in the City of London's top 5 performing sites for the past 2 years, seeing a 13% reduction in usage since 2018/19. This was primarily achieved by switching all communal area lighting for more efficient LED solutions. Since December 2021 there have been 3 Energy Workshops hosted at the Market, aimed at furnishing tenants with the information needed to implement energy saving opportunities within their premises.

A meeting was facilitated between the Energy Team and the New Spitalfields Market Tenants Association in October, so they could share more information on the Solar farm and its expected benefits once operational. At present we are awaiting correct invoices for the periods relating to October and November electricity usage. Once these are received, we will have a better understanding of how the most recent price increases will impact our tenants.

Emma Beard – General Manager

Smithfield Market

Following the fork lift truck accident in early July, the Corporation submitted a formal response to the HSE on the 14th November 2022. This consisted of: (i) a Poultry Market traffic management plan and a safe system of work, which detailed control measures implemented to ensure pedestrians and vehicles circulate in a safe manner; (ii) a traffic management plan map detailing pedestrian routes, barriers and traffic management arrangements; (iii) a map detailing traffic management road markings and pedestrian signage (iv) a file of photographic evidence to support the traffic management plan and all the controls implemented.

The HSE formally responded on the 15th November, confirming that they were pleased with all actions the Market had taken and that they complied with the improvement notice. Accordingly, their records were updated and the case closed. The operation and activity within the Poultry covered and service ways are regularly monitored, by both the Security and Operations Managers, to ensure continuing compliance and exceptions are raised with the General Manager. The traffic management plan is also an agenda item within local Health & Safety meetings.

Recruitment is almost complete at Smithfield. Two staff have been appointed to the Security Team; one is currently working on site under agency, and one is pending paperwork completion through the HR department. The agency member will be transferred onto the permanent payroll imminently. Recruitment to the wider Markets cleaning function is ongoing and this will include cleaning supervisors. Current vacancies at Smithfield are agency resourced but these employees will potentially be transferred to the permanent team, subject to satisfactory performance and references and the conclusion of the recruitment process.

Energy – the solar farm is now providing power to the grid and will therefore contribute some relief to energy prices from the 1st January 2023. The Energy team are facilitating a Teams event for CoL staff on the 19th January, to answer questions on exactly how the farm will benefit sites. An Energy workshop is also planned for tenants at Smithfield towards the end of January or early February, with dates to be confirmed.

Christmas trading at Smithfield was good and customers benefitted from free parking during Market hours for 13 nights up until Christmas Eve. Peak occupancy in the car park was reached on the 22nd December 2022, with 422 spaces occupied out of a maximum of 530. 2019 recorded a 418 uptake; 2020 - 371 uptake and 2021 – 285, evidencing a positive recovery and use of this concession.

Cleaning – no items of note.

Mark Sherlock - General Manager

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

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank