



Markets Board

Date: THURSDAY, 3 OCTOBER 2024
Time: 11.00 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

Deputy Henry Pollard (Chairman)	Hugh Selka
Philip Woodhouse (Deputy Chairman)	Oliver Sells KC
Alderman Alison Gowman CBE	James Tumbridge
Deputy Madush Gupta	Deputy Paul Martinelli, Smithfield Market Tenants Association
Henry Jones	Chris Hutchinson, New Spitalfields Market Tenants Association
Gregory Lawrence	Tony Lyons, Billingsgate Markets Tenants Association
Deputy Charles Edward Lord	
Wendy Mead OBE	
Catherine McGuinness	
Deputy Brian Mooney BEM	
Suzanne Ornsby KC	

Enquiries: Rhys Campbell
Rhys.campbell@cityoflondon.gov.uk

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

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Ian Thomas CBE
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. **MINUTES**

To approve the public minutes and non-public summary of the meeting held on 22 July 2024.

For Decision
(Pages 5 - 10)

4. **UPDATES FROM THE GENERAL MANAGERS**

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

For Information
(Pages 11 - 14)

5. **MOOD OF THE MARKETS (VERBAL)**

Market Tenant Association Chairs to be heard.

For Information

6. **MARKETS BUSINESS PLAN 2024-25**

Report of the Markets Director.

For Information
(Pages 15 - 28)

7. **RISK UPDATE**

Report of the Markets Director.

For Information
(Pages 29 - 46)

8. **UNIFORM REVIEW**

Report of the Markets Director.

For Information
(Pages 47 - 52)

9. **MARKETS CLIMATE ACTION STRATEGY UPDATE**

Report of the City Surveyor.

For Information
(Pages 53 - 58)

10. **DITS & CLPS RECHARGES TO MARKETS BOARD 2023/24**

Report of the Chamberlain.

For Information
(Pages 59 - 68)

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

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

13. **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

14. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the previous meeting held on 22 July 2024.

For Decision
(Pages 69 - 72)

15. **TENANCIES AT WILL AND ASSIGNMENTS**

Report of the Markets Director.

For Information
(Pages 73 - 76)

16. **MARKET DEBT ARREARS**

Report of the Markets Director.

For Information
(Pages 77 - 90)

17. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
18. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Confidential Items

19. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the meeting held on

For Decision

20. **MARKETS CO-LOCATION PROGRAMME UPDATE (VERBAL)**

The City Surveyor to be heard.

For Information

MARKETS BOARD

Monday, 22 July 2024

Minutes of the meeting of the Markets Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 22 July 2024 at 1.45 pm

Present

Members:

Philip Woodhouse (Deputy Chairman)
Alderman Alison Gowman
Deputy Madush Gupta
Deputy Charles Edward Lord
Catherine McGuinness
Hugh Selka

In Attendance

Oliver Sells KC
James Tumbridge

Officers:

Michael Cogher	- Comptroller and City Solicitor
Andrew Fothergill	- Comptroller and City Solicitor's Department
Ben Milligan	- Markets Director, City Surveyor's Department
Daniel Ritchie	- City Surveyors
Stephen Dolamore	- City Surveyors
Emma Beard	- City Surveyors
Damien Coffey	- City Surveyors
Afsana Rahman	- Chamberlain's
Graeme Low	- City Surveyor's
Rhys Campbell	- Town Clerk's
Peter Barlow	- Town Clerk's

1. APOLOGIES

Apologies were received from the Chair (Deputy Henry Pollard), Henry Jones, Greg Lawrence, Wendy Mead, Paul Martinelli and Deputy Brian Mooney in advance of this meeting.

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

There were no declarations.

3. PUBLIC MINUTES

RESOLVED, that - The public minutes of the meeting held on 21 May 2024 were approved as a correct record.

4. UPDATES FROM THE GENERAL MANAGERS

The Board received an update from the General Managers of Smithfield, Billingsgate and New Spitalfields Markets.

In respect of staffing matters at Smithfield Market, a Member asked General Managers if there was cause for concern since she was aware of several staff resignations. The General Manager for Smithfield Market admitted that this was due to the market rate for salary pay of maintenance staff being low which made recruitment difficult. Although the Market Forces Supplement (MFS) had added an additional £9,000 to the Maintenance Manager roles, with these positions being filled at the time of the meeting, staff at the lower-end of the pay scale were being recruited via agencies. Despite there being a challenge to identify candidates who were both heavily skilled and experienced for the maintenance staff role(s) it was expected that any vacant positions were soon to be filled.

It was also noted that pest activity at Smithfield Market had fallen because of successful pest-proofing. However, due to the condition of the building and the construction works being carried out to complete the new Museum of London having an influence on pest activity, it was expected that pest activity would be an on-going challenge. Similarly, there was intermittent insect activity on a very small scale at Billingsgate Market which was being managed appropriately.

The General Manager for Billingsgate Market also confirmed that Tony Lyons had been reinstated as Chair of the Billingsgate Markets Tenants Association.

5. WHOLESALE MARKET RISK UPDATE REPORT

The Board received a report of the Markets Director, which sought to provide assurance in that risk management procedures in place within the Markets Division are satisfactory and meet the requirements of the Corporate Risk Management Framework.

In response to a question raised by the Chair regarding the MCP Programme Risk being increased to red level, officers confirmed that this was at the highest possible risk impact score and that a report would be submitted to the Court of Common Council in due course.

RESOLVED, that – The report and its contents be noted.

6. ENERGY UPDATE

The Board received a report from the City Surveyor in respect of energy and carbon-related matters.

A Member asked whether the City Corporation's target to lower carbon emissions by 2027, as part of its commitment as landlord, would be achieved and if further assistance was needed from the Board. Officers explained that the biggest issue was identifying projects which had significant returns and an appropriate level of payback on capital investment. As soon as clarification on these projects were given then it would open up more room for further discussion.

A further question was raised regarding a reduction in operational activity since 2018-19 within the Markets and there was a concern that business had been 'driven' out of the Markets. It was advised that this reduction was due to the impact of the Covid-19 pandemic, and the reduced energy consumption during that period, and further savings to energy output were due to the closure of the Poultry Market.

The Chair asked for an update in respect of the DHL delivery trial pilot in Billingsgate Market and the Board were informed that the trial had a very low impact since only one electric van was available for use with the remaining vans being based in Harlow. Due to the journey from Harlow to Billingsgate each day, any energy savings consolidated were offset due to this inefficiency which therefore provided difficulty in conducting a full assessment of this trial. Officers advised the Board that the service had been terminated and whilst there was some potential for further consolidation, the impact was very low.

In response to a point raised regarding a reduction in carbon intensity, officers agreed to provide Members with further data on energy use intensity at the next meeting and how this would be improved. A Member commented on the difference in energy usage between Billingsgate Market and Smithfield Market since Billingsgate represented 0% reduction in energy usage whilst Smithfield maintained a 45% reduction. Officers confirmed that both Markets were different, and Smithfield was the larger market and had more opportunity for performance improvement, whereas the same level of opportunities were not present at Billingsgate.

The purchasing of electricity contract and the disparity between the average day rate and night rate was mentioned and officers were asked to provide clarity on the matter. Officers notified the Board of a risk strategy regarding purchasing which enabled the City Corporation to 'forward purchase' to anticipate peaks in the energy market. Energy had been purchased across portfolio properties and not on an individual basis, and the figures of the report did not include the range of benefits of the Power Purchase Agreement (PPA) which officers confirmed had been bought at a reduced rate. However, it was mentioned that the PPA provided a benefit of approximately £1.8 Million in credit to the Markets in the previous year.

RESOLVED, that – The report and its contents be noted.

7. **MARKETS REVENUE OUTTURN 2023/24**

The Board received a report of the Chamberlain and City Surveyor which compared the 2023/24 revenue outturn for the services overseen by the Board with the final budget for the year.

The Markets Board expressed concern regarding the Markets Revenue Outturn 2023/24 report, paragraph 10, in the review of Central Support Service Recharges. The Chamberlain's Department advised that the increase to the allocation to Markets was solely in respect of DITS and Procurement and represented an increase of approximately £450,000. Members questioned the basis for allocation, which appeared to be disproportionate to the consumption of Procurement and DITS services and asked for further clarification given the indication that Markets central cost allocation was a significant increase on their expectations and limited clarification was provided to Members at the time of this meeting. Specifically, members asked for further information on:

- Detail of the method by which the cost is allocated and how it has changed.
- Detail of those calculations in respect of the Markets Department.

The Chair, in agreement with Members of the Board, tasked the Town Clerk to share a communication to the Finance Committee highlighting their concern.

A further concern was raised regarding the cap on service charge at Smithfield Market and Members were keen to know what shall happen once it had expired. The Markets Director confirmed that there was an initial agreement in 2013 which was later renewed in 2018, along with lease renewals, and an agreement (given capital works outstanding) to cap service charge and maintain rental charge at the same level. However, this was not subject to indexation. The cap on service charge was expected to expire at the end of 2028 (end of lease).

The Central Support Recharges mentioned in the report caused some concern with Members highlighting the potential impact of an overspend on the current financial year. Officers confirmed that the local risk overspend had been carried over by the City Surveyor but that the City Surveyor's department were meeting a certain element of the local risk overspend with Markets being allocated £55,000 of the £315,000 overspend.

Resolved, that – the report and its contents be noted, and that this minute taken from this meeting to be shared with the Finance Committee ahead of their meeting dated 23 July 2024.

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

A Member suggested that having a standardised agenda item titled "Mood of the Markets" would be beneficial for the Board since it would give Chairs of the Market Tenants Association an opportunity to speak on matters related to their respective Markets. The Markets Director advised the Board that this would provide better engagement with Tenant Associations.

The Chair agreed that this would promote better discussion for meetings going forward and that “ Mood of the Markets” should be included as a standardised agenda item going forward.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

10. 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.

11. NON-PUBLIC MINUTES

RESOLVED, that – the non-public minutes of the meeting held on 21 May 2024 be approved as a correct record.

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

There were two non-public questions.

13. 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.

14. CONFIDENTIAL MINUTES

RESOLVED, that – the Confidential Minutes of the Meeting held on 21 May 2024 be approved as a correct record.

15. MARKETS CO-LOCATION PROGRAMME UPDATE

The MCP Consultant was heard.

The meeting ended at 15:07pm

Chairman

Contact Officer: Rhys Campbell
rhys.campbell@cityoflondon.gov.uk

Committee(s):		Date(s):
Markets Board	For information	03/10/24
Subject:		Public
Superintendent / General Manager (GM) updates		

Briefing Note

Smithfield

Staffing – Recruitment took place in July to recruit for two Maintenance Managers at New Spitalfields and Billingsgate. A suitable candidate was placed at New Spitalfields and the remaining role at Billingsgate is currently filled by agency resource. A further and hopefully final recruitment campaign will be undertaken in due course for Billingsgate. Locally, a successful recruitment campaign in the Constabulary has resulted in three positions being filled which now brings this team up to full compliment. In the cleaning team a number of agency staff are now being transferred onto the Corporation payroll, with one agency staff remaining to cover long term sickness in the team.

Cleaning – The planned main gates repainting project is currently going through the procurement process and is expected to commence early October with a two week programme, dates to be confirmed. The management team continue to monitor cleaning standards and performance with weekly reviews in the key focus areas of welfare facilities, public toilets, office corridors, fork-lift truck bays and the fridge decks.

Energy – Please refer to the main Board report paper.

Health & Safety – The Market has recently participated in a critical base line safety maturity assessment with an external company called Safe 365. The assessment, which was not a pass or fail exercise, helps the management team and staff understand safety management systems, identify areas for improvement and ultimately keep staff safe. Safe 365 are shortly to present the outcomes to senior officers in the CSD in September and from there, local development and improvement plans for each Market will be created which will be a feature of regular H&S assessments and change for the better initiatives.

Tenant Association (TA) priorities

Six weekly meetings are now held with the Association and officers from the Markets, Projects and Highways departments and the Museum of London/ Sir Robert McAlpine (SRM) project team. West Smithfield was re-opened on the 6th September following extensive structural works by the London Museum. This has now enabled the closure of the west end of Charterhouse Street at the junction with Farringdon Street to allow Cadent Gas Networks to complete major gas main replacement works in the area. There will be no access to or exit from the Market at this junction until the works complete in mid-November.

The local team continue to work with colleagues at Guildhall to close out a number of outstanding works around the Market which have taken more time to resolve than first

anticipated or required. CBRE have allocated additional and new resource to their support function to improve performance and service delivery times to the Market.

Cleaning - priority areas as per the cleaning statement above.

Pest Control – ongoing with additional inspection/baiting hatches being installed and improved cleaning standards in fork-lift charging and bin cleaning/store bays. The Market based environmental health officer visits all trader premises and advises on works they need to undertake to reduce pest activity within their shops.

Mark Sherlock

11th September 2024.

Smithfield Market

Superintendent & General Manager – Mark Sherlock

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Billingsgate Market

Staffing - Recruitment for Market Constables at both Billingsgate and Smithfield has taken place with one position at Billingsgate to fill following the withdrawal of one of the successful candidates. The Security Manager at Spitalfields is now on a career break with the selected Sergeant now acting up. There has been a seamless transition and the operation continues to function to the same high standard. Covering the Sergeant's role has been successfully split between three candidates from the Constabulary which allows for their development. The Security Manager position at Smithfield will be advertised over the course of September.

Cleaning – No concerns around cleaning have been raised by tenants. The team have used the summer months to review the periodic works schedule to ensure all work streams are captured and planned in for the year.

Energy – Tenants have been benefited from £38,594 of PPA credits so far this financial year with a month on month increase in the benefit received.

Health & Safety – The Market completed a safety assessment organised by the Corporation Health and Safety team to develop an understanding of safety culture at Billingsgate. This assessment has been conducted by an external organisation, Safe 365, at different departments with all three markets included. This assessment has been followed up with staff surveys and the outcomes reported to senior officers. This will be used to continue to develop and embed health and safety processes at the market.

Accidents and incidents are investigated and any improvements to the operation identified and implemented.

Tenant Association Priorities – The move to the new market continues to be the main concern for tenants with negotiations ongoing.

Billingsgate Market
General Manager – Stephen Dolamore
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New Spitalfields

Staffing – Vacant roles remaining include one General Maintenance Operative and one Electrician. Both roles are currently being filled by agency staff with a view to transferring the general maintenance operative to a permanent position in October. A market forces supplement is being considered to help with the permanent recruitment of the electrician's post.

The administration team have now recruited a new level 3 Business Administration Apprentice who joins the team mid-September.

Cleaning – The sites cleansing, and waste contract is performing consistently well. The re-tender of the contract is almost complete with the final moderation session being held 13th September. Cleaning of the public WC's and CoL occupied areas that is part of the wider CBRE contract managed by the FM team is adequate, but there is scope for real improvement, this will be overseen by the site Maintenance Manager who will be considering users behaviours as well as the aging infrastructure when addressing the standards of cleaning.

Energy – We received the Q1 PPA rebate values in August, which were higher than expected. This brought the total price per KWH recharged to our tenants down to £0.18 which was a 6p reduction from the previous quarter.

Health & Safety – New Spitalfields staff took part in a health and safety maturity assessment with Safe 365. This is being rolled out across the City as part of the new Corporate Health and Safety Policy and will provide the market with a localised improvement plan to help guide staff and managers to improve both our culture and performance.

We are currently in the process of planning a full glazing replacement in the Market Pavillion roof. In May 2023 a detailed condition survey was carried out and all recommended remedial works were completed by January 2024. The survey recommended glazing replacement in the future, with no immediate concerns raised, so identified this as a phase 2 programme of works. This was intended to take place in stages over 2024 and 2025. The glass used in the roof is wire cast safety glazing, the wire casting running through the panels should prevent breakage. On July 17th 2024, a small fragment of glass fell away from one of the panels, our roof contractor attended the following day to remove the panel and board the area. Due to this event, we are now in the process of planning a full glazing replacement this Autumn, a final survey is scheduled for 25th September to confirm final size/shape details for individual panels, with works to commence soon

after. A case conference to discuss the reported near miss took place with the City's Health and Safety Team who assessed our actions to-date and deemed them suitable, they were satisfied with the plans to replace the glazing moving forwards.

Tenant Association Priorities - The 2020 rent review for the low height CSB units remains unsettled. The Market Tenant's current 10-year leases expire in May 2025 and the association are keen to press on with negotiations once the rent review is settled. There are concerns about the long-term future of New Spitalfields and its ability to operate without serious investment as well as any potential impacts from the Markets colocation programme.

New Spitalfields Market
General Manager – Emma Beard
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Agenda Item 6

Committee(s)	Dated:
Markets Board	3 rd October 2024
Subject: Markets Business Plan 2024-25 Period 1 2024/25 Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Providing Excellent Services, Leading Sustainable Environment, Flourishing Public Spaces, Dynamic Economic Growth
Does this proposal require extra revenue and/or capital spending? N/A	N
If so, how much? N/A	N/A
What is the source of Funding? N/A	N/A
Has this Funding Source been agreed with the Chamberlain’s Department? N/A	N/A
Report of: Markets Director	For Information
Report author: Damian Coffey/Jane Poulton City Surveyor’s Department – Market Division	

Summary

1. This report provides an update on progress made during Period 1 (April-July) of 2024/25 and key improvement objectives outlined in the Markets’ Business Plan 2024/25.

Recommendation(s)

Members are asked to:

- Note the content of this report and its appendices.

Main Report

Background

2. The 2024/25 Markets Business Plan had 7 Key Improvement Objectives and 3 KPIs.
3. Updates on progress made against the KPIs and improvement objectives are provided in Appendix A.

4. Matters of general interest, including a list of visitors to the Markets are provided in Appendix B.
5. Financial summary in Appendix C.

Current Position

6. To ensure your Board is kept informed of progress against the current business plan, progress made against key improvement objectives (Appendix A), matters of general interest (Appendix B), and financial information (Appendix C) is reported on a periodic (four-monthly) basis.
7. 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.
8. 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.

Period 1 2024/25 update

9. In 2024/25 the department will report on three KPIs to measure the Markets key operations. Of these, one indicator met its target (green), one indicator was slightly below target (amber), and one indicator was underperforming (red).
10. **MKPI.1 – Markets – Each Market’s outstanding debt as a percentage of their total invoice income (excluding 0-30 days invoices)**
This indicator assesses the level of debt at Billingsgate, Smithfield and New Spitalfields Markets and includes Covid arrears.

Target Less than 1.5%
Performance 7.55% (Red)

The red rating is predominantly the result of a single debtor at Billingsgate Market. At New Spitalfields, there is an active Covid debt repayment plan totalling £104k, however, this is expected to be resolved by October 2025.

The department follows rigorous credit control processes, using appropriate escalation channels in collaboration with Chamberlain’s and Comptroller’s Departments to ensure the payment of arrears.

