

Committee(s) Markets Committee	Dated: 10 March 2021
Subject: Wholesale Market Risks Update Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1. People are safe and feel safe. 7. We are a global hub for innovation in finance and professional services, commerce and culture.
Does this proposal require extra revenue and/or capital spending?	N
Report of: Director of Markets & Consumer Protection	For Information
Report author: Donald Perry, Department of Markets & Consumer Protection	

Summary

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

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

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

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

Recommendation(s)

Members are asked to:

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

Main Report

Background

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

Current Position

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

Risk Management Process

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

Identification of New Risks

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

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

Summary of Key Risks

12. The Department of Markets and Consumer Protection's Risk Register for Markets (Appendix A) contains ten risks, listed here with their current rating:
 - MCP-SM 012 – Building maintenance-management, Smithfield (Red, 16)
 - MCP-BG 001 – Workplace Transport, Billingsgate (Amber, 12)
 - MCP-BG 002 – Building maintenance-management, Billingsgate (Amber, 12)
 - MCP-NS 001 – Workplace Traffic Management, New Spitalfields (Amber, 12)
 - MCP-NS 003 – Building maintenance-management, New Spitalfields (Amber, 12)
 - MCP-NS 004 – Brexit – impact of Brexit on tenants, New Spitalfields (Amber, 8)
 - MCP-SM 001 – HGV Unloading Operations, Smithfield (Amber, 8)
 - MCP-WM 001 – Wholesale Markets Consolidation Project (Amber, 8)
 - MCP-SM 013 – East Poultry Avenue Canopy Failure, Smithfield (Green, 4)
 - MCP-SM 014 – Glass Canopy Failure, Smithfield (Green, 4)
 - MCP-SM 011 – Brexit - impact of Brexit on traders and imports, Smithfield (Green, 2)
13. The Department of Markets and Consumer Protection's COVID-19 Risk Register for Markets (Appendix B) includes one risk:
 - CVD19 SPGS 03 – Wholesale Markets (Amber, 8)

Conclusion

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

Appendices

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

Background Papers

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

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