

Committee(s): Markets Committee	Date: 2 March 2016
Subject: Markets Committee Risk	Public
Report of: Director of Markets and Consumer Protection	For Information
Report Author: Don Perry	
Summary	
<p>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.</p> <p>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.</p> <p>The Department of Markets and Consumer Protection have identified a number of departmental risks. Of these, the most significant risks are for this Committee to consider are:</p> <ul style="list-style-type: none"> ▪ MCP-NS 001 – Workplace Traffic Management (Current Risk: AMBER) ▪ MCP-SM 001 – HGV Unloading Operations (Current Risk: AMBER) ▪ MCP-SM 002 – Cooling Towers (Current Risk: AMBER) ▪ MCP-SM 003 – East Poultry Avenue (Current Risk: AMBER) ▪ MCP-SM 004 – Cooling Water Failure (Current Risk: AMBER) 	
Recommendation(s)	
<p>Members are asked to:</p> <ul style="list-style-type: none"> ▪ 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.

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 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, has no red risks, but includes five AMBER risks:

MCP-NS 001 – Workplace Traffic Management (Current Risk: AMBER)

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: AMBER)

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.

MCP-SM 004 – Cooling Water failure (Current Risk: AMBER)

Failure to maintain the required temperature or flow rate of the condenser water supply at Smithfield Market could result in failure of tenants' refrigeration equipment and the City's ability to operate the service corridors due to a lack of temperature control in these areas.

If this risk were to be realised it could result in prosecution, civil litigation for lost produce and reputational damage for the City.

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
- Appendix B – Risk Matrix

Background Papers

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

Contacts:

Donald Perry (*Report author*)

T: 020 7332 3221

E: donald.perry@cityoflondon.gov.uk

Smithfield Market:

Superintendent – Matthew Hill

T: 020 7332 3747

E: matthew.hill@cityoflondon.gov.uk

New Spitalfields Market:

Superintendent – Robert Wilson

T: 020 8518 7670

E: robert.wilson@cityoflondon.gov.uk

Billingsgate Market:

Superintendent – Malcolm Macleod

T: 020 7332 3067

E: malcolm.macleod@cityoflondon.gov.uk

MCP Markets Committee Risk Report Appendix A



Detailed risk register

Generated on: 15 February 2016

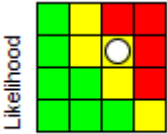
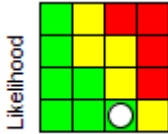

Rows are sorted by Risk Score

Code & Title: MCP-NS New Spitalfields Risk Register 1 MCP-SM Smithfield Risk Register 4


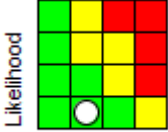

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-NS 001 Workplace Traffic Management 24-Feb-2015 Ben Milligan	<p>Cause: Over 200 forklift trucks operate on the New Spitalfields Market site.</p> <p>Event: 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>Effect: 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>	<p>Likelihood</p> <p>Impact</p>	12	<p>This risk has been reviewed following the implementation of a new action plan, developed jointly by Labyrinth and City of London staff, and consulted upon with market tenants. The City's short term actions have been completed thereby reducing this risk and agreement has been reached with the SpMTA over timescales for implementing the medium and long term actions which it is envisaged will reduce this risk further.</p> <p>01 Feb 2016</p>	<p>Likelihood</p> <p>Impact</p>	8	02-Jan-2017	<p>↓</p> <p>Decreased Risk Score</p>