11. **MKP3 – Maintain a minimum 95% occupancy with the expectation to achieve 100%**
This indicator demonstrates the vacancy levels at Billingsgate, Smithfield and New Spitalfields Markets.

Target 95%
Performance 91% (Amber)

There are 12 vacant offices out of 59 rentable offices. Following Covid and the trend towards hybrid working it has become harder to rent out all the offices at Billingsgate Market, but the department is actively trying to lease out all rental space. Smithfield and New Spitalfields are 100%.

12. **Sickness.** Members have requested to know the departments sickness levels and the table below illustrates the average working days lost to sickness across the Market division.

Markets Division: Average working days lost to sickness					
Month	Total	Short Term	Long Term	Occurrences	Target
April	1.5	0.18	1.32	5	0.5
May	1.74	0.44	1.31	12	0.5
June	1.89	0.28	1.62	9	0.5

Financial Information

13. At the end of Period 5 (August 2024), the Director of Markets was showing an underspend of £91k against the local profiled net expenditure budget of £2,210m for services reporting to the Markets Board.
14. Table A sets out the detailed position for the individual services covered by the Director of Markets.
15. The current forecast outturn against the latest net expenditure budget of £1,385m shows an overall overspend of (£98k) based on the current pricing information. The impact of the outcome of the July 2024 pay award or any changes in energy prices (including PPA) have not been included at this point.

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 2024 -2029.

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

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

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Logistics.

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Department

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Smithfield Market:

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Billingsgate Market:

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New Spitalfields Market:

General Manager – Emma Beard

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Appendix A

Progress against Business Plan & KPI's 2024-25

MKP 1	Target 2024/25			Period 1			Period 2			Period 3		
Target	Each Market's outstanding debt as a percentage of their total invoiced income. Maximum 1.5% KPI target.											
All				7.55%								
Billingsgate				15.97%								
Smithfield				3.59%								
Spitalfields				5.11%								
<p>Comments: The high debt is predominantly down to a single debtor at Billingsgate Market. At New Spitalfields, there is an active Covid debt repayment plan totalling £104k, which is expected to be resolved by October 2025.</p> <p>The department follows rigorous credit control processes, using appropriate escalation channels in collaboration with Chamberlain's and Comptroller's Departments to ensure the payment of arrears.</p>												
MKP 2	Target 2024/25			Period 1			Period 2			Period 3		
Target	0% Landfill	< Recoverable Waste	>Recyclable Waste	L	Re	R	L	Re	R	L	Re	R
All	0%	68%	32%	0%	65%	35%						
Billingsgate	0%	80%	20%	0%	82%	18%						
Smithfield*	0%	66%	34%	0%	54%	46%						
Spitalfields	0%	68%	32%	0%	65%	35%						

Appendix A

<p>Comments* Smithfield Market waste data is for the period April –June as the data from Veolia for July isn’t available yet. Landfill (L) Recoverable (R) – waste that is repurposed for another use e.g. energy. Recyclable (Re) – waste that can be re-used to create a similar material e.g. paper or plastic.</p>					
	Target 2024/25		Period 1	Period 2	Period 3
MKP 3	Maintain a minimum 95% occupancy with the expectation to achieve 100%.	Billingsgate	91%*		
		Smithfield	100%		
		Spitalfields	100%		
<p>*There are 12 vacant offices out of 59 rentable offices at Billngsgate Market. Following covid and the trend towards hybrid working it has been harder to rent out all the offices, but the department is actively trying to lease out all available rental space.</p>					

Progress against key objectives 2024-2025

Ref:	Objective	Progress Up- date
MKT0	Markets Co-location Programme	➤ An external consultant has been working with the MCP team to provide leadership and resolve issues in order to facilitate the best possible programme outcomes.
MKT01	Markets Health & Safety Refresh. <ul style="list-style-type: none"> ➤ Tenants and staff aware of responsibilities. ➤ Assurance Programme in place ➤ Health&Safety Action Plan 	<ul style="list-style-type: none"> ➤ Workshops with 'scenarios' being planned that will help staff understand how to work through difficult situations. ➤ Behaviour and Consequence Policy aimed at Market users was issued in April. ➤ Health&Safety Action Plan addressing key points, work on the Q Shop area at Billingsgate is ongoing, temporary barriers are up, the smoking hut has been moved and CAD drawings produced. Conway have been requested to provide design solutions to manage Q shop area. Tenant engagement ongoing ➤ Assurance template being set-up that will assure and audit the key activities of the Market.
MKT02	Efficient use of maintenance data to improve services delivered to tenants. <ul style="list-style-type: none"> ➤ Uploading PPM and reactive Maintenance work onto Concerto. ➤ Use data from Concerto to influence work plans and priorities, and to improve service. 	<ul style="list-style-type: none"> ➤ Work to upload the relevant Planned Preventative Maintenance schedules onto Concerto for Billingsgate and Smithfield on-going. There are further asset categories required to accurately reflect the differing nature of Market assets compared to the standard defaults on Concerto.
MKT03	Security Risk Management. <ul style="list-style-type: none"> ➤ Getting staff SIA trained. 	<ul style="list-style-type: none"> ➤ Currently all staff, apart from two, have received SIA training.
MKT04	Service Level Agreements in place across the Markets. <ul style="list-style-type: none"> ➤ Maintenance. ➤ Security. ➤ Finance and Admin. 	<ul style="list-style-type: none"> ➤ Work finalising the Security SLA at Smithfield market is near completion. Work in progress on developing SLAs in cleaning & maintenance, and finance & administration that will reflect the closure of the Poultry Market. Following Smithfields completion and roll out, similar agreements to start at Billingsgate and New Spitalfields Market.

Appendix A

Ref:	Objective	Progress Up- date
MK05	Guardtech rolled out and used across all Markets. <ul style="list-style-type: none"> ➤ Consistency in usage of Guardtech across the markets. 	<ul style="list-style-type: none"> ➤ Guardtech is now used across all three markets by the Constabulary.
MK06	Build resilience across the admin & Finance discipline. <ul style="list-style-type: none"> ➤ Consistency in tasks. ➤ Cross-market working. 	<ul style="list-style-type: none"> ➤ The first of two yearly cross-market resilience exercises took place (20th August). The Market Administration leaders delivered the workshops and tested the procedure guides (specific to their site) to their admin colleagues. The exercise is to ensure colleagues can cover each other's work during periods of absences and other ad hoc situations. The next workshop will be in early 2025.

Matters of General Interest to the Board**Billingsgate Market**

	Visitors/Filming/photography	Fee Received
April	3-12 th – LT Film Productions Ltd 25-27 th – LT Film Productions Ltd	£8540+VAT £3992.50+VAT
May	None	
June	15 th – MH Films Ltd – Unit Base Parking	£1940+VAT
July	None	

Smithfield Market

	Visitors/Filming/photography	Fee Received
April	None	
May	Ledbury Productions – Filming for the production titled 'Clarkson's Farm'	£1000 +VAT
June	National Farmers' Association	
July	None	

New Spitalfields Market

	Visitors/Filming/photography	Fee Received
April	Promlift Ltd Exhibition Space Hire – Advertising Forklift Trucks	£450 + VAT
May	Countrystyle contract meeting	
June	None	
July	Lord Mayor's annual visit.	

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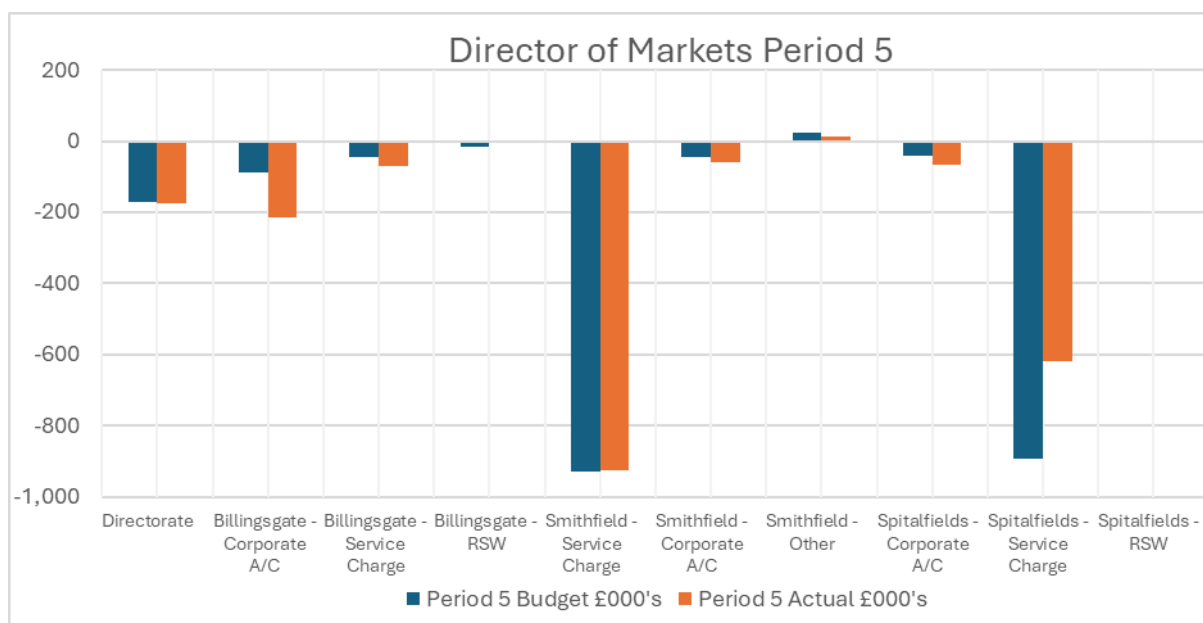
Summary

At the end of Period 5 (August 2024), the Director of Markets was showing an underspend of £91k against the local profiled net expenditure budget of £2,210m for services reporting to the Markets Board. Table A sets out the detailed position for the individual services covered by the Director of Markets.

