

Committee: Markets Committee	Date: 25 September 2019
Subject: Markets Committee Risk	Public
Report of: Director of Markets & Consumer Protection	For Information
Report author: Donald Perry Department of Markets and Consumer Protection	

Summary

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

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

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

- MCP-BG 001– Workplace Traffic Management, Billingsgate (Current Risk: AMBER)
- MCP-NS 001 – Workplace Traffic Management, New Spitalfields (Current Risk: AMBER)
- MCP-SM 001 – HGV Unloading Operations, Smithfield (Current Risk: AMBER)
- MCP-SM 008 Fire Alarm Panel Performance, Smithfield (Current Risk: AMBER)
- MCP-SM 009 Lack of Sprinkler System in Buyers Walks E&W Mkts & Grand Ave (Current Risk: AMBER)
- MCP-SM 0010 Potential Animal Activist Blockade on the Market (Current Risk: RED)

Recommendation(s)

Members are asked to:

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

Main Report

Background

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

Current Position

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

Risk Management Process

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

Identification of New Risks

6. New and emerging risks are identified through a number of channels, the main being:
 - Directly by SMG as part of the regular review process.
 - In response to regular review of delivery of the departmental Business Plan; slippage against key deliverables, for example.
 - Annual, fundamental, risk register review, undertaken by the tier of management below SMG.
7. The risk register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

Summary of Key Risks

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

MCP-BG 001 – Workplace Traffic Management Billingsgate (Current Risk: AMBER constant)

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.

As of these activities are undertaken in an area under the direct control of the City, 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.

This risk has been reviewed and is being temporarily increased to Amber as there is a perception by City of London staff that there has been a recent increase in noncompliance with our traffic management policies.

MCP-NS 001 – Workplace Traffic Management New Spitalfields (Current Risk: AMBER constant)

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

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

As of these activities are undertaken in an area under the direct control of the City, 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.

MCP-SM 001 – HGV Unloading Operations Smithfield (Current Risk: AMBER constant)

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

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

Having reduced the risk to its target level of 12, consideration has been given to whether there is an opportunity to reduce the target risk level further. The risk owner, the Superintendent, has reviewed the prevailing site conditions, and the feasibility of introducing additional controls that could reduce the risk further, and considers that the risk is currently being managed at the lowest achievable level, given the unique inner-city environment. The situation will be kept under regular review.

MCP-SM 008 Fire Alarm Panel Performance Smithfield (Current Risk: AMBER constant)

A number of performance issues have been identified including faults with graphines, zones and pre-alarms. Issues have also been identified with the PPM schedule. These issues have been escalated to Head of Facilities Management.

There is a risk of injury and/or loss of life to members of the public, market staff and other service users as well as irreparable or costly damage to the Market structure in the event that the alarm were not to activate when required.

Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.

MCP-SM 009 – Lack of Sprinkler System in Buyers Walks E&W Mkts & Grand Ave Smithfield (Current Risk: AMBER new risk)

The current sprinkler system that serves the East & West markets is currently impaired. 18/20 pendants failed. JH Fire have been assigned to undertake the replacement of the emergency evacuation routes. There is a 6-8-week lead for pendants arriving in the UK from a US supplier.

There is a risk of injury and/or loss of life to members of the public, market staff and other service users as well as irreparable or costly damage to the Market structure if the sprinkler heads were not to activate when required.

Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.

MCP-SM 0010 – Potential Animal Activist Blockade on the Market Smithfield (Current Risk: RED new risk)

A splinter group of the socio-political movement Extinction Rebellion called Animal Rebellion has stated that they intend to blockade the market for a period of two weeks in October.

A contingency meeting has taken place and an injunction to stop the protest has been actioned. If a full injunction cannot be sought, a controlled area, away from the market will be offered, to allow a peaceful protest to occur, limiting any loss of business to the market.

Conclusion

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

Appendices

- Appendix A – Markets Risk Register Summary

Background Papers

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

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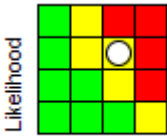
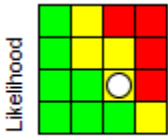

Report Author: John Smith
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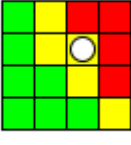
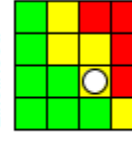
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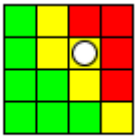
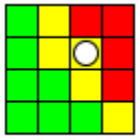

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-BG 001 Workplace Transport 26-Apr-2017 Daniel Ritchie	Cause: A lack of suitable and sufficient training and adequate management controls in relation vehicle movements at Billingsgate Market. Event: There is a risk of a life changing injury to a pedestrian if vehicle movements 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.	 Likelihood Impact	12	This risk has been reviewed and is being held at Amber as there is a perception by City of London staff that there has been an increase in non compliance with our traffic management policies. 22 Aug 2019	 Likelihood Impact	8	31-Jul-2020	 Constant

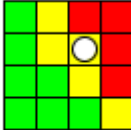
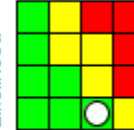

Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
MCP-BG 001b Monitor risk	Continue to monitor existing controls	This action is in progress.			Daniel Ritchie	22-Aug-2019	30-Mar-2018
MCP-BG 001d Review Report	Receive report from consultant and review recommendations.	Draft report received and recommendations have been extracted for review.			Daniel Ritchie	22-Aug-2019	31-Aug-2019
MCP-BG 001e Produce action plan	Respond to recommendations and agree an action plan.	Draft report has been received and an action planning meeting has been scheduled for 4 September.			Daniel Ritchie	22-Aug-2019	30-Sep-2019
MCP-BG 001f Actions complete	Complete actions and record evidence with a view to reducing the risk rating (if appropriate).	Awaiting final report.			Daniel Ritchie	22-Aug-2019	31-Dec-2019

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-NS 001 Workplace Traffic Management	<p>Cause: Over 200 forklift trucks operate on the New Spitalfields Market site.</p> <p>Event: There is a serious risk of life changing injury to a pedestrian if vehicle movements in this constrained space are not appropriately managed and controlled.</p> <p>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.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>SpMTA are to arrange further training sessions for the remainder of tenants. approximately 50% have received training.</p> <p>Once sessions are complete any tenant who has not attended the training will be subject to an admin fee in line with the tenants compliance inspection process.</p>	 <p>Likelihood</p> <p>Impact</p>	8	31-Dec-2019	<div style="width: 20px; height: 10px; background-color: blue;"></div>
24-Feb-2015 Ben Milligan				20 Aug 2019				Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-NS 001i Train Managers In Forklift Safety	A member of staff from all tenants to be nominated and trained in FLT safety procedures.	SpMTA ready to confirm dates of delivery.	Ben Milligan	06-Feb-2019	31-Aug-2019
MCP-NS 001j Create Time Segregation	Artic Time Segregation and No Tolerance in market hall.	The entry of customers before opening time of 2400hrs is strictly enforced and parking control notices are issued to vehicles that are found on site. HGV unloading is restricted to dedicated areas between 0300 and 0800.	Ben Milligan	18-Oct-2018	31-Dec-2018
MCP-NS 001k Install Barrier System	Controlled barriers entry system for pedestrians and vehicles.	The delivery of equipment is due for mid-September and then install will be completed.	Ben Milligan	13-Aug-2019	31-Oct-2019

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-SM 001 HGV Unloading Operations 24-Feb-2015 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	12	4 night audit undertaken from the 12th May. 101 HGV deliveries. All deliveries were overseen by a Market trained banksman. 100% compliance. 26 Jun 2019	 Likelihood Impact	12	31-Dec-2019	 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-SM 001f Review delivery practices	Work with the Market Tenants' Association to review sender delivery practices.	This has been completed and is continually monitored as part of the bi-monthly HGV delivery audits.	Mark Sherlock	17-Oct-2018	17-Oct-2018
MCP-SM 001h Monitor traffic routes.	Monitor market traffic routes.	Regular monitoring is taking place by the constabulary, with a loading bay audit taking place on 22-25 April 18. There were 3 incidents of unguided movement, were recorded. Tenants have been written to. All audits are stored on the shared drive. 2 incidents of loading bay miscount, by Curl and Vixelli have been dealt with in the form of a letter and threat of a section 146 for repeat offences.	Mark Sherlock	25-May-2018	30-May-2018
MCP-SM 001i Review unloading practices	Work with the Market Tenants' Association to review unloading practices.	This is now completed and will continue to be reviewed as part of the bi-monthly HGV deliveries audit.	Mark Sherlock	17-Oct-2018	17-Oct-2018
MCP-SM001k Traffic Management Audit Review	Keep the risk under review.	A 4 night audit was undertaken from the 12th May. 101 HGV deliveries. All deliveries were overseen by a Market trained banksman. 100% compliance.	Mark Sherlock	26-Jun-2019	29-Nov-2019

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-SM 008 Fire Alarm Panel Performance 10-Apr-2019 Mark Sherlock	<p>Cause: Failure of the fire alarm system</p> <p>Event: Serious risk of injury and loss of life to members of the public, market staff and other service users as well as irreparable or costly damage to the Market structure. The cause would be a result of unreliable or incorrect pre alarms and fire alarms and delay to evacuation if a fire were to occur.</p> <p>Effect: Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.5</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>There are 4 outstanding panel faults that MECE have identified. Each fault has been raised as a separate job on MiCad.</p> <p>VESDA testing 20/8</p> <p>MECE have taken over from Multifire and have been to site and have downloaded remaining faults. 20/8/19</p> <p>22 Aug 2019</p>	 <p>Likelihood</p> <p>Impact</p>	4	31-Jul-2019	 <p>Constant</p>

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-SM 008a Progress update from FM	Request progress update from Karyn Burnham and update the risk accordingly.	All the faults and concerns have been reviewed and the feedback is that the majority of panels are now obsolete. Future faults will keep getting more challenging to repair and the effectiveness of the system will be compromised. The current recommendation is that we replace the system entirely. FM team are reviewing options.	Mark Sherlock	22-May- 2019	31-Dec- 2019

