

MARKETS COMMITTEE

Wednesday, 10 May 2017

Minutes of the meeting of the Markets Committee held at Committee Room - 2nd Floor West Wing, Guildhall on Wednesday, 10 May 2017 at 11.30 am

Present

Members:

Adrian Bastow	Deputy Brian Mooney
Matthew Bell	Deputy Joyce Nash
Peter Bennett	Ruby Sayed
Nicholas Bensted-Smith	John Scott
Richard Crossan	Ian Seaton
Angus Knowles-Cutler	Oliver Sells QC
Gregory Lawrence	Deputy Dr Giles Shilson
Deputy Edward Lord	Deputy Tom Sleigh
Alderman Professor Michael Mainelli	Deputy John Tomlinson
Andrew Mayer	James Tumbridge
Deputy Robert Merrett	Michael Welbank
Andrien Meyers	

In Attendance

Tom Hoffman
CJ Jackson – The Seafood School at Billingsgate

Officers:

Gemma Stokley	-	Town Clerk's Department
Neil Davies	-	Town Clerk's Department
Kate Smith	-	Town Clerk's Department
Julie Zhu	-	Media Officer
Julie Smith	-	Chamberlain's Department
Debbie Howard	-	Chamberlain's Department
Paul Hickson	-	Comptroller and City Solicitor's Department
Nicholas Sommerville	-	City Surveyor's Department
Steven Chandler	-	City Surveyor's Department
Andrew Crafter	-	City Surveyor's Department
David Smith	-	Director of Markets and Consumer Protection
Donald Perry	-	Markets and Consumer Protection Department
Julie Gibbs	-	Markets and Consumer Protection Department
Mark Sherlock	-	Superintendent, Smithfield Market
Ben Milligan	-	Superintendent, New Spitalfields Market
Malcolm Macleod	-	Superintendent, Billingsgate Market

1. **APOLOGIES**

Apologies for absence were received from Tom Anderson, Deputy John Chapman, Deputy Kevin Everett, John Fletcher, Tim Levene and Stephen Quilter.

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

Gregory Lawrence made a standing declaration of Interests relative to Markets Committee business, which he stated had been entered on the Register of Member Interests. Mr Lawrence clarified that those interests related to the fact that he is both a Tenant at Smithfield Market and the current Chairman of the Smithfield Market Tenants Association (SMTA).

Mr Lawrence went on to inform the Committee that he would also shortly be seeking a Dispensation from the Standards Committee to enable him to speak/vote on any matters that he might be considered to have a disclosable pecuniary interest in going forward.

3. **ORDER OF THE COURT OF COMMON COUNCIL**

The Order of the Court of Common Council dated 27 April 2017 appointing the Committee and setting out its Terms of Reference was received.

The Town Clerk drew Members' attention to paragraph 4. (b) of the Committee's Terms of Reference which had now been amended in accordance with the views expressed by the Committee toward the end of 2016 and now read that this Committee acted 'jointly' with the Port Health and Environmental Services Committee and the Markets Committee on the appointment of the Director of Markets and Consumer Protection. The same wording had also been applied to the Terms of Reference of these two other Committees.

Paragraph 4. (a) had also been amended to read New Spitalfields Market.

RECEIVED.

4. **ELECTION OF CHAIRMAN**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 29.

The Town Clerk read out a list of Members eligible to stand as Chairman. James Tumbridge, being the only Member indicating his willingness to stand as Chairman, was duly elected for the ensuing year.

Mr Tumbridge thanked the Committee for their support. He went on to publicly record thanks, on behalf of the Committee, to those Members who had not been returned to the Markets Committee and also to welcome the various new Members of this Committee to their first meeting.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No. 30.

The Town Clerk reported that, in accordance with Standing Order No. 30. (3) (a), the immediate past Chairman had chosen to exercise his right to serve as Deputy Chairman for the ensuing year.

John Scott was therefore duly appointed as Deputy Chairman for the ensuing year.

VOTE OF THANKS TO THE PAST CHAIRMAN

Deputy Joyce Nash paid tribute to John Scott, the past Chairman.