The current forecast outturn against the latest net expenditure budget of £1,385m shows an overall overspend of (£98k) based on the current pricing information.

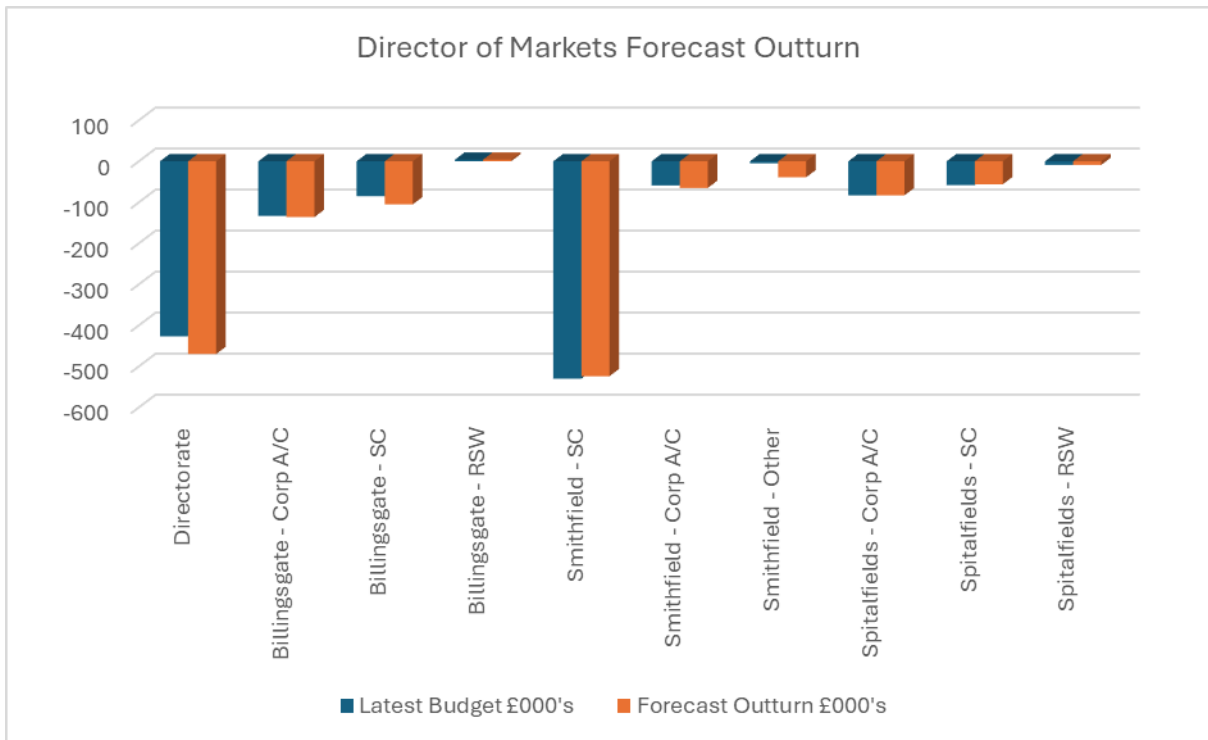
The impact of the outcome of the July 2024 pay award or any changes in energy prices (including PPA) have not been included at this point.

1. The end of August 2024 the monitoring position for the Director of Markets services reporting to Markets Board is provided at Table A. This shows underspend of £91k against the local profiled net expenditure budget of £2,210m for 2024/25. The graph below shows the profiled budget against the net expenditure at the end of Period 5.



2. Overall, the Director of Markets is currently forecasting a year end overspend position of (£98k) for his City Fund and City’s Cash services. The graph shows projected outturn position variance against budget, above the line is a favourable variance (underspend) and below the line is unfavourable variance (overspend)

Appendix C



Appendix C
Table A

Markets - Local Risk Revenue Budget 2024/25 - August 2024 (P5-25)								
Expenditure and unfavourable variances are shown in brackets								
	DOS	Period 5 Budget	Period 5 Actual	Variance to date		Latest Budget	Forecast Outturn	Under / (Over)
		£000's	£000's	£000's		£000's	£000's	£000's
City's Cash	Directorate	(173)	(176)	(3)		(427)	(470)	(43)
City's Cash	Billingsgate - Corporate Account	(90)	(216)	(126)		(133)	(136)	(3)
City's Cash	Billingsgate - Service Charge	(45)	(71)	(26)		(85)	(105)	(20)
City's Cash	Billingsgate - Repainting and Special Works	(15)	1	16		4	4	0
City's Cash	Smithfield - Service / Direct Charge	(930)	(926)	4		(530)	(524)	6
City's Cash	Smithfield - Corporate	(44)	(58)	(14)		(59)	(65)	(6)
City's Cash	Smithfield - Other (Including Car Park)	23	12	(11)		(5)	(39)	(34)
		(1,274)	(1,434)	(160)		(1,235)	(1,335)	(100)
City Fund	Spitalfields - Corporate Account	(40)	(66)	(26)		(83)	(83)	0
City Fund	Spitalfields - Service Charge	(892)	(619)	273		(58)	(56)	2
City Fund	Spitalfields - Repair and Repainting	(4)	0	4		(9)	(9)	0
		(936)	(685)	251		(150)	(148)	2
	Total Markets Board Local Risk	(2,210)	(2,119)	91		(1,385)	(1,483)	(98)

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Committee(s)	Dated:
Markets Board	03.10.24
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: Damian Coffey, Jane Poulton City Surveyor’s Department – Market Division	

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 Markets Senior Management Team as part of the on-going management of operations within the Markets Division of the City Surveyors 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.

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 Markets Board the key risks faced in their department.

Current Position

2. The Risk Register for the Wholesale Markets contains 6 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).

- SUR-SMT 017 - MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works. (RED, 24)

This risk was reviewed at the City Surveyor's August Departmental risk meeting, and following that review, it was agreed this risk would be escalated onto the City Surveyor's SMT departmental risk register.

The co-location program for the markets is currently being evaluated. If this evaluation leads to a postponement of the relocation of existing markets to the suggested new site, it will be necessary to implement further maintenance and renewal measures at the current market locations to meet our contractual commitments. This risk will be thoroughly assessed, and additional mitigation strategies will be formulated, once the review is completed in October.

- SUR-MKT BM 009: Billingsgate Transport Risk (AMBER, 12)
- SUR-MKT WM 004 Health & Safety Risk (AMBER, 12)
- SUR-MKT SM 006: Smithfield Transport Risk (AMBER 8)
- SUR-MKT NS 008: New Spitalfields Transport Risk (AMBER 8)
- SUR-MKT SM 012: Building maintenance-management, Smithfield (AMBER 8)
- SUR-MKT SM 004: Cooling water failure, Smithfield (AMBER 6)

3. A Summary Risk Register is attached at Appendix B and the detailed Register at Appendix C provides an update on the key risks along with the mitigating actions we are taking to reduce the likelihood and/or impact of the identified risks.

Risk Management Process

4. 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.
5. Between each SMG meeting, risks are reviewed in consultation with risk and control owners, and updates are recorded in the corporate risk management system (ideagen).
6. Regular risk management update reports are provided to this Board in accordance with the City's Risk Management Framework.

Identification of New Risks

7. 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.
8. The risk register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

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

9. 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 Business Plan Progress Report
 Risk Management Strategy

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New Spitalfields Market:
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E: emma.beard@cityoflondon.gov.uk

Billingsgate Market:
General Manager – Stephen Dolamore
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E: stephen.dolamore@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)

Page 33

(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

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	X				
	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

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SUR MKT Markets Boards Risk Summary Report

Report Type: Risks Report

Generated on: 03 September 2024



Rows are sorted by Risk Score

Traffic Light: Red 1 Amber 6 Green 8

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
SUR MKT BG 009	Billingsgate Transport Risk	12			
SUR MKT WM 004	Health & Safety Risk	12			
SUR MKT NS 008	New Spitalfields Transport Risk	8			
SUR MKT SM 006	Smithfield Transport Risk	8			
SUR MKT SM 012	Building maintenance management	8			
SUR MKT SM 004	Cooling water failure	6			

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
SUR-SMT 017	MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works	24			

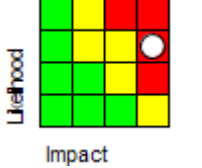
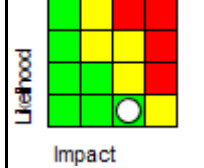

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SUR MKT- Markets Board Risk Report (Detailed Risk Register)

Report Author: Jane Poulton

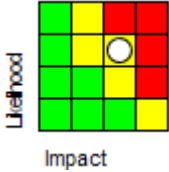
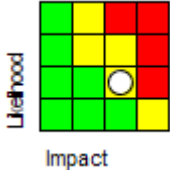

Generated on: 03 September 2024

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
SUR SMT 017 MCP disruption necessitating the Markets remaining in Existing Buildings, requiring further investment in maintenance works. 16-Aug-2024 Ben Milligan	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 new programme of works at		The markets co-location programme is under review. Should this result in a delay to the move of existing markets to the proposed new location, then the existing markets sites will need additional forward maintenance and renewal to ensure that they continue to be maintained in line our contractual obligations. This risk will be comprehensively reviewed upon conclusions to the review activity, where further mitigations will be developed. This risk was reviewed at the City Surveyor’s August Departmental risk meeting. Following this review, it was agreed that this risk should be escalated onto the departmental risk register. 02 Sep 2024		31-Dec-2026	
		Reduce	Constant			

