

Committee:	Date:
Markets	4 September 2013
Subject: Future of the Markets Committee	Public
Report of the: Town Clerk	For Decision

Summary

At the 8 May 2013 meeting Members requested a report which explores options for the future of the Markets Committee.

This report outlines the following:

- That the current Markets Committee meets six times per annum and is responsible, amongst other areas, for the management of all matters and lettings relating to Smithfield, Billingsgate and New Spitalfields Markets. In particular the City Corporation has powers under local legislation to operate and manage the three Markets with power to demand and recover rents, tolls and dues in respect of the use of the market and the services provided.
- That the only significant business of the Committee in the foreseeable future is likely to be the lease renewals for New Spitalfields Market which expire in May 2015.
- The City's long standing commitment and engagement with the Markets through carrying out various committee activities, such as, the annual visits to each of the three Markets and hosting the annual Markets Committee Dinner.
- The options Members may wish to recommend to the Policy & Resources Committee with regard to the future of the Markets Committee include:
 - Retaining the Markets Committee in its current form with the possibility of it becoming a Non – Ward Committee (paragraph 18 provides further detail); or
 - Exploring the possibility of disbanding the Markets Committee and for the relevant functions to be transferred to another Committee (paragraph 19 provides further detail).
- Members should be aware that the options in this report refer to the current remit of the Markets Committee. Any decision on the future of the Committee cannot have a binding effect on the responsibilities of other City Corporation Committees. If Members were minded to explore the possibility of either becoming a Non – Ward Committee or disbanding the Markets Committee the matter would be for the consideration and approval by the Policy & Resources Committee and the Court of Common Council.

Recommendations

Members views are sought on the future of the Markets Committee and the options outlined below:-

- Option 1 - Retain the Markets Committee in the current form with the possibility of it becoming a Non – Ward Committee, which would be subject to the consideration and approval by the Policy & Resources Committee and the Court of Common Council; or
- Option 2 – Explore the possibility of disbanding the Markets Committee and for the relevant functions to be transferred to other Committees, which would be subject to the consideration and approval by the Policy & Resources Committee and the Court of Common Council.

Main Report

Background

1. At your meeting on 8 May 2013, the Committee requested that Officers review the functions and work of the Markets Committee and report back with various options regarding the future viability of the Committee.

Previous Governance Arrangements

2. Members may recall that historically there were three separate Market Committees, namely, Billingsgate and Leadenhall, London Central Market (Smithfield) and New Spitalfields. Following a Best Value Review undertaken in 2001, which evaluated the services provided by the three wholesale markets, a single, combined Markets Committee was established.
3. The single Markets Committee was constituted as a Ward Committee in January 2002, following approval by the Policy & Resources Committee and the Court of Common Council.
4. The responsibility for Leadenhall Market, which is a thriving modern retail complex, was transferred to the former Property Sub Committee and is currently with the Property Investment Board.
5. In April 2010 the Markets Committee considered a ‘Level of Business’ report, which looked at the activities of the new single Markets Committee compared with the business considered by the previous three separate Markets Committees, for the period 1999 – 2009. The report concluded that there had been little change in the level of business which was being considered and thereafter the Committee agreed to reduce the number of Committee meetings from ten to six per annum.
6. As part of the Governance Review undertaken in March 2011 and the Post Implementation Governance Review undertaken in June 2012 the Governance Review Working Party considered both Ward and Non-Ward Committees. There were no changes made with regard to the Markets Committee remaining as a Ward Committee.

Current Position

7. The City Corporation has powers under local legislation to operate and manage the three Markets with power to demand and recover rents, tolls and dues in respect of the use of the market and the services provided.

8. The current Markets Committee meets six times per annum and the Terms of Reference state that the Committee is responsible for the following:
 - (a) the management of all matters relating to Smithfield Market, Billingsgate Market and Spitalfields Market and the letting of all premises therein and;
 - (b) the appointment of the Director of Markets and Consumer Protection (in consultation with the Port Health & Environmental Services and Licensing Committees).
9. The Markets Committee has appointed a Reference Sub Committee, to consider matters referred to it by the grand Committee, which is constituted of the Chairman, Deputy Chairman and seven other Members. The Reference Sub Committee has not met to date.
10. The work of the Markets Committee is supported by the delegated powers to the Director of Markets & Consumer Protection, in line with the Scheme of Delegations. It should be noted that the Scheme of Delegations for all Chief Officers is currently under review.

Major Routine Business

11. [Appendix A](#) sets out those reports which were considered by the Committee during the period January 2010 – July 2013. The breakdown suggests that the level of business being considered has steadily declined.
12. The usual routine business, and how often it is considered by the Committee, includes the following: -

Every second meeting or three times per annum	Annually	Ad-hoc
Enforcement Reports	Business Plan	Leases, Lettings and Rent Charges
Periodic Performance Plan	Revenue Outturn	Working Practices
Tenancies and Arrears Outstanding	Revenue and Capital Budgets	Project Reports
		Capital Bids
		Traffic and Car Park Charges
		Outstanding References

13. The Committee has considered some highly sensitive issues such as the repeal of the Market Byelaws, the funding for the financial package to enable reform of working practices among fish merchants' staff (porters) at Billingsgate Market and the renewal of the leases at Smithfield Market.

