

MARKETS COMMITTEE

Wednesday, 30 November 2016

Minutes of the meeting of the Markets Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 30 November 2016 at 11.30 am

Present

Members:

John Scott (Chairman)	Edward Lord
James Tumbridge (Deputy Chairman)	Professor John Lumley
Alex Bain-Stewart	Alderman Julian Malins
Chris Boden	Wendy Mead
Deputy Michael Cassidy	Deputy Robert Merrett
Karina Dostalova	Deputy Joyce Nash
Deputy Stanley Ginsburg	Adam Richardson
Ann Holmes	Ian Seaton
Michael Hudson	Patrick Streeter
Deputy Jamie Ingham Clark	David Thompson

In Attendance

Officers:

Gemma Stokley	-	Town Clerk's Department
Julie Zhu	-	Town Clerk's Department
Debbie Howard	-	Chamberlain's Department
Julie Smith	-	Chamberlain's Department
Paul Hickson	-	Comptroller and City Solicitor's Department
Steven Chandler	-	City Surveyor's Department
Andrew Crafter	-	City Surveyor's Department
Nicholas Gill	-	City Surveyors Department
Nicholas Sommerville	-	City Surveyor's Department
Ian Hughes	-	Department of Built Environment
Sam Lee	-	Department of Built Environment
Steve Presland	-	Transportation & Public Realm Director
Jon Wallace	-	Department of Built Environment
David Smith	-	Director of Markets and Consumer Protection
Don Perry	-	Department of Markets and Consumer Protection
Matthew Hill	-	Superintendent, Smithfield Market
Malcolm MacLeod	-	Superintendent, Billingsgate Market
Ben Milligan	-	Superintendent, New Spitalfields Market
Philip Everett	-	Project Director, Museum of London Relocation

1. APOLOGIES

Apologies for absence were received from Randall Anderson, Nicholas Bensted-Smith, Deputy John Chapman, Dominic Christian, Alderman John Garbutt, Deputy Brian Harris, Tom Hoffman, Chris Punter, Angela Starling and Mark Wheatley.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

The Chairman and Alderman Malins declared a standing interest as Members of the Board of Governors of the Museum of London, which was the subject of agenda item 15.

3. **PUBLIC MINUTES**

The public minutes of the meeting held on 21 September 2016 were considered and approved as a correct record.

MATTERS ARISING

New Covent Garden Market Visit (page 2) – The Chairman reported that the Director had met with the Managing Director of New Covent Garden to discuss a future Markets Committee visit to the site. Due to ongoing changes at the market it was not felt that it would be appropriate for the Committee to visit at this time but the Director would look to progress this further later in the New Year.

ClearChannel Delegated Authority (page 3) – The City Surveyor reported that the heads of terms with advertising hoarding company ClearChannel were likely to be agreed next week. The Committee therefore agreed further delegated authority for the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Markets Committee, to sign off on this matter.

Debt Settlement Targets (page 4) – In response to a suggestion made at the last Markets Committee meeting regarding the possibility of tightening targets around debt settlement beyond the corporate level, the Director reported that he believed that this would result in further, unnecessary administrative burden for Officers for relatively little gain given the low level of debts involved.

Billingsgate Market – Chairman of the Market's Tenants Association (page 5) – The Chairman confirmed that he had written to the Chairman of the Market's Tenants Association to offer him his best wishes on behalf of the Committee.

Spitalfields Market – Waste Contract Tenders (page 6) – The Chairman reported that tenders were now in for the Spitalfields Market waste disposal contract but that these were yet to be assessed. Members were informed that this would form the subject of a further report to the next meeting of the Markets Committee.

4. **PUBLIC MINUTES OF THE REFERENCE SUB (MARKETS) COMMITTEE**

The public minutes of the Reference Sub (Markets) Committee held on 22 November 2016, which were separately circulated, were received.

5. **REVENUE AND CAPITAL BUDGETS - 2016/17 AND 2017/18**

The Committee considered a joint report of the Chamberlain and the Director of Markets and Consumer Protection seeking approval to the latest revenue

budget for 2016/17 and provisional revenue budget for 2017/18, for subsequent submission to the Finance Committee.

