

| | |
|--|------------------------|
| Committee: | Date: |
| Markets Committee | 29 January 2020 |
| Subject: Markets Committee Risk | Public |
| Report of: Director of Markets and 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 011 Brexit - impact of no-deal Brexit on traders and imports, Smithfield (Current Risk: AMBER)

Recommendation(s)

Members are asked to:

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

Main Report

Background

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

Current Position

2. This report provides an update 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.

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 all 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 staff that there has been a recent increase in non-compliance 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 all 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 decreasing)

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.

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 Planned Preventative Maintenance (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 011 Brexit - impact of Brexit on traders and imports (Current Risk: AMBER)

The Smithfield Market Tenants fail to adequately prepare for the UK departure from the EU in January 2020.

If the UK departs the EU on or before 31 January 2020 without a trade deal in place the UK would be obliged under World Trade Organization rules to impose average food import tariffs and potentially to conduct inspections at borders, leading to delays and disruption in the food supply chain, and shortages of product over a prolonged period. There is a risk, albeit unlikely, that this could impact the financial viability of some tenants' businesses. This in turn could lead to business failures and vacant premises at the markets but given the current position this seems highly unlikely.

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

Contacts:

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

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

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

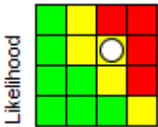
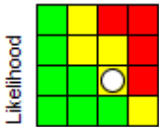

Billingsgate Market:
Superintendent – Daniel Ritchie
T: 020 7332 3067 E: daniel.ritchie@cityoflondon.gov.uk

MCP Markets Committee Risk Report Appendix A

Report Author: John Smith

Generated on 10 January 2020






| 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 | 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. 09 Jan 2020 |  Likelihood | 8 | 31-Jul-2020 |  Constant |




| Action no, Title, | Action description | Latest Note | Action owner | Latest Note Date | Due Date |
|------------------------------------|--|--|----------------|------------------|-------------|
| MCP-BG 001e Produce action plan | Respond to recommendations and agree an action plan. | An action plan has been put in place to deal with the highest risk factors. A further meeting was held on 26 November 2019 where current progress and lower rated actions were discussed. A further progress meeting will be held by 28 February 2020. | Daniel Ritchie | 08-Jan-2020 | 31-Mar-2020 |
| MCP-BG 001f Actions complete | Complete actions and record evidence with a view to reducing the risk rating (if appropriate). | Final report has been received and an action plan has been put in place. Actions are currently being addressed in order of priority. | Daniel Ritchie | 08-Jan-2020 | 31-Dec-2020 |

| 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 24-Feb-2015 Debbie Howard | 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 this 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. | Likelihood | 12 Impact | SpMTA are to arrange further training sessions for the remainder of tenants. 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. 09 Jan 2020 | Likelihood | 8 Impact | 31-Mar-2020 | 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. | The deadline of 31.01.2020 is approaching and the SpMTA have been sent an email informing that enforcement action will be made against all non-compliant tenants | | Debbie Howard | 06-Jan-2020 | 31-Jan-2020 |
| MCP-NS 001k Install Barrier System | Controlled barriers entry system for pedestrians and vehicles. | There have been delays with this project caused by equipment delivery delays and testing delays. Provider has given us an update today and gate and turnstiles will be installed 17.01.2020, testing is ongoing this week. Soft live will be in 2 weeks with a view to go live, taking payments etc by 31.01.2020 | | Debbie Howard | 06-Jan-2020 | 31-Jan-2020 |

| 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 | 8 | Following extensive audits of the banksman control process, the target and current risk have been reduced to 8. Across the last 18 months of audit, the non-compliance rate has averaged 1.5% reducing the level of likelihood. However, the current score and target score will not reduce any further in order to maintain focus on the need to reduce the average still further as much as possible. 08 Jan 2020 |  Likelihood | 8 | 31-Dec-2019 |  Constant |