RESOLVED UNANIMOUSLY –

Members of the Markets Committee wish to record their sincere thanks and gratitude to

JOHN GEORGE STEWART SCOTT, JP

for his excellent work as their Chairman.

AS Chairman, he has been active in all aspects of the work of the Committee, showing great drive and commitment to ensure its success.

THROUGHOUT his term of office, he has managed the Committee's deliberations with a fair and firm hand to ensure that the Committee executed its duties in a competent manner. He presided over the Committee's debates in an exemplary and courteous manner allowing full consideration of not only routine Committee business such as the Markets and Consumer Protection Department Business Plan, Revenue and Capital Budgets and Proposed New Lettings but also of more controversial issues such as the Smithfield Market Condenser Water Cooling System and, more recently, the Poultry Market Major Repairs Project.

THE Chairman has been instrumental in ensuring that the Committee and all interested parties have been kept fully informed of progress on the ongoing Poultry Markets Repairs Project with a view to ensuring that the Project reaches a successful and satisfactory conclusion. His involvement and interest in the Project to date is testament to his diligence, professional manner and skills of tact and diplomacy.

IN the final year of his Chairmanship, he has been responsible for initiating a Strategic Review of the City's three wholesale food markets, to investigate predicted customer demand over the next quarter century and the scale of those requirements. From this analysis, the review will look at how these requirements can best be met, which will include aspects of facilities, organisation, and location and seek to ensure the long-term stability of these offerings.

FINALLY, in congratulating their former Chairman upon a most successful term of office, his colleagues wish to thank him for his enthusiasm and commitment

and to express the hope that, with continued good health and happiness he can continue to serve the City Corporation for many years to come.

6. **APPOINTMENT OF REFERENCE SUB COMMITTEE**

The Committee considered a report of the Town Clerk and proceeded to appoint a Reference Sub Committee for the ensuing year.

RESOLVED – That the terms of reference and composition of the Reference Sub Committee be agreed, with a Membership for the ensuing year as follows:-

- James Tumbridge (Chairman)
- John Scott (Deputy Chairman)
- Peter Bennett
- Deputy Edward Lord
- Alderman Professor Michael Mainelli
- Deputy Joyce Nash
- Deputy Tom Sleigh
- Deputy John Tomlinson

7. **PUBLIC MINUTES**

The public minutes of the meeting held on 23 January 2017 were considered and approved as a correct record.

MATTERS ARISING

Review of the City's Wholesale Markets (page 7) – The Director reported that the Invitation to Tender had been issued last month. Bids had been received from two interested parties and a selection Committee would be meeting next week to make a decision as to who should be appointed. A further report on this matter would be submitted to the Markets Committee in due course. The Director went on to state that a Steering Group, which would include the Chairman and Deputy Chairman of the Markets Committee, would be established to oversee the Review.

The Chairman requested that the overall objectives of the Wholesale Review be re-circulated to the Committee for the benefit of new Members.

8. **APPOINTMENT OF SUB COMMITTEE CHAIRMEN**

The Committee received a resolution of the Policy and Resources Committee (Thursday, 16 March 2017) concerning the process for appointing Chairmen of Sub-Committees.

RECEIVED.

9. **BILLINGSGATE MARKET SEAFOOD SCHOOL**

The Committee received a presentation from the Director of the Seafood School (CJ Jackson).

Ms Jackson's presentation covered the following points:

- The establishment of the Seafood School in 1999 as a charitable company;

- Diversification and the wide variety of courses now available, tailor made to suit the needs of a wide variety of groups;
- Schools and Young Peoples Programmes – encouraging young people to eat seafood as part of a healthy diet;
- Outreach work;
- Industry Programmes/Partners;
- Attracting business to the Market;
- Partners/Funders;
- How the School might work more closely with the City of London Corporation going forwards;
- Funding and Deficits – it was highlighted that market tenants had decided that they no longer wished to financially support the School as they felt that they were now in a position to financially support themselves. However, tenants did not appear to have viewed the School's finances ahead of reaching this decision which would result in a deficit of £22,000 per annum going forward. Ms Jackson stated that the School and its new General Manager had tried to address tenants further and highlight the substantial benefits of the school to the Market;

A Member questioned whether the School had looked at alternative funding (from the City Corporation's City Bridge Trust or the Worshipful Company of Fishmongers for example) following the decision of tenants to no longer financially support them. Ms Jackson confirmed that the School held some reserves which would provide a 'cushion' against the deficit for approximately 4-5 years. They were also hoping to continue to raise their own funds as a charity and to generate a surplus in this and future years. She added that funding had previously been received from the City Bridge Trust but that this had related to particular projects and not to general running costs.