The Chairman, on behalf of the Committee, thanked the Chamberlain for a very comprehensive report and for helpfully summarising the key information within a table at the beginning of the report.

RESOLVED – That, the Committee:

1. are content that the latest 2016/17 revenue budget reflects their objectives and approve the budget for submission to the Finance Committee;
2. are content that the provisional 2017/18 revenue budget reflects their objectives and approve the budget for submission to the Finance Committee;
3. approve the draft capital budget; and
4. authorise the Chamberlain to revise these budgets to allow for changes to the Additional Works Programme and in respect of recharges as well as any changes from Markets Service Reviews, City of London Procurement initiative savings and Carbon Trading Allowances. If the revisions vary by more than 10% of total expenditure a further report will be submitted to the Markets Committee for approval.

6. SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE

The Committee received a report of the City Surveyor providing Members with a summary of progress on the City's trial to increase the operating temperature of Smithfield Market's Water Cooling System, which provides cooling to the Market Tenants' refrigeration equipment.

The City Surveyor confirmed that the system was now operating at 24 degrees Celsius with no complaints or reports of problems to date. He added that the final increase to 25 degrees Celsius would take place next week.

The Committee were informed that a pump breakdown had been reported in West Market on the evening of 23 November 2016, maintenance engineers were called on site and restored the system after four hours. Investigations into the cause of the breakdown were still continuing although the suspected cause was a power surge.

Finally, the City Surveyor highlighted that some of the tenants' condensers were still under sized which could lead to problems in the future.

A Member questioned what plans were in place to address this issue or further issues that might arise again as a result of warmer weather in the Summer. The City Surveyor reported that the pumps were due to be replaced before the Summer period and that the operating temperature could also be temporarily reduced if problems arose.

Another Member questioned what powers the City had to address the fact that a number of tenants' equipment was still deemed to be a risk to the efficient operation of the system. The City Surveyor confirmed that a total of 12 refrigerators with undersized condensers were currently on the City's 'at risk' list and that the Superintendent would be writing again to the tenants concerned suggesting that they upgrade their equipment in the strongest possible terms. However, as the equipment was owned by the tenants, any upgrades were at their discretion and they would take the consequences of any equipment failure. Members commented that it seemed odd that there was no way to enforce this given that it was a problem that could potentially affect all and jeopardise the entire system.

The Director clarified that, from 1 April 2018, costs associated with running the system would fall within the service charge which might lead to some peer pressure on those tenants who were jeopardising the efficient running of this.

A Member noted that, at 25 degrees Celsius, the cooling system would still be operating 5 degrees lower than was originally specified.

RECEIVED.

7. STRATEGIC REVIEW - DRAFT SPECIFICATION

The Committee considered a report of the Director of Markets and Consumer Protection regarding a future Strategic Review of the City's Wholesale Markets.

The Deputy Chairman stated that the review objectives should make it explicitly clear that the suitability and long-term sustainability of each site as well as the potential consolidation of the markets would be covered.

A Member commented that the report did not provide any real detail on cash flow and how, for example, a new site might be purchased and built on whilst continuing to maintain the existing sites. The Members went on to question whether the Policy and Resources and Corporate Asset Sub Committee should also be sighted on this report from the outset.

The Deputy Chairman confirmed that the report would be submitted to the Policy and Resources Committee in due course and that there was already dialogue with the Chairman and Deputy Chairman of Policy and Resources on this matter. Members noted that the Markets Committee had sought to undertake a similar review approximately 14 years ago but that this had been rejected by the Policy and Resources Committee. Members wanted to ensure that this would not be repeated before any costs were incurred.

In response to a question regarding costs, the Director reported that there had been no costs associated with producing this initial report except for Officer time. He was now looking at the necessary budget for the actual review and discussing how this might be funded with the Chamberlain.

RESOLVED – That, Members approve the draft Specification for the Review of the City of London Wholesale Markets.

8. **MARKETS COMMITTEE RISK**

The Committee received a report of the Director of Markets and Consumer Protection providing Members 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.