Future Business

14. The only significant business of the Committee in the foreseeable future is likely to be the lease renewals for New Spitalfields Market. The current six year leases will expire in May 2015 and negotiations will most likely commence in the middle of 2014. It is not envisaged that the lease renewals will amount to the same level of work associated with the Smithfield Market lease renewals, nor are they likely to be contentious.

Committee Visits & Annual Dinner

15. The Committee undertakes various activities throughout the year including the annual visits to each of the Markets, by way of an opportunity for Members to see the Markets in operation and engage with the tenants, and hosting the annual Markets Committee Dinner.
16. The visits and Markets Committee Dinner play an important role in demonstrating the City's long standing commitment to the Markets. These activities will ensure that the market tenants are reassured that any change to the Markets Committee, if made, will not reflect any lessening of the City's interest. This reassurance to tenants of the City's continuing positive engagement with providing infrastructure and services for the Markets is considered to be very important.

Options & Considerations

17. The Committee's views are sought on the options listed below with regard to the future of your Committee.
18. **Option 1 - Retain the Markets Committee in the current form with the possibility of it becoming a Non – Ward Committee.**
 - Members may wish to retain the current Markets Committee but reduce the frequency of meetings in line with the limited work programme from six to four meetings per annum. Other Committees such as the Licensing Committee, the Board of Governors of the three City Schools and the Board of Governors of the Guildhall School of Music & Drama meet four times per annum.
 - There is the potential to explore the possibility of a Non – Ward Markets Committee in line with Standing Order No. 24. **If Members were minded to pursue this the matter would be for the Policy & Resources Committee and the Court of Common Council to consider and ultimately approve.**
 - A Non – Ward Markets Committee could result in a decrease in committee membership and the work covered could remain similar to the current Markets Committee. One option for a Non-Ward Markets Committee could be two Aldermen and 20 Common Council Members (elected by the Court), based on the composition of the Policy & Resources Committee, together with experts in the field who are non-City Corporation Members. Rules would need to be carefully drawn up to ensure that the Non-Ward Committee had an appropriate balance of membership.

- If Members were minded to agree Option 1 a further report will be presented to the Markets Committee outlining proposals on how a Non – Ward Markets Committee could be constituted, which would be subject to approval by the Policy & Resources Committee and the Court of Common Council, or on reducing the number of Committee meetings from six to four per annum.
19. **Option 2 – Explore the possibility of disbanding the Markets Committee and for the relevant functions to be transferred to other Committees, for example the Port Health & Environmental Services Committee and the Property Investment Board.**
- **If Members were minded to pursue this option the matter would be for the Policy & Resources Committee and the Court of Common Council to consider and approve.**
 - Members should be aware that the options in this report refer to the current remit of the Markets Committee. Any decision on the future of the Committee cannot have a binding effect on the responsibilities of other City Corporation Committees.
 - The Port Health & Environmental Services Committee is a possible Committee for some of the Markets Committee functions to be transferred to as it is responsible, amongst other areas, for areas of health, environmental health and trading standards functions.
 - The Property Investment Board’s remit includes determining and approving management and investment matters relating to City property. Matters relating to the management and letting of the three Markets could possibly be transferred to the Property Investment Board.
 - Both the Port Health & Environmental Services Committee and the Property Investment Board may have a view on this possible arrangement and therefore consultation and amendments to Terms of References may need to be made.
 - If Members wished to pursue this option a report will be presented to the Policy & Resources Committee which will include the views of the Markets Committee and set out how the functions and responsibilities of the current Markets Committee could be transferred to other Committees.

Legal Implications

20. There are no legal implications which arise in respect of the Markets legislation if the Markets Committee functions were to be delegated to another Committee.

Financial Implications

21. Whilst there would be no cashable savings from the possible alternative governance arrangements outlined in Option 1 or 2, efficiency savings would be achieved if Option 2 was progressed through a reduction in agenda production, Member and Officer time spent at meetings would be reduced and some committee departmental reporting. For example, the Director of Markets & Consumer Protection currently produces different versions of his annual business plan and quarterly reporting for both the Markets and Port Health & Environmental Health Committees. Other examples include the annual estimates and outturn reports and quarterly debt reporting.

Conclusion

22. Member's requested options on the future of the Markets Committee due to a declining level of business. Members views are now sought on which option, if any, should be recommended to the Policy & Resources Committee.

Appendices

- Appendix A – *Markets Committee - Level of Business during the period January 2010 – July 2013*

Background Papers:

The Future of the Market Committees – Court of Common Council 8 November 2001

Level of Business report – Markets Committee 7 April 2010

Standing Orders of the Court of Common Council

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Appendix A

Markets Committee - Level of Business Considered during the period January 2010 - July 2013

Year	Arrears/ Debt	Lettings/ Leases	Finance	Business/ Performance Plan	Throughput Figures	Enforcement Activity	Parking and Charges	General (See note 1)	Total no. of items for Information	Total no. of items for Decision	Total no. of items (See note 2)
2010	4	3	3	3	3	4	2	13	19	16	35
2011	4	2	5	4	1	7	5	12	20	20	40
2012	2	8	3	4	0 (See note 3)	3	5	10	18	17	35
Jan – July 2013	6	5	1	3	0 (See note 3)	2	1	7	10	15	25
								Total:	67	68	135

Notes:

1. The reports which fall under the heading of 'General' include project reports, working practices, and letters from the Chairman etc.
2. Items such as minutes, terms of reference and Court orders appointing the Committee have been excluded from these figures.
3. From 2012, the throughput figures were included in the normal Periodic Reports on the Business plan.