<p>the existing markets sites to catch up with the deferred maintenance in order to ensure we continue to comply with our landlord obligations. This would likely require 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, although such claims would be resisted if unjustified.</p>						
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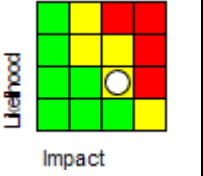
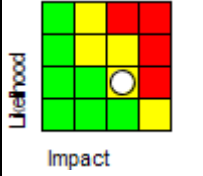
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 7a	Keep risk under regular review	Following a review, the risk and likelihood have been adjusted to reflect the impact of the ongoing review of options and the scale of potential liability if the markets co-location programme is not progressed.	Ben Milligan	22-Aug-2024	31-Dec-2026
SUR SMT 7b	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.	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. Bow-wave funding (£2.5m) has been approved that will address the most significant works needed at Smithfield. Billingsgate Action Plan works (Racking and Cold store roof) are complete, and so are the remedial works on Spitalfields roof.	Ben Milligan	22-Aug-2024	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
SUR MKT BG 009 Billingsgate Transport Risk 10-Feb-2023 Stephen Dolamore	Cause: A lack of sufficient training and adequate management controls in relation to vehicle movements at Billingsgate Market. Event: There is a risk of a life changing injury to a pedestrian if vehicle movement including forklift trucks 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.		12	Creating a traffic management plan and safe system of work addressing the most intensively used areas of site that all market users will be required to adhere to. Further pedestrian restrictions and segregation measures introduced. 18 Oct 2023		8	28-Feb-2025	
								Constant

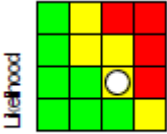
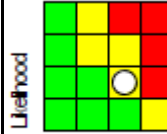
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR-MKT-BG 009a	Consultant engaged to survey Q Shop area to provide analysis of available space and advise on practical solution to area management.	Action Plan implemented following advice from transport specialist and consultation with affected tenants Q2 2024/25	Stephen Dolamore	14-Jun-2024	31-Dec-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>SUR MKT WM 004 Health & Safety Risk</p> <p>28-Apr-2023 Ben Milligan</p>	<p>Causes: The operation of three large, semi-industrial sites with extensive traffic movements and accessible by large numbers of pedestrians carries a range of potential health and safety implications for members of the public, staff, and contractors.</p> <p>Event: Incident or accident with health and safety implications.</p> <p>Impact: Potential life changing injury to a member of the public, staff and contractor.</p>		<p>12</p>	<p>Due to the nature of our Markets and the types of activities carried out, many of the risks have potential health & safety impacts, for example, vehicle movements, loading and unloading goods, waste collection, repair and maintenance of buildings. There are also ongoing health and safety risks associated with contractors adopting safe working practices and members of the public disregarding safety advice.</p> <p>This consolidated, cross-departmental risk has been assessed and scored as 12 due to the wide range of health and safety related risks across the Markets.</p> <p>Whilst some factors are beyond our direct control, for example, behaviour of members of the public and adjacent/surrounding busy highways, each site has appropriate actions in place to mitigate health and safety impacts of their risks as far as reasonably practicable.</p> <p>Work is underway to build a safety culture. The Markets health&safety policy is being embedded across all three markets and developing an assurance framework programme to ensure safety standards are met is commencing.</p> <p>18 Oct 2023</p>		<p>12</p>	<p>15-Apr-2025</p>	
							<p>Reduce</p>	<p>Constant</p>

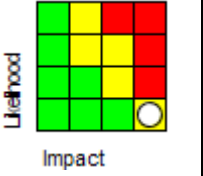
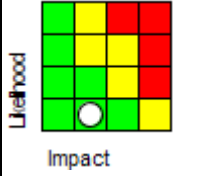
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR-MKT-WM-004a	The risk is being kept under review.	The Markets health&safety policy is being embedded and an Action Plan addressing the main health and safety concerns at each Market has been developed.	Ben Milligan	02-Jul-2024	30-Dec-2024

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
SUR MKT NS 008 New Spitalfields Transport Risk 10-Feb-2023 Emma Beard	Cause: Over 200 forklift trucks operate on the New Spitalfields Market Site. Event: There is a serious risk of life changing injury to a pedestrian if vehicle movements in the constrained space 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	Traffic management plan is up to date with no current changes required. This will continue to be reviewed regularly. 21 Feb 2024		8	01-Mar-2025	Constant

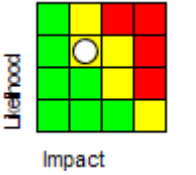
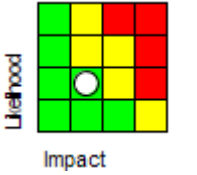
Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
P 898 42 03a	All actions from the Traffic Management Plan are now complete. The risk is being kept under review.	The transport risk remains under review. There are no current areas identified of concern.			Emma Beard	02-Jul-2024	31-Dec-2024

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
SUR MKT SM 006 Smithfield Transport Risk 10-Feb-2023 Mark Sherlock	Cause: A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities undertaken by staff employed by Smithfield Market tenants. Event: Serious or life changing injury to members of the public, market staff and other service users caused by uncontrolled or unguided reversing vehicles. Effect: Realisation of this risk could result in a prosecution, fine and reputational damage for the City.	 Likelihood Impact	8	The risk has been reviewed and remains the same. 19 Feb 2024	 Likelihood Impact	8	26-Mar-2025	Constant
							Accept	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR-MKT-006a Page 43	Keep the risk under review and undertake regular audits of HGV movements.	The risk continues to be reviewed. The Superintendent met with the SMTA Chairman on the 6th September to agree enhanced monitoring and declarations controls for the receipt of carcass meat safely onto the Market with the use of tenant banksmen including compliance enforcement. This will be documented in a SOP and signed by all relevant traders to ensure full conformity of their H&S obligations under the Lease. Consultation is ongoing and agreement/implementation imminent. An audit of the carcass HGV delivery process was conducted in early August with a 96% compliance rating achieved.	Mark Sherlock	05-Sept-2024	31-Dec-2024

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
SUR MKT SM 012 Building maintenance management 29-Sep-2020 Mark Sherlock	<p>Cause: The deterioration of physical assets due to the lack of adequate maintenance.</p> <p>Event: Partial collapse or failure of structure.</p> <p>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.</p>	 <p>Lifehood</p> <p>Impact</p>	8	The risk has been reviewed and remains the same. 14 Jun 2024	 <p>Lifehood</p> <p>Impact</p>	2	30-Jun-2025	Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
Page 44 R-MKT-SM 012a	Works priorities and phasing in progress to be agreed with City Surveyor's Department (CSD). CSD to raise PIDs to continue with further surveys and pricing exercises.	Approval is being sought for the release of £80k in initial funds to facilitate a scope of works and design proposals for the 1st phase of enabling works	Mark Sherlock	09-Sep-2024	30-Nov-2024
R-MKT-SM 012b	Agree project start/completion dates in consultation with CSD.	<p>Project to repair and re-instate glass canopy on north elevation has now completed and been signed-off.</p> <p>A structural survey report has been received after an inspection of the concrete canopy above East Poultry Avenue. The Superintendent is working with colleagues in the surveyor's team to progress a 1-4 Gateway report and instruct cost consultants to price up works recommended in the report and to re-instate the pavement canopy on the West elevation. Scaffold proposals and RAMS are currently awaited from the project team in order that the tenants' association can be consulted on the initial works.</p>	Mark Sherlock	01-Jul-2024	28-Feb-2025

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
SUR MKT SM 004 Cooling water failure 30-Jun-2015 Mark Sherlock	cause: Failed condenser water supply. Event: Shutdown of essential water supply to market. Impact: Realisation of this risk could result in a prosecution, fine and reputational damage for the City.		6	The system has suffered increased fine particle debris intake as a direct result of the Museum of London demolition works in the adjacent building in recent months. This has affected the service to traders resulting in the tripping of refrigeration equipment and a rise in temperatures. 01 Jul 2024		4	Accept	↑
								Increasing

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR-MKT-SM 004f Replace pipework	There are works being arranged by the projects team to replace the pipework to the cooling condenser. An update will be added once these works are scheduled and again when completed. These works should further eliminate the risk of a cooling water failure.	Pipework replacement complete on the East Market. Funding being sourced for replacement of pipework on the West Market. If seeking of funds is successful, the project may take place in the financial years 24/5. The Superintendent is in discussions with City Surveyor colleagues on the priority of CWP works allocated to the Market as this item is a high priority.	Mark Sherlock	02-Jul-2024	31-Mar-2025
SUR-MKT-SM 004g Risk review	Risk will be regularly reviewed.	The risk has been increased as the system has suffered increased fine particle debris intake as a direct result of the Museum of London demolition works in the adjacent building in recent months. This has affected the service to traders resulting in the tripping of refrigeration equipment and a rise in temperatures.	Mark Sherlock	01-Jul-2024	30-Sep-2024
SUR-MKT-SM 004h Additional Mitigation Measures Required		Additional inspections and preventative measures are being undertaken. This involves increased frequency by the local maintenance team to daily checks of the tower stream filters, plantroom basket strainers and plantroom stream filters with replacement of filter socks as necessary. The FM service provider Socotec is attending and cleaning all cooling tower screens, and this has increased too weekly. Trader refrigeration contractors are cleaning in-line pre-filters and are chemically flushing refrigeration equipment if required. The City has also recently engaged with CityGen to ascertain the viability of a temporary additional chilled water supply to assist with the current on-going issues. The Market is also increasing it's holding of critical spares. It's anticipated that the MOL demolition work (which generates the fine dust particles) will continue for approximately another 4 months, after which there should be a considerable reduction of dust ingest.	Mark Sherlock	04-Sep-2024	31-Dec-2024

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Agenda Item 8

Committee(s): Markets Board	Dated: 3 October 2024
Subject: Market Constabulary Uniform	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	Not applicable
What is the source of Funding?	Not applicable
Has this Funding Source been agreed with the Chamberlain's Department?	Not applicable
Report of: Ben Milligan Markets Director	For Information
Report author: Stephen Dolamore Billingsgate General Manager & Superintendent	

Summary

Following a letter from the City of London Police Authority Board Chairman to the Chairman of the Markets Board dated 13 January 2024, outlining concerns in relation to the appearance and uniform of the 'Market Police', a review of the current uniform was requested by the Markets Board.