The Chairman highlighted that the risk relating to ‘HGV Unloading Operations’ had moved from an amber to a red risk. This was due to a lack of suitable and sufficient training and adequate management controls to Heavy Good Vehicle banksman activities, undertaken by staff employed by Smithfield Market tenants. The Superintendent of Smithfield Market confirmed that he was currently in discussion with tenants to resolve this as quickly as possible. The Chairman reported that, as a red risk, this matter would be referred back to every meeting of the Markets Committee. He asked that the narrative to the risk and the actions taken to date be updated accordingly.

A Member commented that the SMTA had agreed to take this responsibility on board. He was now concerned that, in identifying this risk, the City were at risk in not fully addressing and controlling it. He suggested that, if the tenants were not fulfilling their role here, control should be taken back in-house and this should be added to the tenant’s service charge.

The Superintendent reassured the Committee that Officers were continuing to manage the risk and that the number of incidents/accidents relating to HGV Unloading Operations were very low at the Market. He added that the SMTA were aware that the Superintendent was now pushing for tenants to fully address this.

Whilst accepting that the number of incidents relating to HGV Unloading Operations at the Market were low, a Member quoted the Health and Safety Executive website which listed reversing vehicles as accounting for a disproportionate number of accidents/deaths in the work place. It was therefore important to address this risk without further delay.

The Chairman agreed with the points made and requested that a report be submitted to the next meeting of the Markets Committee examining the possibility of taking the training and management of Heavy Good Vehicle banksman activities back in house if tenants had not fully complied by this time.

RESOLVED – That, Members:

- a) 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; and
- b) request a further report on the possibility of bringing the training and management of Heavy Good Vehicle banksman activities back in house if tenants had not fully complied with the need for this.

9. SUPERINTENDENT'S UPDATES

The Committee received oral updates from the Market Superintendents as follows:

Billingsgate Market

The Superintendent reported that tenants were now threatening to withdraw part of the service charge for the Seafood School. £38,000 in charges were currently paid for the School who had indicated that they would continue to pay £18,000 of this but would need to find an additional £20,000 going forward. He reported that the School might now write to individual tenants to seek contributions.

With regard to the long-term sickness case the Committee had been made aware of, the Superintendent reported that the associated court case had now concluded and a sentence had been pronounced. The Superintendent and Corporate HR would now be meeting with the member of staff concerned later this week to discuss a return to work programme.

The Committee were informed that the Chairman of the Tenants Association remained in hospital after being admitted back in June 2016. He was now awaiting transfer to a rehabilitation centre but was unlikely to be out of hospital before Christmas.

Finally, the Superintendent updated the Committee on trade at the Market. As far as vehicles entering the market were concerned, this was 8% down on last year. Members were informed that customers were charged for parking at the site which gave an indication as to numbers entering the market. Data here suggested that numbers were 13% down on last year. The amount of fresh fish coming in to the market was 2% down versus the previous year. The Superintendent added that one trader had recently been through two rounds of redundancies involving many staff. Members were informed that, whilst the premises was still fully occupied at present, there were now far fewer enquiries as to potential vacancies.

Spitalfields Market

The Superintendent was pleased to report that the City had now reached the final stages of the rent and lease negotiations and Members would see a report on this in the non-public agenda.

With regard to tenders for the Waste Contract, the Superintendent reported that all tenders had now been received and would need to be evaluated by the 12 December 2016. At a glance, it appeared that all of the tenders received met the original specification very well. The idea was to legitimise waste brought on to the site and to control it's a disposal – this would involve a significant culture change. In response to questions, the Superintendent recognised that the market's CCTV system needed improving to help 'police' waste management. He reported that there would be a municipal site at which cardboard and plastic waste could be disposed of and that this would generate an income for the market going forward. If any waste was left elsewhere on site, the individual

concern would be charged with fly tipping and would face a fine of up to £1,000 if found guilty.

The Superintendent went on to report on work place transport at the site. He reported that the pedestrian segregation barrier had now been installed and had been well received with no accidents reported. Forklifts were now also banned from parking in the area. A Gateway 7 (Outcome) report on this matter would be produced in January 2017, effectively closing the project.