In response to a question regarding financial support from the City of London Corporation, Ms Jackson stated that preferential arrangements were in place regarding the renting of facilities but that there was no exchange of finances between the City Corporation and the Seafood School.

A Member suggested that further meetings/discussions should be held with the tenants' association around their continued financial support of the Seafood School given that it was such an asset to the Market.

The Chairman, on behalf of the Committee, thanked Ms Jackson for a very interesting and informative presentation.

10. **SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE**

The Committee received a report of the City Surveyor updating Members on the cooling system temperature trial.

The City Surveyor reported that further advice had now been sought from the Environment Agency regarding the penalty regime around the unintentional release of refrigerant gas from fridges to atmosphere. Advice had been received to confirm that the penalty here would be a fine or conviction and that

the enforcing authority would be the Secretary of State for Environment, Food and Rural Affairs (DEFRA) or such other authorised persons as it considers appropriate to act for the purpose. He added that the City had now also sent a letter to all Tenants drawing their attention to the regulations, reminding them of their responsibilities in this area and informing them that it intends to carry out inspections of their records within the next two months.

At the request of the Chairman, and for the benefit of the various new Members of the Committee, the City Surveyor provided Members with a brief history of the issues surrounding the Condenser Water Cooling System and some background on the component parts of the current system. The Chairman asked that a comprehensive note on this be provided to all Members of the Committee ahead of the next meeting in July.

In response to questions concerning repairs to the system, the City Surveyor confirmed that funding for this came from the City's additional works programme and included the replacement of the pumps and the planned replacement, in approximately 2-3 years' time, of the pipework and, eventually, the replacement of the cooling towers. The City Surveyor went on to clarify that, whilst the City of London Corporation, as landlord, was responsible for operating and maintaining the system, tenants were responsible for their own equipment.

In response to further questions around the information contained under 'Implications' within the report, the City Surveyor reported that the City had not received any claims from tenants for loss of product since 2002-03.

A Member commented that problems with the system had persisted for over 8 years now and expressed concern at the forthcoming warm weather period approaching where, historically, issues always arose. He added that some tenants had voiced the opinion that the recent unintentional release of refrigerant gas from fridges to atmosphere was due to a West Market pump failure and was therefore the fault of the City as landlord. He accepted that, should problems persist following the City's replacements of the pumps, this would be the responsibility of tenants.

RESOLVED – That, Members note the contents of this report.

11. MARKETS BUSINESS PLAN UPDATE PERIOD 3 2016/17 (DECEMBER - MARCH)

The Committee received a report of the Director of Markets and Consumer Protection providing an update on progress for Period 3 (December-March) of 2016-17 against key performance indicators (KPIs) and objectives outlined in the Markets' Business Plan.

A Member questioned the Billingsgate Roof and Additional Fish Handling Facilities projects which the report described as being 'on hold and to be cancelled'. The Superintendent reported that costs had already been incurred for each project and that these were borne by the tenants' service charge. He

added that the decision to cancel both projects was taken in consultation with tenants.

RESOLVED – That, the Committee note the content of the report and its appendices.

12. **DEPARTMENTAL BUSINESS PLAN: MARKETS AND CONSUMER PROTECTION**

The Committee considered a report of the Director of Markets and Consumer Protection presenting the business plan for his Department for the year 2017/18.

