

Committee(s)	Dated:
Markets Board	13 November 2024
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

Contacts:

Damian Coffey (*Report author*)
Asst Director – Market Operations,
Performance & Multimodal Logistics
E: Damian.Coffey@cityoflondon.gov.uk

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

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

Billingsgate Market:
General Manager – Stephen Dolamore
T: 020 7332 3067
E: stephen.dolamore@cityoflondon.gov.uk