Pedestrian crossings were to be re-instated with £100 fines issued to those parking in the wrong place. Parking on site was now strictly enforced and there had been positive feedback on this. Penalty charge notices had been erected on site which had served to reduce parking non-compliance (e.g. illegal parking in disabled bays and across several bays). In response to questions, the Superintendent reported that the Market Sergeants and Head of Security served the parking fines and that this was always done in pairs for reasons of personal safety. The £100 fine was reduced to £50 if paid promptly. The Superintendent reported that the City had waived their share of the income generated from fines for a set period of time which had resulted in a cost neutral solution. The scheme had been implemented by District Enforcement Limited at no cost to the City on the understanding that they would retain all income generated by the fines issued on site until the cost of implementing the scheme had been repaid. The Superintendent clarified that the intention had always been for this to be a control and not an income generation mechanism

Members were informed that the tenants/staff car park was to be relocated to the far end of the site which would result in faster deliveries on site and the potential to create better pedestrian access in that area.

Finally, the Superintendent reported that documents concerning the installation of an entry barrier on site were currently being reviewed with the City Surveyor and the Department of Built Environment. It was hoped that an invitation to tender on this could be prepared before Christmas.

Smithfield Market

The Superintendent regrettably informed the Committee of the recent death of long serving market cleaner Tony Richards. The Superintendent reported that the Committee/City of London had been represented at Mr Richard's funeral. The Chairman asked that the commiserations of the Committee be passed on to the family of Mr Richards.

The Superintendent went on to report of recent 'flare ups' whereby some tenants had been using parking bays to store pallets. He reported that he had worked alongside the SMTA to put pressure on the worst offending tenants to cease this practice and that this had resulted in some improvements.

Finally, the Superintendent highlighted that this would be his last appearance at the Markets Committee given that he was to step down from his role at the end of the year. He thanked Members for their kind wishes regarding his departure.

The Chairman, on behalf of the Committee, gave his thanks and best wishes to the Superintendent.

In response to a question regarding rubbish collection, the Superintendent reported that he believed that this commenced at 5am on site but that staff did not generally pick up any rubbish outside of the market unless specifically reported to them. If the waste was off site the matter could be progressed by the Department of Built Environment or by Islington Council as appropriate.

10. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

11. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

With the Chairman's permission, the Committee considered the following two late, separately circulated, urgent items of business:

NORTH – SOUTH CYCLE SUPERHIGHWAY PHASE 2: THE CITY'S RESPONSE

The Committee received a report of the Director of the Built Environment concerning the City's response to the North-South Cycle Superhighway Phase 2.

The Committee were informed that Officers in DBE had been working alongside colleagues at Smithfield, the SMTA and TfL to finalise proposals to extend their North-South Cycle Superhighway. Officers believed that the revised proposals offered significant road safety benefits and highlighted that 15 of the 17 road traffic injury collisions that had occurred at the Farringdon Street/West Smithfield junction in the past three years could have been prevented if the current proposals were implemented.

However, Members were informed that the SMTA and the Department of Markets and Consumer Protection had expressed concern at the proposed banned left turn into West Smithfield and were requesting that TfL permit this left turn during the main hours of market operation. They felt that a ban on this would unnecessarily increase congestion and traffic around the Market. Officers reported that vehicles turning left into West Smithfield equates to about 25 vehicles per hour during the main market operating hours and that this was considered to be very low.

The Streets and Walkways Sub Committee would be encouraged to support the revised proposals as set out in the report at their meeting next week but to also direct Officers to continue to work with TfL to establish if a timed suspension of the banned left turn was practicable during key market operating times.

The Chairman reported that this Committee would like to see the ban lifted from 9pm – 5am every weekday so as not to disrupt operations at the market. The Committee asked that a resolution underlining this be sent to the Streets and Walkways Sub Committee ahead of their next meeting.

A Member noted that, an average of 25 vehicles per hour (approximately one vehicle every two and a half minutes) using this left turn during the main market operating hours demonstrated that the impact of banning this would be significant.

RECEIVED.

CROSSRAIL URBAN REALM PROJECTS: UPDATE REPORT – GATEWAY 4 (STAGE 1) UPDATE REPORT

The Committee received a report of the Director of the Built Environment advising Members of the status of the Crossrail proposals for the areas immediately surrounding the three station accesses in the City.