| Action no, Title, | Action description | Latest Note | | | Action owner | Latest Note Date | Due Date |
|---|-----------------------------|--|--|--|---------------|------------------|-------------|
| MCP-SM 001k Traffic Management Audit Review | Keep the risk under review. | Night audit was undertaken from 1-5 December 19. 113 movements of HGV's 2 Unguided movements Damage caused to roller shutter by unguided movement. Evidence captured on CCTV and costs will be sought from the offending company. | | | Mark Sherlock | 20-Dec-2019 | 02-Feb-2020 |

| 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 | Cause: Failure of the fire alarm system 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. Effect: Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.5 |  Likelihood Impact | 8 | A number of actions to reduce the likelihood have now been completed. The results of the Cause & Effect tests in December 2019 are now in review for final mitigation works by City Surveyors. 08 Jan 2020 |  Likelihood Impact | 4 | 28-Feb-2020 |  Decreasing |

| 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. | No further updates have been issued by the FM team. This item is still being reviewed. | Mark Sherlock | 01-Nov-2019 | 31-Jan-2020 |

| 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 011 Brexit - impact of no-deal Brexit on traders and imports 06-Sep-2019 Mark Sherlock | Cause: The outcome of Brexit negotiations between the UK government and the EU results in failure to agree a mutually acceptable exit agreement. Event: The UK departs the EU in January 2020 without a trade deal in place. Effect: In the event of a no-deal Brexit, the UK would be obliged under World Trade Organization rules to impose average food import tariffs and conduct product inspections, leading to delays and disruption in the food supply chain, and shortages of product over a prolonged period. There is a risk, albeit unlikely, that this could impact the financial viability of some tenants' businesses. This in turn could lead to business failures and vacant premises at the markets but given the current position this seems highly unlikely. | Likelihood | 8 | Now the results of the election are known, the detail of the withdrawal agreement and future trade relationship with the EU needs quantifying in relation to quotas and tariffs. This will allow us to plan the most effectively in consultation with the Tenants' Association, varying scenarios and mitigation measures we can implement to lessen the impact as much as possible. 16 Dec 2019 | Likelihood | 3 | 31-Dec-2020 | Constant |

| Action no, Title, | Action description | Latest Note | Action owner | Latest Note Date | Due Date |
|---------------------------------------|---|--|---------------|------------------|-------------|
| MCP-SM 011a Review HGV parking | Review the possibility of establishing HGV parking / holding areas in the vicinity of the market to cope with the anticipated increased volume of traffic, including the suspension of some on-street parking bays for this purpose. Other suggestions were West Poultry Avenue, where there is currently an contractor's compound, and Giltspur Street, which is apparently used for parking buses overnight at present. | MS met with Kay English and shared proposals. In principle the suspension of pay parking bays is ok. The Market will provide a plan/list of the locations for consideration. West Poultry is unlikely to become available due to the project site compound. Giltspur St is highly contentious as it forms the ring of steel. If opened, CoLP have to man it so unlikely to be an option. | Mark Sherlock | 25-Oct-2019 | 31-Jan-2020 |
| MCP-SM 011b Reschedule staff hours | Reschedule working hours for market staff to cover possible extended trading hours. | MS is reviewing annual leave remaining entitlements and will place a moratorium on leave if necessary, across the Maintenance and Constabulary function. There could be the need for additional resource particularly in the Rail man and cleaning teams. No budget for this. | Mark Sherlock | 25-Oct-2019 | 31-Jan-2020 |
| MCP-SM 011c Review parking hours | Extend parking permissible on-street parking periods. Be prepared to be flexible in response to demand possibly up to 1pm each day. | KE is open to this. | Mark Sherlock | 25-Oct-2019 | 31-Jan-2020 |

| | | | | | |
|---|---|---|------------------|-----------------|-----------------|
| MCP-SM 011d Allow two-way traffic | Open Charterhouse Street and Long Lane to two-way traffic. | KE to review road safety audits and traffic management plans. | Mark Sherlock | 25-Oct- 2019 | 31-Jan- 2020 |
|---|---|---|------------------|-----------------|-----------------|