The report also presented an early draft of the Corporate Plan 2018-23 providing Members with the opportunity to provide initial feedback before wider consultation on the plan takes place. The Town Clerk reported that this was an embryonic version of the Corporate Plan at this stage which was being presented to all Grand Committees for initial feedback. She added that several Member sessions dedicated to the Draft Corporate Plan had also been arranged. Further iterations of the Plan would be presented to Members throughout the calendar year with a view to launching the new 5 year document in April 2018 after having secured the approval of both the Policy and Resources Committee and the Court of Common Council.

With regard to the draft Corporate Plan, the Chairman commented that the 'People' block appeared to be quite vague at this stage. The Deputy Chairman commented that whilst there were many references to the Square Mile and the City within the document there did not appear to be any to London as a whole. He added that he was also disappointed to see that the provision of high quality services for the whole of London appeared not to be one of the aims listed.

The Director went on to present the Departmental Business Plan, drawing particular attention to the detailed objectives and Key Performance Indicators (KPIs) included here. He stated that, in due course, the Departmental Business Plan would be more closely aligned to the completed Corporate Plan. The Director concluded by highlighting the summary Risk Register for the Department which was produced in line with corporate guidance.

A Member commented on the Financial Information and Summary within the Departmental Business Plan and stated that he found this disappointing and unclear. He stated that he would prefer to see real financial positions reflected here with details on rent versus expenditure clearly set out. The Chamberlain reported that the Revenue Outturn report presented to this Committee in July each year provided this information but that the figures contained within the Business Plan were forward looking. She added that the Estimates Report presented to the Committee every Winter broke down the detail of the 2017-18 budget and that updates were then provided through this Business Plan. She undertook to feedback these comments to the Business Planning Working Group in terms of the presentation/format of future financial information/summaries within business plans. The Chairman agreed that a summary of forward looking, individual, Market finances/operating cost

statements were a key part of the Departmental Business Plan and asked that this information be put together and circulated to the Committee as an additional appendix to this report ahead of their next meeting.

A Member questioned MKPI 4 for 2017-18 which was looking to achieve 98% occupancy of all lettable space at the wholesale markets and the current performance of Smithfield Market against this. The Director reported that this Committee had a policy, for a number of years, not to fill the Poultry Market to capacity. This had now, however, been reversed and so progress against this performance indicator was being made.

In response to questions around the comprehensive Strategic Review of the three wholesale markets, the Director reported that both he and the new Chairman were keen to ensure that this was a thorough and genuinely open minded review.

RESOLVED – That Members:

- Approve the high-level and detailed departmental business plans for the Department of Markets and Consumer Protection; and
- Note the draft Corporate Plan for 2018-23.

13. **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.

RESOLVED – That Members 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.

14. **SUPERINTENDENT'S UPDATES**

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

Smithfield Market

The Superintendent began by updating Members on work around HGV management on site. He reported that an audit had taken place in February 2017 and undertook to circulate the outcome of this, together with associated Action Points to the Committee. He went on to report that banksmen training was to take place between April-June 2017 and that thereafter the Market would fully expect 100% compliance. The Superintendent was clear that this was his number one priority on site at present.

With regard to sickness absence at the market, the Committee were informed that the Superintendent had been monitoring this closely over the past four months and that it was now projected that an average of 5.61 days per employee would be achieved by the end of April 2017 - a significant improvement on past performance.

Finally the Superintendent reported that a litter campaign had now started on site, in consultation with the SMTA. In due course, this would be combined with an overall review of recycling on the site.

New Spitalfields Market

The Superintendent updated the Committee on the re-tendering of the waste contract, reporting that this was now at the mobilisation phase. He stated that he was currently liaising with tenants regarding their bin requirements and similar issues and that the project would be delivered within the originally forecast timescale. He added that he had already been in conversation with the incoming contractor regarding their plant/machinery.

Members were informed that waste on site for 2015/16 had reduced by 2,000 tonnes and that 2016/17 had seen a further reduction of 1,300 tonnes. Market staff had now increased the number of stop and searches, increased costs and increased enforcement, all of which had been effective disincentives to those bringing waste to the site.