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-NS 001a Develop plan	Formulate, develop and agree a short, medium and long term plan to improve the management of workplace transport at New Spitalfields Market.	This action has been completed.	Nigel Shepherd	18-Aug-2015	30-Apr-2015
MCP-NS 001b Mark Forklift Crossing Points	Marked Fork lift truck crossing points on pedestrian walkway from stands to roadways.	N. Shepherd reports: Roadways 1 and 2 written to as of 15/5/2015 to finalise location/number/size.	Sidney Brewer	15-May-2015	30-Sep-2015
MCP-NS 001c Increase Constabulary Targets	Increase in targets for constabulary.	This action has been completed.	Nigel Shepherd	18-Aug-2015	01-May-2015
MCP-NS 001d Nominate Training Body	To nominate/Appoint one approved induction/training body for all FLT training activities.	Four training providers have now presented their proposals to the SMTA and safety managers. A single provider will be selected by 29 January 2016.	Ben Milligan	27-Jan-2016	05-Feb-2016
MCP-NS 001e Ensure Permits are carried	Fork lift truck operators to have their permits to operate readily available at all times.	N. Shepherd reports that: Implemented and now part of routine operational enforcement activity	Nigel Shepherd	15-May-2015	01-Jun-2015
MCP-NS 001f All Visitors in Hi Vis	All staff and customers to wear hi-vis vests.	N. Shepherd reports that: Implemented and now part of routine operations. Comment – still selling high number of Hi-Vis to visitors routinely in a high profile campaign	Nigel Shepherd	15-May-2015	01-May-2015
MCP-NS 001g Increase Forklift Sanctions	Increase specified breaches of non-compliance with H&S policies	This action has been completed.	Nigel Shepherd	18-Aug-2015	01-Jun-2015
MCP-NS 001h Impose Financial Penalties	Impose financial penalty on tenants when FLT operators are suspended/allocated points	This is part of the long term plan and will be examined in Q2 of 2016.	Ben Milligan	27-Jan-2016	30-Jun-2016
MCP-NS 001i Train Managers In Forklift Safety	A member of staff from all tenants to be nominated and trained in FLT safety procedures.	This action is linked to MCP-NS 001d and will be part of the overall training package.	Ben Milligan	27-Jan-2016	29-Feb-2016
MCP-NS 001j Create Time Segregation	Artic Time Segregation and No Tolerance in market hall.	This is part of the longer term plan which is scheduled to be implemented in Q2 of 2016.	Ben Milligan	27-Jan-2016	30-Jun-2016

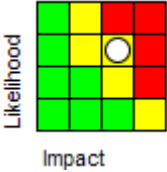
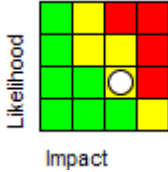

MCP-NS 001k Install Barrier System	Controlled barriers entry system for pedestrians and vehicles.	No progress has been made. Now with Ben Milligan.	Ben Milligan	02-Feb-2016	01-Oct-2018
MCP-NS 001l Segregate Walkways	Create segregated walkways in crossroads.	The consultants have now published their report and options are being considered and quotes sought.	Ben Milligan	02-Feb-2016	30-Jun-2016
MCP-NS 001m Segregate Main Walkways	Segregated walkways outside tenants' stands.	A barrier system trial is planned for Q2 of 2016 as part of the long term plan.	Ben Milligan	27-Jan-2016	01-Mar-2016
MCP-NS 001n Prohibit Forklifts	No fork lift truck movements in market pavilion during trading hours.	This is part of the long term plan and is scheduled for Q4 of 2016.	Ben Milligan	27-Jan-2016	02-Oct-2017

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 Matthew Hill	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 fatal 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 Impact	12	A number of actions have now been completed and a number of controls have been put in place which have effectively reduced this risk from red to amber. 28 Jan 2016	 Likelihood Impact	4	30-Nov-2016	 Decreased Risk Score

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-SM 001a Traffic management audit	Commission Freight Transport Association to conduct audit and prepare a risk assessment relating to whole site traffic management and unloading issues.	The FTA have now completed their work and delivered the findings which were broadly accepted and understood by the SMTA.	Matthew Hill	08-Jan-2016	15-Dec-2015
MCP-SM 001b Loading bay risk assessment	Loading bay risk assessment to be reviewed and issued to market tenants.	P. Spooner reports: All risk assessments have been revised and updated. The tenants have been provided with the H&S report finalized in June 2014.	Robert Wilson	16-Jun-2015	02-Mar-2015
MCP-SM 001c Action Plan	Develop and implement an action plan.	An action plan has been developed and the SMTA have agreed to finalising this by the end of January 2016. It is envisaged that the plan will be fully implemented by the end of December 2016.	Matthew Hill	08-Jan-2016	30-Dec-2016