Concerns were raised in the letter relating to similarities to the uniform worn at the markets with the City of London Police, in particular the use of the red and white chequer band worn round Constables' hats. The two uniforms are very different with the uniform of the Constabulary consisting of white or blue shirts, black trousers and high vis outerwear. Some members of the team wear a flat peaked hat. The City of London Police uniform consists of black shirt and trousers and a helmet or peaked cap. The uniform of the Police is marked identifying the wearer as being a member of the Police force. The amount of equipment a Police Officer carries is also considerably more than a member of the Constabulary. Following the raising of this issue the chequer board worn around Constable's hats was permanently removed.

This report give background into the evolution of the functions, powers and associated uniforms of the market Constabulary and highlights the changes that have taken place over time. It addresses feedback received from the most recent tenants survey which asked if City of London employees are appropriately uniformed and easily identifiable. There has been a drop in agreement from 88% to 78%.

The Market Constabulary have evolved over time with changes coming as a result of the introduction and later removal of Police powers. This has resulted in a move to more standard security, enforcement operations and providing first aid when required. With the removal of market byelaws and the associated powers the need for a Market 'Police' has been replaced by a need for a team of security type officers to enforce each market's Working Manual/Code of Practice. An element of this review has been considering standardising the uniform across the three markets and

will be one of the outcomes, providing a next stage in the ongoing evolution of the Market Constabulary, and to support our people in their duties.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The three markets have employed market constabulary staff for many years to help enforce the byelaws that existed at the time and provide security for the markets. Initially staff were sworn in as a Constable, but this ceased in the mid-1970s. The Constabularies followed the same police rank structure i.e. Inspector, Sergeants and Constables.

2. At that time staff, dressed like policeman, wearing police style blazers or tunics, wore badges stating, 'Market Police'. With early links to the City of London Police a similar uniform was adopted including wearing the red and white chequered band. Billingsgate Constables were given powers under the Road Traffic Act, and Smithfield Constables were given powers to enforce littering and dumping of waste around site. Constables were issued warrant cards following attestation and items of equipment such as handcuffs to assist in their duties. However, all byelaws relating to the markets ceased in 2012 and were replaced with a Working Manual/Code of Practice which outlines operating requirements of tenants at each market and these items were no longer relevant.

3. All three sites have over the past few years adopted different styles of uniform, and tunics or blazers are no longer worn.

4. These modern uniforms are now centred around high visibility clothing. Peaked caps are still worn but they can be difficult to source. New staff at New Spitalfields Market are not given a peaked cap but are given the choice of alternative headwear such as a baseball hat or woolly hat with a CoL crest.

5. 'Market police' badges are not now worn at any site.

6. Inspector pips are no longer worn by Security Managers.

7. Warrant cards issued following a Constable assentation at Billingsgate and Smithfield are no longer issued following the removal of the market byelaws.

8. At Billingsgate hand cuffs were introduced between 2000 and 2001 but withdrawn in 2005 there is no record of why they were considered necessary. We have no exact date but stab vests were introduced around 2017.

9. At Smithfield no Market Constabulary identification is worn on uniform now.

10. At Smithfield epaulettes showing officer number have not been issued to any staff for over 5 years. Warrant Cards issued following a Constables assentation are no longer issued following the removal of market byelaws. Stab vests are no longer issued, we have no definitive date but last known 2010.

11. At New Spitalfields Blazers and tunics were removed during 2005. 'Market Police' was removed from items of uniform and equipment during 2006 and replaced with Market Constabulary. Peaked caps have not been issued since 2015 and staff given the option of no hat or a baseball hat in summer or woolly hat in winter. High visibility vests with multiple pockets (tactical vests) were introduced during 2018.

Current Position

12. Concerns were raised in the letter relating to similarities to the uniform worn at the markets with the City of London Police, in particular the use of the red and white chequer band worn round Constables' hats. The two uniforms are very different with the uniform of the Constabulary consisting of white or blue shirts, black trousers and high vis outerwear. Some members of the team wear a flat peaked hat. The City of London Police uniform consists of black shirt and trousers and a helmet or peaked cap. The uniform of the Police is marked identifying the wearer as being a member of the Police force. The amount of equipment a Police Officer carries is also considerably more than a member of the Constabulary. Following the raising of this issue the chequer board worn around Constable's hats was permanently removed.

13. The market constabulary were consulted on the various options of uniform available to staff and of the 20% who responded they were marginally in favour of a slightly less formal uniform. The two areas that displayed the biggest difference were headwear and trousers. A small majority favoured a 'cargo pant' style as opposed to more formal trousers. The additional pockets being cited as more useful. The need for these could be offset by the introduction of tactical vests (as worn at New Spitalfields currently) across the markets and retaining a more business like formal trouser. The peaked caps worn at Smithfield and Billingsgate can be hard to source but do provide a ready identifier to the Constabulary.

14. Following consultation with colleagues within the security industry it has become apparent there is a trend in the industry to move towards a less formal and more customer service orientated uniform in buildings and locations which see a high footfall of the general public. Polo shirts and chinos type trousers are becoming more common as this is considered to present a more welcoming appearance with security personnel often the first point of contact for visitors. When faced with more confrontational environments it is considered a more formal uniform provides the wearer with more authority when dealing with challenging situations. This can be the case at the markets. The markets Constabulary are required as part of their duties to move through different positions both internal and external and during all weather conditions so providing the necessary equipment and uniform is paramount.

15. At Billingsgate there is a stock of stab vests available to Constables which were purchased some time ago and are worn by longer serving members of the team or new starters who are the right size. They can give the wearer a false sense of security and could actually lead to Constables putting themselves at risk. Now the team have all received SIA and conflict resolution training they are much more aware of how to handle and diffuse difficult situations reducing the need for equipment like this. By risk assessing any potential situations alternative mitigation can be identified. To date there have been no recorded incidents where a stab vest was needed or could have reduced the risk.

16. Following consideration of the matter, consultation of staff and advice received from security industry professionals the three Constabularies will continue to wear a formal uniform with peaked caps, shirt and ties and more formal trousers. All these items provide a clear signal to market users of the status of the Constabulary. With most of these items being worn at each market already this will be achieved with a minimum of change and can be done by the end of the current financial year. Withdrawing stab vests at Billingsgate and introducing tactical vests at Smithfield and Billingsgate to provide additional space for equipment. This will be supported by a risk assessment. This style of uniform speaks to the need to maintain the wearers authority when the situation demands it and with the training the Constables receive they will continue to provide the customer service side of their role.

Key Data

17. The review looks to achieve parity across the markets by equipping the Constabulary with uniform and equipment to enable them to best serve the tenants, their staff and customers and the Corporation's staff.

Corporate & Strategic Implications

Strategic implications – The proposal will assist in the markets Constabulary to provide an excellent service to the tenants, their customers and visitors by ensuring that the Constabulary are always visible and able to provide any assistance needed. Equipping the Constabulary correctly will help to provide a safe and secure environment for the markets to flourish as public spaces.

Financial implications None

Resource implications None

Legal implications None

Risk implications None

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

Climate implications None

Security implications None

Conclusion

18. The uniform and naming of the Market Constabulary have evolved over time with changes coming as a result of the introduction and later removal of Police powers resulting in a move to more standard security operations and enforcement. With the removal of market byelaws and the associated powers the need for a Market 'Police' has been replaced by a need for a team of security type officers to enforce each market's Working Manual/Code of Practice. The Market Constabulary are distinct from both City of London Police and the Metropolitan Police in appearance and duties. The Constables have to deal with a wide range of issues and situations and the position of Market Constable is supported by not only the training they receive and the experience they have but also the uniform and the impression it creates. The uniform currently worn at the three markets is not uniform. By addressing this and creating consistency with easy to recognise uniforms that give the right level of authority to the wearer we can support the Constabulary to deliver an outstanding service.

