

<b>Committee(s)</b>	<b>Date:</b>
Markets	13 May 2015
<b>Subject:</b> Markets Committee Risk	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>

### 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 eight departmental risks. Of these, the most significant risks are for this Committee to consider are:

- MCP-NS 001 – Workplace Traffic Management (Current Risk: **RED**)
- MCP-SM 001 – HGV Unloading Operations (Current Risk: **RED**)
- MCP-SM 002 – Cooling Towers (Current Risk: **AMBER**)
- MCP-SM 003 – East Poultry Avenue (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 requires each Chief Officer to report regularly to Committee the key risks faced in their department. Audit and Risk Management Committee has requested that such risks should be reported at a Committee level.

#### Current Position

2. This report provides an update of the key risks that exist in relation to the operations of 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 monthly 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 monthly 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.

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

7. The Department of Markets and Consumer Protection's risk Register for markets, attached as Appendix 1 to this report, includes two **RED** risks and two **AMBER** risks:

### **MCP-NS 001 – Workplace Traffic Management** (Current Risk: **RED**)

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 injury or fatality 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 001 – HGV Unloading Operations** (Current Risk: **RED**)

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 could result in a serious or fatal injury to pedestrians caused by uncontrolled or unguided reversing vehicles.

An accident involving a pedestrian and a vehicle which resulted in a serious injury or fatality 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 002 – Cooling Towers** (Current Risk: **AMBER**)

Failure to adequately manage or maintain the cooling towers at Smithfield Market could result in an outbreak of Legionellosis. St Bartholomew's Hospital is within the drift area of these towers which exacerbates the impact of this risk due to the close proximity of susceptible persons.

If this risk were to be realised it would result in prosecution, a fine and reputational damage for the City.

### **MCP-SM 003 – East Poultry Avenue** (Current Risk: **AMBER**)

Vehicular traffic streams enter East Poultry Avenue at Smithfield Market from opposing directions without physical traffic calming measures in place or a marked pedestrian crossing point. Vehicles speeding through this junction vying for road space could cause an accident resulting in fatality or serious injury to pedestrians crossing between market buildings on East Poultry Avenue.

This crossing point between market buildings would be considered as part of the workplace under current health & safety legislation which could result in prosecution, a fine and reputational damage for the City following a serious accident or fatality.

## **Conclusion**

8. 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

# MCP Markets Committee Risk Report Appendix A

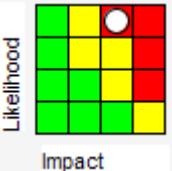
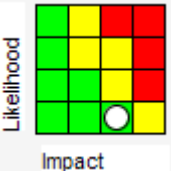
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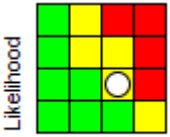
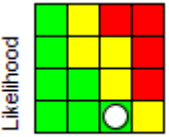
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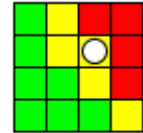
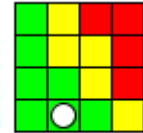
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Risk No, Title and Last Review Date	Description (Cause, Event, Impact)	Current Risk Score	Risk Owner	Risk update	Target Risk (likelihood & impact)	Target Risk Score
MCP-NS 001 Workplace Traffic Management 28-Jan-2015	<p><b>Cause:</b> Over 200 forklift trucks operate on the New Spitalfields Market site.</p> <p><b>Event:</b> There is a serious risk of injury or death of a pedestrian if vehicle movements in this constrained space are not appropriately managed and controlled.</p> <p><b>Effect:</b> An accident involving a pedestrian and a vehicle which resulted in a serious injury or fatality 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>		Sidney Brewer; Richard James; Nigel Shepherd	A traffic management plan is currently in place. The market constabulary monitor fork lift operator behaviours and withdraw permits when required. They also issue penalty points and an accumulation of points will lead to a suspension or cancellation of the permit to operate on the common parts.		8

Risk No, Title and Last Review Date	Description (Cause, Event, Impact)	Current Risk Score	Risk Owner	Risk update	Target Risk (likelihood & impact)	Target Risk Score
MCP-SM 001 HGV Unloading Operations 30-Jan-2015	<p><b>Cause:</b> 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.</p> <p><b>Event:</b> Serious or fatal injury to members of the public, market staff and other service users caused by uncontrolled or unguided reversing vehicles.</p> <p><b>Effect:</b> Realisation of this risk could result in a prosecution, fine and reputational damage for the City.</p>		Ilan Dorling; Stephen Groves; Paul Spooner; Robert Wilson	The market constabulary are currently monitoring these areas as part of their routine patrols and are halting any unsafe acts they observe.		4

Risk No, Title and Last Review Date	Description (Cause, Event, Impact)	Current Risk Score	Risk Owner	Risk update	Target Risk (likelihood & impact)	Target Risk Score
MCP-SM 002 Cooling Towers 30-Jan-2015	<p><b>Cause:</b> Inadequate management and maintenance of the cooling towers at Smithfield Market.</p> <p><b>Event:</b> An outbreak of Legionellosis associated with these towers. St Bartholomew's Hospital is within the drift area of these towers which exacerbates the impact of this risk due to the close proximity of susceptible persons.</p> <p><b>Effect:</b> If this risk were to be realised it would result in prosecution, a fine and reputational damage for the City.</p>		Paul Spooner; Robert Wilson	The City of London has various legionella management plans in place which to date, have been effective in preventing an outbreak of Legionnaires' associated with the operation of its business or properties. A contract in place with a competent contractor which is managed by a responsible person within City Surveyors department. The creation of a single policy, procedure and record keeping system for managing legionella across the entire portfolio is being planned to ensure that risks remain controlled.		4

Risk No, Title and Last Review Date	Description (Cause, Event, Impact)	Current Risk Score	Risk Owner	Risk update	Target Risk (likelihood & impact)	Target Risk Score
MCP-SM 003 East Poultry Avenue 31-Mar-2015	<p><b>Cause:</b> Vehicular traffic streams enter East Poultry Avenue at Smithfield Market from opposing directions without physical traffic calming measures in place or a marked pedestrian crossing point. This forces vehicles to speed through this junction vying for road space.</p> <p><b>Event:</b> Road Traffic Accident resulting in fatality or serious injury to pedestrians crossing between market buildings on East Poultry Avenue.</p> <p><b>Effect:</b> This crossing point between market buildings would be considered as part of the workplace under current health &amp; safety legislation which could result in prosecution, a fine and reputational damage for the City following a serious accident or fatality.</p>	 <p>Likelihood</p> <p>Impact</p>	Paul Spooner; Robert Wilson	The Director of the Built Environment has been tasked by the Town Clerk to take the appropriate action on this issue and consequently the Transportation & Public Realm department have agreed to examine the viability of a 'step' traffic calming road installation.	 <p>Likelihood</p> <p>Impact</p>	2