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 003 East Poultry Avenue 24-Feb-2015 Matthew Hill	<p>Cause: 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>Event: Road Traffic Accident resulting in fatality or serious injury to pedestrians crossing between market buildings on East Poultry Avenue.</p> <p>Effect: 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.</p>	 Likelihood	12	Superintendent will progress this with DBE 11 Jan 2016	 Likelihood	2	1-Dec-2016	 No change

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-SM 003a Traffic Calming	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. This action is to be followed up by Robert Wilson.	The Superintendent has asked whether CIL money could be made available for these improvements and will chase DBE for an update to get this moving.	Matthew Hill	08-Jan-2016	30-Dec-2016
MCP-SM 003b Repaint road markings	Repaint road markings in East Poultry Avenue.		Robert Wilson		31-Dec-2014
MCP-SM 003c Improve signage	Improve traffic signage.	P. Spooner reports: The Transportation & Public Realm department have installed 'Give Way' signs at this junction as an interim measure.	Robert Wilson	16-Jun-2015	30-Jun-2015

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 004 Cooling water failure. 30-Jun-2015 Matthew Hill	Cause: Failed condenser water supply. Event: Shutdown of essential water supply to market. Impact: Realisation of this risk could result in a prosecution, fine and reputational damage for the City.		12	Reviewed by M. Hill 26 Oct 2015		8	30-Sep-2016	 No change

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-SM 004a Replace valves.	Replace non return valves East & West Market.	S. Groves reports: Non return valves now replaced on condenser water pumps.	Robert Wilson	05-Aug-2015	01-Jul-2015
MCP-SM 004b Renew filters.	Renew filters, apply scheduled maintenance.	S. Groves reports: Filters changed and on maintenance schedule.	Robert Wilson	05-Aug-2015	01-Jul-2015
MCP-SM 004c Replace East pumps.	Replace East Market Condenser Pumps.	Replacement schedule added to additional works programme (AWP) for financial year 2016/17.	Matthew Hill	19-Aug-2015	01-Sep-2016
MCP-SM 004d Replace West pumps.	Replace West Market Condenser Pumps.	Replacement schedule added to additional works programme (AWP) for financial year 2016/17.	Matthew Hill	19-Aug-2015	01-Sep-2016

City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom left (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

MCP Markets Committee Risk Report Appendix B

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Impact title	Definitions
Minor (1)	Minor (1)	<p>Service delivery/performance: Minor impact on service, typically up to one day. Financial: Financial loss up to 5% of budget. Reputation: Adverse national or international coverage between £500 and £50,000. Legal/statutory: Litigation claim or fine contained within business unit/division of £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.</p>
Serious (2)	Serious (2)	<p>Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse national or international coverage between £5000 and £50,000. Legal/statutory: Litigation claim or fine between £5000 and £50,000. Safety/health: Significant injury or illness/disease causing short-term disability to one or more people. Objectives: Failure to achieve one or more service plan objectives.</p>
Major (4)	Major (4)	<p>Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national or international coverage > £50,000. Legal/statutory: Major litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people. Objectives: Failure to achieve a strategic plan objective.</p>
Extreme (8)	Extreme (8)	<p>Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National or international coverage in three days. Possible national or international media coverage. Legal/statutory: Multiple civil or criminal suits. Safety/health: Fatality or life threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.</p>

(C) Risk scoring grid

Likelihood	X	Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likely (4)	4 Green	8 Amber	16 Red	32 Red	
Possible (3)	3 Green	6 Amber	12 Amber	24 Red	
Unlikely (2)	2 Green	4 Green	8 Amber	16 Red	
Rare (1)	1 Green	2 Green	4 Green	8 Amber	

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014. Contact the Corporate Risk Advisor for further information. Ext 1297 Version date: December 2015