Appendices

- None

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Committee(s): Markets Board	Dated: 03/10/2024
Subject: Markets Climate Action Strategy update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Leading Sustainable Environment
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: Paul Wilkinson	For Information
Report author: Graeme Low (Operations Group, City Surveyors), & Damian Coffey (Markets, City Surveyors)	

Summary

This paper is to update the Markets Board on

- Energy costs and past reductions
- Prioritised investments to support further energy / CO2 reductions
- CoL 2040 net zero targets including Scope 3 emissions

Recommendation(s)

Members are asked to:

- Note the Energy Team contribution to reducing Smithfield energy consumption
- Note prioritised future investments which support reduction of emissions
- Note markets approach to reporting and reducing Scope 3 emissions

Main Report

Background

1. CoL has set Net Zero targets for two types of greenhouse gas emissions:
 - a. Operations Emissions, also referred to as Scope 1 & 2 are emissions from operations under the control of CoL. In 2018/19 CoL generated 36 ktCO2e of gross Operations Emissions.
 - b. Value Chain Emissions, also referred to as Scope 3 emissions, include the Operations emissions of tenants and a range of other emissions not under our direct control. In 2018/19 CoL generated 484 ktCO2e of gross Value Chain Emissions.
2. CoL has a target to reach Net Zero on its Operations Emissions (Scope 1 and 2) by 2027, which will be achieved by reducing gross emissions by 55% compared to the 2018/19 baseline and including carbon sequestration from parks etc. CoL

also has a long-term target to achieve net zero across the Value Chain (Scope 1, 2 and 3) by 2040.

3. Previous papers brought to Markets Board have shown the good progress made in reducing Markets Scope 1 and 2 emissions, and rebates due to the Power Purchase Agreement (PPA).
4. This paper provides:
 - a. An update on energy costs and past reductions, responding to questions raised in the July Board
 - b. Information about prioritised investments and initiatives to further reduce Markets emissions
 - c. Information about our approach to recording and reducing Scope 3 emissions in line with the 2040 target

Energy costs and past reductions

5. Following the paper presented to the July Board the energy team were challenged to provide further clarity about:
 - a. The net electricity unit cost (taking into account PPA credits) paid by the markets, and how this compares to current market prices
 - b. How much of the Smithfield energy reduction can be attributed to our actions and improvements rather than reduced usage as a natural consequence of closing poultry

a. Electricity unit costs

6. In the paper presented to the Markets Board in July 2024, the cost of energy was quoted as £0.27 per kWh. This rate was the average cost of all three markets, including the standing charges, CCL and DUoS costs.
7. The overall average day rate kWh excluding standing charges, CCL and DUoS costs is £0.260 before applying the PPA credits, and £0.214 including the PPA credits, The equivalent night rate is £0.241 before applying the PPA credits, and £0.195 including the PPA credits.
8. 69% of the Markets usage is day-time usage which gives a combined average unit rate of £0.254 before applying the PPA credits and £0.207 including the PPA credits.
9. The current UK non-domestic average day rate is £0.247/kWh with a £0.227/kWh night rate. Based on the Markets consumption, this equates to a combined average rate of £0.241/kWh, which is 16% higher than our current rate after including PPA credits. While it is slightly lower than our current tariffs, our current tariffs are based on energy prices before October 2023, whereas the current non-domestic UK average is based on 2024 prices. The Markets will get new energy prices from October 2024, and we are expecting them to reduce.
10. While it would not be possible for Markets to get a domestic tariff, the energy team have also compared our rates to the lowest night rate domestic tariff they could find. The domestic tariff had a day rate of £0.313/kWh and a night rate of £0.067/kWh giving a weighted average for Markets consumption of £0.235/kWh.
11. The table below compares the annual electricity cost of Markets based on the above price levels for day-time usage, night-time usage and combined. This demonstrates that the price paid by Markets after the PPA rebate is ca. £500k or 15% cheaper than the non-domestic average.

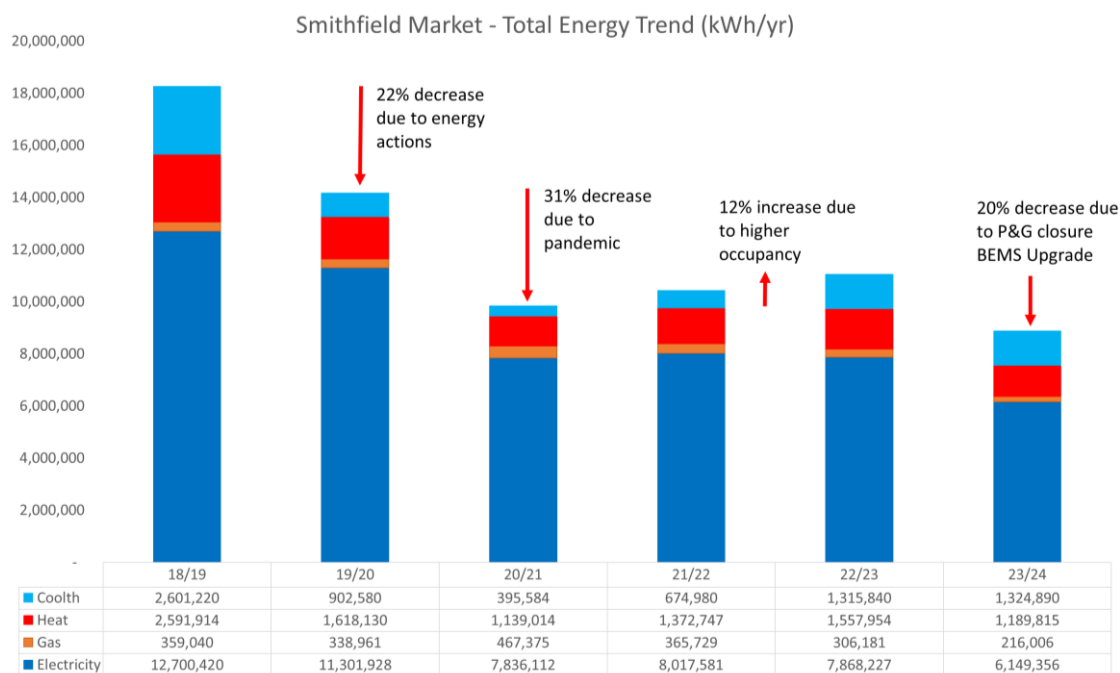
Figure 1. Markets electricity costs for October 23 – September 24 based on alternative tariffs.



b.- Smithfield energy reduction

12. The July energy paper highlighted a 51% reduction in energy consumption at Smithfield since 2018/19, and the team was asked how much of this reduction is due to energy team actions as opposed to reduced occupancy.
13. Figure 2 shows the annual changes and their main contributors.
14. In 2018 the energy team prioritised actions to minimise energy waste at Smithfield market due to its significant landlord consumption resulting in 65% reduction in cooling, 38% reduction in heating, and 11% reduction in electricity. Overall there was a 22% reduction in total site energy consumption (and a 28% reduction in landlord energy) in advance of any demand reductions as a result of the COVID pandemic or Poultry Market exit.
15. The 31% reduction from 2019/20 to 2020/21 is believed to be largely attributable to the decrease in use and footfall as a result of the COVID pandemic.
16. From 2020/21 to 2022/23, there is a 12% increase in usage as market activity recovered following the COVID pandemic. Total energy usage only returned to 78% of the pre-COVID levels, but it is not possible to confirm how much of this improved efficiency is due to on-going reduced market activity as opposed to energy team activities.
17. From 2022/23 to 2023/24 there is a 20% reduction in usage. This can be largely attributed to the poultry market exit but also coincides with a BEMS (Building Energy Management System) upgrade which will likely have contributed to some of the reductions.

Figure 2. Annual changes in Smithfield energy consumption.



Prioritised investments and initiatives

18. We have identified the following priority further energy savings, all of which relate to Smithfield market and which could provide a further 4% reduction to the total carbon emissions for the landlord scope for all markets combined:

- a. Energy Management: The City Surveyor's Energy Team are working in collaboration with colleagues and Smithfield Market to identify further opportunities to reduce energy waste through control and maintenance improvements. We have prioritised improvements to the cooling consumption which we estimate will provide annual savings of 465,711 kWh, £35,357 and 56 tCO₂e.
- b. Cyclical Works Programme (CWP), managed by the City Surveyor's Minor Projects Team (MPT), are due to deliver a number of improvements at Smithfield over the next 1-3 years. This includes further LED lighting, pump and ventilation upgrades, which we anticipate will provide annual savings of c.180,000 kWh, c.£50,000, and 33 tCO₂e. Further to this the East Market is due for controls upgrade which will then enable further savings through good energy management.

Scope 3 emissions and 2040 net zero target

19. The high-level CoL plan to achieve net zero including Scope 3 emissions assumes differing reduction levels across the different categories of assets owned by CoL. For example, a 100% reduction target has been set for investment assets, and a 70% reduction target for leased assets, against a 2018/19 baseline.
20. Markets are part of the leased assets category, and any emissions under the control of tenants in these premises count as Scope 3 emissions for CoL. A headline target reduction of 70% has been set for this category, but detail planning has not yet been completed to give a more granular breakdown of targets by site or type.
21. Our baseline estimate of Scope 3 building emissions for Markets in 2018/19 is 4,887 tCO₂e. Since that date, a reduction of 45% has already been achieved

through 26% energy reduction overlaid on decarbonisation of the grid. Metering on the sites, gives visibility of total energy consumption of tenants, and we are able to report and track these reductions.

22. The emissions of vehicles operated by tenants also count as part of our Scope 3 emissions. However, we have very limited data on the actual number and type of vehicles operated by tenants and miles driven, so cannot report and track this accurately. The intention is to collect high-level information from tenants annually to track emissions and see the level of improvements being made. However discussions with the Smithfield and Billingsgate tenants associations have indicated a reluctance to support this data gathering process while there are on-going discussions about the Markets Collocation Programme (MCP) options. We hope to complete a baseline in March 2025, and develop a Scope 3 reduction plan by July 2025.
23. It should be noted that as well as reducing energy consumption and vehicle CO2 emissions, it is important to also avoid other greenhouse gas emissions. In particular, HFC refrigerant leakage can have thousands of times more impact per kg than pure CO2 emissions. Vigilance in maintenance on cooling units to prevent leaks is important to avoid detrimental impacts.