With regard to smoking enforcement on site, the Market had now taken this in hand themselves following unproductive attempts to engage with Waltham Forest on this matter. Smokers were now charged a £50 admin fee under the terms of their lease and the Superintendent was pleased to report that this had led to almost full compliance with just three warnings issued to date.

The Superintendent went on to report that Heads of Terms had now been sent out and that the majority of these had already been signed and returned. It was envisaged that all would be complete by 1 July 2017.

Finally, the Committee were informed that the entry barrier project had been signed off at Gateways 1&2, the tender was ready for publishing, and the necessary funds had been allocated. The Superintendent reported that this was now in the hands of Waltham Forest to progress in terms of Planning 'sign off'.

Billingsgate Market

The Superintendent was pleased to report that the member of staff who had previously been on long term sickness leave had now been successfully phased back to work full time.

With regard to the Chairman of the Tenants Association, who had now been hospitalised since June 2016 following a surgical procedure, the Superintendent regrettably informed the Committee that he was now in the process of being transferred to a hospice and that he hoped to visit him on behalf of the Market and the Committee once he was settled here. The Superintendent reported that he had enjoyed a good working relationship with the Chairman and had previously met with him on an almost daily basis. These meetings now took place with the tenants' body monthly. The Superintendent reported that he was due to meet with the tenants' body tomorrow where the funding of market works/projects was currently an ongoing issue. The Director

had been written to regarding the possibility of relaxing the conditions of the sinking fund as all parties were keen to improve the site.

The Superintendent went on to report that land handed to Crossrail for the construction of a Canary Wharf station was set to be fully returned to the Market by the end of July 2017. Discussions with tenants who wished to construct on this land going forward were already underway and the Market was working closely with the Comptroller and City Solicitor on this matter.

Finally, the Superintendent reported that an HSBC window had been blown out during February's 'Storm Doris' and had landed on the Market balcony area. Fortunately, no pedestrians were present and only minor damage had been caused to the site. The Superintendent stated that he had questioned HSBC as to whether the incident had been reported to the Health and Safety Executive and had strongly suggested that transparency would be best here. He had suggested that this was a matter for them to follow up. A Member suggested that the Market should report this incident to the executive if the bank were reluctant to do so.

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
150th Anniversary of Smithfield Market

The Committee were informed that the Hospitality Working Party had recently approved a report requesting funding for the 150th anniversary celebrations.

Markets Committee Visits

The Deputy Chairman requested that future Committee Visits be scheduled to be on site by no later than 7.00am. He also suggested that Wednesday's be avoided for Billingsgate Market visits going forward as this was, traditionally, a slow trade day for the site.

The Deputy Chairman's points were noted.

17. **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 No(s).	Paragraph No(s).
18	2 & 3
19	1, 2 & 3
20	3
21	3, 5 & 7
22	1 & 3

18. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 23 January 2017 were considered and approved as a correct record.

19. **RESOLUTION TO MARKETS COMMITTEE FROM ESTABLISHMENT COMMITTEE 14 02 17**

The Committee received a resolution of the Establishment Committee (14 February 2017) concerning the departure of the Superintendent of Smithfield Market and exit interviews more generally.

20. **SMITHFIELD POULTRY MARKET, MAJOR REPAIRS PROJECT - POST GATEWAY 4 PROGRESS REPORT**

The Committee received a report of the City Surveyor providing Members with an update on the Smithfield Poultry Market, Major Repairs Project.

21. **DEBT ARREARS MARKETS - PERIOD ENDING 31ST MARCH 2017**

The Committee received a report of the Director of Markets and Consumer Protection informing Members of invoiced income raised and outstanding as at 31st March 2017 from 31 days to 121+ days.

22. **TENANCIES AT WILL AND ASSIGNMENTS**

The Committee received a report of the Director of Markets and Consumer Protection on Tenancies at Will that have been granted at the City of London's Wholesale Markets and on lease assignments.

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

There were no questions raised in the non-public session.

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

With the permission of the Chairman, the City Surveyor tabled a report regarding Advertising Hoardings, Aspen Way, Billingsgate Market, E14 which the Committee considered and approved.

The meeting ended at 1.12 pm

Chairman

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