Officers drew Members' attention to the proposals regarding the eastern side of Lindsey Street, highlighting that there were no significant proposals regarding the west side. Members were informed that the area would experience significant additional pedestrian movement given the development of the Crossrail site, the over-site office development and a separate site development nearing completion in nearby Islington. Proposals therefore involve the widening of the eastern footway to account for this anticipated, additional pedestrian movement. Officers had agreed a compromise with Crossrail to accommodate a formal, 15 metre long, loading bay for market trader use towards the northern end of Lindsey Street. This compromise proposal would now be recommended to the Streets and Walkways Sub Committee for approval at their meeting next week. The SMTA, however, remained dissatisfied with this.

A Member commented on the proposed installation of cycle stands which he felt were unnecessary on the widened footway and could also lead to problems for any large, artic lorries navigating this corner. Officers reported that Crossrail had used computer modelling to demonstrate that a 16 metre refrigerated vehicle could successfully make this turn with the new cycle stands in place. Other Members argued that computer modelling did not take into account the driving capabilities of individuals and shared the concerns raised about the installation of the cycle stands in this location. Officers stated that Crossrail were conscious of the issues in this location and were of the belief that the installation of cycle stands here would deter vehicles from mounting the footway in order to successfully navigate the corner. Concerns about the additional restriction being placed on lorries turning right on the corner in this area were also shared by Officers at the market.

Members were unconvinced by this argument and maintained the view that the cycle stands were surplus to requirements.

Officers assured the Committee that these proposals had not yet been finalised and that more detailed designs were to be produced in the new year. Officers undertook to feed the Markets Committee's comments in to the Streets and Walkways Sub Committee and any further discussions with Crossrail.

RECEIVED.

12. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act as follows:-

Item	Paragraph
13-18	3
19	3, 5 & 7
20-21	3

13. NON-PUBLIC MINUTES

The non-public minutes of the meeting held on 21 September 2016 were considered and approved as a correct record.

14. NON-PUBLIC MINUTES OF THE REFERENCE SUB (MARKETS) COMMITTEE

The non-public minutes of the Reference Sub (Markets) Committee held on 22 November 2016, which were separately circulated, were received.

15. MUSEUM OF LONDON PROPOSED RELOCATION - WORKS UPDATE AND HEADS OF TERMS

The Committee received a report of the City Surveyor updating Members on the Museum of London proposed relocation works and heads of terms.

16. POULTRY MARKET MAJOR REPAIRS PROJECT - GATEWAY 4 - DETAILED OPTIONS APPRAISAL (COMPLEX)

The Committee received a report of the City Surveyor regarding the Poultry Market Major Repairs Project.

17. POULTRY MARKET LETTING UPDATE AND THE LETTING OF UNITS 206, 210-213 AND 224

The Committee considered and approved a joint report of the City Surveyor and the Director of Markets & Consumer Protection seeking approval to final terms of the letting of unit 206 to an alternative tenant, where the originally approved tenant has withdrawn, approval to final terms of a letting of unit 210-213, and approval to final terms of a letting of unit 224.

18. SPITALFIELD'S LEASE RENEWALS

The Committee considered and approved a report of the City Surveyor regarding the Spitalfields Market bulk lease renewal.

19. DEBT ARREARS MARKETS - PERIOD ENDING 30TH SEPTEMBER 2016

The Committee received a report of the Director of Markets and Consumer Protection informing Members of invoiced income raised and outstanding as at 30th September 2016 from 31 days to 121+ days.

20. **REVIEW OF PUBLIC CAR PARK PROVISION IN THE CITY**

The Committee considered and approved a joint report of the Director of the Built Environment and the Director of Markets and Consumer Protection recommending short, medium and long term strategies for the on-going management of the City's five public car parks.

21. **REVIEW OF CAR PARK USAGE AT SMITHFIELD**

The Committee received a report of the Superintendent of Smithfield Market informing members of the use of Smithfield car park.

22. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

Members posed questions on the anticipated cost of a Strategic Review of the Markets and on the departure of the Superintendent of Smithfield Market.

23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no additional, urgent items of business for consideration in the non-public session.

The meeting ended at 1.18 pm

Chairman

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