Conclusion

24. The electricity prices paid by Markets after PPA are lower than other non-domestic prices available on the market.
25. Significant energy reductions at Smithfield have been delivered by the energy team over and above the impact of COVID and Poultry Market closure.
26. We plan to start collecting information about tenant vehicle emissions in 2025 to support tracking progress against the CoL 2040 net zero target.

Appendices

- N/A

Background Papers

- 9/11/22 – Markets Board Energy Update
- 20/9/23 – Markets Board Energy Update
- 8/11/23 – Markets Board Energy Update
- 13/3/24 - Markets Board Climate Action update March 2024 vfinal
- 22/7/24 – Markets Board Energy Update

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Committee Markets Board	Dated: 3 rd October 2024
Subject: DITS & CLPS Recharges to Markets Board 2023/24 – Detailed Information	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
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: Chamberlain	For Information
Report author: John James & Andrew Little	

Summary

The purpose of this report is to provide Members with the details behind the 2023/24 recharges from Director of Information and Technology Services (DITS) and from the Commercial Services Team (CLPS) which was requested at the last meeting of Markets Board.

A briefing note and illustrative calculations are attached to this report

Recommendation

Members are asked to note the content of this report

Appendices

Appendix 1 – Briefing Note

Appendices 2 – 4 Detailed calculations in respect of Spitalfields Market

Background Papers

Report : Markets Revenue Outturn 2023/24 – Markets Board 22nd July 2024

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Briefing Note concerning Recharges made to the Board in 2023/24 by City of London Services

Background

1. At the Markets Board meeting on 22nd July the 2023/24 Revenue Outturn Report for the Board was considered. Although the report was received, Members queried the £449k net overspending on recharges. This was principally due to significant variances in respect of charges for IT services from the Director of Information and Technology Services (DITS) and from the Commercial Services Team for contract management and transactional activities (CLPS) provided to the Markets Board. More details were requested for these two recharges.
2. It had been explained in the outturn report, that a review of the basis of apportionment for all central recharges, had been undertaken following implementation of the Target Operating Model (TOM) and the Governance Review. As a result, the basis of apportionment used had changed between the final budget for 2023/24 and the outturn 2023/24, so that even if overall cost for these services had remained the same, there would be variances due to the change in basis of apportionment. It had been decided that there was insufficient time to amend the Final Budget for 2023/24 for the change but the new basis of apportionment would be reflected in budgets going forward. Any increase in cost for 2023/24 would therefore be met by the centre, through deficit financing, and not impact on front-line services. This was the position for Markets Board.
3. Overall the total cost of these services had not significantly changed. The final budget for DITS recharges was based on a total cost of £8.49m and for the outturn recharge a total actual cost of £8.67m (a 2.1% increase). For CLPS the comparable figures were £1.94m for the final budget and £1.89m for the actual (a 2.5% reduction). So the principal driver of variation in the recharges was the change in basis of allocation.
4. In respect of the DITS and CLPS recharges, as the increase in costs was significant, Members asked for further information as follows:
 - a) Details of the method by which cost is allocated and how it has changed
 - b) Details of the calculations in respect of the Markets Directorate for these recharges

The purpose of this briefing note is to answer these questions.

Recharges to Markets Board for 2023/24

5. The Revenue Outturn Report for 2023/24 advised that the variance between the final budget for 2023/24 for capital and support service charges of £3.6m and the outturn for the year of £4.049m was £449,000. This can be analysed as follows:

Markets Board Recharges for 2023/24			
	Final Budget 2023/24	Outturn 2023/24	Variance
	£	£	£
IT Services (DITS)	211,000	467,171	256,171
Commercial Services (CLPS)	40,000	151,886	111,886
Guildhall Complex (3)	39,000	32,861	(6,139)
Central Departments (1)	752,000	801,127	49,127
Insurance	610,000	649,310	39,310
Capital Charges	1,776,000	1,774,532	(1,468)
City Surveyor Direct Recharge (2)	223,000	222,999	(1)
Film Liaison	26,000	26,265	265
Core & Democratic Recharge (4)	(77,000)	(77,000)	0
	3,600,000	4,049,151	449,151
Notes			
1 - Covers Chamberlain's department apart from DITS and CLPS; Town Clerk, Comptroller & City Solicitor. City Surveyor (property advice)			
2- Covers City Surveyor's management of FM services, cyclical works and minor improvement projects, and inspections.			
3- Covers accommodation costs of Markets team within Guildhall Complex			
4- Reallocation of costs to centre in respect of core LA function			

6. As can be seen from the above table the majority of the variance is accounted for by the first two lines relating to DITS and CLPS charges and this is the subject of the remainder of this paper.

Details of the Method of Cost Allocation and How it has Changed

7. The recharges review had revealed short comings in the basis of allocation currently being used for these services and reflected in the final budget as follows :
- **Commercial Services:** following a restructuring of the Commercial Services team, the previous methodology for apportionment no longer reflected the business model. To rectify this the Commercial Director supplied details on the complexity and time spent of managing contracts and as well as operational transaction details for each department to update the basis of allocation for the outturn.
 - **DITS:** the previous method of apportionment had been based on the nature and complexity of each element of service. This involved some subjective judgement and had become too complex and no longer reflected a good split of the work done by the team. It was decided that a 'fair' apportionment basis would be to use the number of licenses held by each service. Each person who has an email account has a licence, so whilst the charge does not necessarily reflect the amount of IT usage it was deemed the easiest and simplest method of apportionment. This was the main reason that the Markets recharge had risen

Going forward, if this basis of apportionment is to be retained, a review will be undertaken to see if the 'cost' of the licence can be reduced for infrequent users. Initial work reveals only a small saving per licence of approximately £150 each would be made, as provision of service including security, whether it is used or not, is the main cost driver.

These changes in the basis of cost allocation largely explain the increase in cost as can be seen in the detail analysis provided in the next section

Details of the calculations in respect of the Markets Directorate for these Recharges

8. The analysis by Market for the two recharges (DITS and CLPS) is shown in the table below

Analysis by Market 2023/24 Financial Year

	Final Budget	Outturn	Variance
	£	£	£
<u>DITS</u>			
Directorate	14,000	15,333	1,333
Smithfield	77,000	191,455	114,455
Billingsgate	69,000	130,192	61,192
Spitalfields	51,000	130,192	79,192
	211,000	467,171	256,171
<u>CLPS</u>			
Smithfield	21,000	81,884	60,884
Billingsgate	12,000	30,248	18,248
Spitalfields	7,000	39,754	32,754
	40,000	151,886	111,886

9. For illustrative purposes Spitalfields Market recharges has been used and the detailed calculations for this market are shown on Appendix 2-4 attached. The same methodology was applied to the other two markets,
10. For DITS a detailed calculation of the Final Budget, various elements of the service were allocated separately with a 10% reduction for the institutions (principally schools, GSMD) for some elements, to reflect their own 'in house' IT staff. On review this was deemed unwieldy and not reflective of how the service was currently being delivered. For the actual 2023/24 the cost was based on the number of licences which was deemed less subjective and more reflective of what drives the cost of the service.
11. For CLPS the Final Budget recharge was allocated based on the Spitalfields share of AP transactions using 2021/22 as the base (recall budget for 2023/24 is compiled in 2022/23 so 2021/22 was the last full year of AP transactions). The new basis splits the cost of CLPS in total between the tendering and management of contracts, which is more labour intensive, based on a weighted score, and the operational function which was based on operational transaction detail. Both were supplied by the Commercial Director. The total share of the cost for Markets was computed and then Spitalfields share at 26.274% (based on its split of local risk gross spend on markets in total) was applied to arrive at the Spitalfields recharge.

Conclusion

12. Compared to the final budget the change in basis of allocation was the principal cause of the increase in cost to the Markets Board for 2023/24 for these services.
13. However, the impact on the Markets overall finances was minimal as the centre has agreed to pick up the cost for 2023/24, through deficit financing, and provide an increased budget allocation for budgets going forward.

John James
Andrew Little
Chamberlain's Department

September 2024

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DITS Recharge ANALYSIS							Appendix 3	
OUTTURN 2023/24 -NEW BASIS								
Total DITS Outturn Cost Including central charges form other services)						£ 8,786,110.84		
Total Licences per fte						2555.69		
	Licences	Share of cost						
	per fte							
		£						
Spitalfields	37.87	130192						
Directorate	4.46	15333						
Smithfield	55.69	191454						
Billingsgate	37.87	130192						
		467171						
The total number of licences issued was slightly greater than the number of fte's in post								
The total licences therefore shown is a pro-rata on fte numbers								

COMMERCIAL (CLPS) ORIGINAL BUDGET 2023/24						Appendix 4
SPITALFIELDS MARKET						
OLD BASIS						
						£
Spitalfields allocation 2021/22 based on AP usage						10,729.37
Total Cost of service						3,042,075.47
Percentage						0.352699%
Estimated cost of service 2023/24						2,093,320.32
Spitalfields share applying 2021/22 percentage						7383.12
Rounded - SAY						7,000
NEW BASIS						
						£
<u>Tendering & Contracts</u>						
Weighting of Markets contracts over total for City Corporation						112/1383 = 8.09834%
Total service cost						1,659,432.72
Applying percentage to total cost Markets share						134,386.45
<u>Accounts Payable</u>						
Weighting of Accounts Payable trans over total trans for City						4618/62559 = 7.38183%
Total service cost						237061.82
Applying percentage to total cost Markets share						17,499.50
Total cost						151,885.96
Spitalfields share at 26.274%						39754.63

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