SEA FISH INDUSTRY AUTHORITY

Seafish Technology

BILLINGSGATE MARKET STUDY

INTERIM REPORT APRIL 1991

Confidential

Client : City of London
Guildhall
London EC2P 2EJ

Consultancy Report No. 31

J. W. Denton
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SUMMARY

This is an interim progress report from Seafish to the City of London on the contract to develop an action plan for the upgrading of Billingsgate market.

Action on the multi-stage project commenced in early January. The field work of phase 1, the preliminary investigation to determine the current activities of the market and the problems that will be encountered in complying with the new legislation, is virtually complete although much of the data collected is yet to be analysed. Phase 2, consideration of the role of the market and the needs of its customers, has commenced.

It is not yet appropriate to make recommendations for the development of the market but it is useful at this point to inform the client of the work done, to outline the major problems perceived and the current thinking of the project staff. Inevitably at this stage the emphasis is on the problems and not the solutions but the client may find it valuable to be alerted to these issues at an early date as it could contribute to their policy regarding markets.

1. DEVELOPMENTS IN THE LEGISLATION

The EC proposals remain under discussion and are unlikely to be finalised until late in the year and even then much essential detail will remain to be resolved at a later date. The situation regarding wholesale markets is slowly being clarified. It seems most likely that merchants or others involved in any processing, preparation or re-packing operations will have to meet the full requirements of licensed establishments. Other aspects of market activity may not require licensing as such but the basic requirements for hygiene, temperature, monitoring and control, etc, remain. A further point of importance emerging is that it appears to be the intention that frozen fish can be thawed only in controlled conditions in establishments.

The UK Food Hygiene (Amendment) Regulations have passed onto the statute books including their requirement that all smoked fish as well as cooked fish products must be held at the specified chill temperatures.

2. PHASE I

The project commenced with general meetings with the merchants and other interested parties at the market to explain the legislative situation and the purpose of the contract. Co-operation was requested and has been received.

Seafish project staff have spend many mornings on the market observing and monitoring operations. Product temperatures, movements and time delays have been measured. Further data on temperatures has been gathered from the Fishmongers Company and the Merchants Association. Available statistical data on market throughputs has been gathered from the Superintendents Office and the Merchants Association. Detail data on the nature of the merchant's trade is not recorded and so, with the collaboration of the Merchants Association, a questionnaire was devised for a representative sample of about one third of the businesses (which in fact cover the great majority of the volume of trade). These questionnaires were completed during confidential interviews with each of the merchants concerned. Data on turnover and trends, types of products, types of outlets, facilities used and the merchants own needs and views on the development of the market has been gathered but is not yet analysed. A copy of the questionnaire is attached. Details of individual businesses will remain confidential to Seafish. A further general meeting was held with the remaining tenants for them to express their views on the development of the market.

Seafish project staff have also visited other London markets and it is planned to hold further meetings with particular interest groups at Billingsgate.

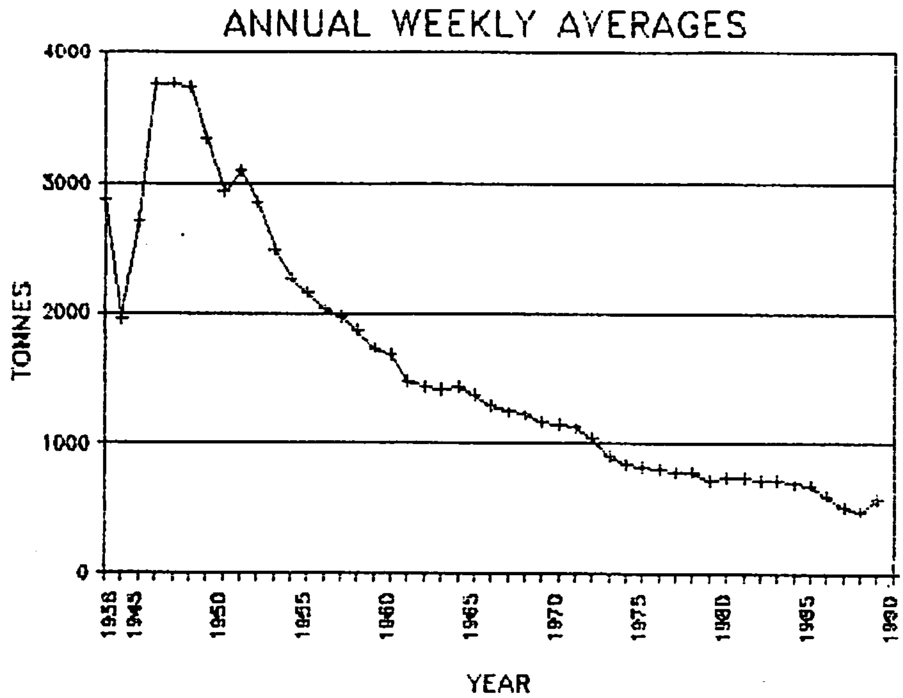
3. PHASE II

An initial meeting was held with the London Fish and Poultry Retailers Association for them to express their needs and views on the development of the market. Further meetings have been held and are scheduled with Multiple Retailers and others. Another questionnaire has been devised for circulation to users of the market. A copy is attached.

4. PROBLEMS PERCEIVED AND SOME INITIAL VIEWS

These initial phases are intended to be critical and to gather the data necessary for decision making. At this stage it is relatively easy to perceive some of the major problems facing the market but there is insufficient analysed data available to properly quantify those problems and so to make firm judgements. This must be borne in mind when reading the following brief and partial summary of the findings to date.

1. The throughput of the market has fallen dramatically since the 1940's.



This does not reflect the total consumption of fish which has probably changed little but does reflect the changing patterns of trade in which the market has been losing out. The increased consumption of frozen products, the decline of the traditional fishmonger and the development of multiple retailing and direct deliveries are notable. The situation at Smithfield appears similar but that at New Covent Garden has been ameliorated by incorporating catering distributors who are part of the new trading pattern.

2. Although the present market was built as recently as 1982 and the quality of its fabric is quite high, its design and layout reflect earlier traditions and are simply not suited to the needs of efficient food handling, temperature control and hygiene.

a) The layout of the site itself is somewhat restrictive with the relatively long and narrow premises hard against a water barrier on one long side restricting access and a change in level restricting access on the other long side. Within the premises the market area is relatively small and centrally located between the main fresh and frozen fish storage areas with other storage areas dispersed about. Access and customers vehicles are restricted to one end of the site. Large quantities of products flow on circuitous routes throughout and around the premises and much of it directly through the central market area already congested by customers. Most of this movement is manual. The market does not appear to have been designed as a material flow sytem at least for its present usage, and is far from the ideal starting point for upgrading.

b) Provisions for temperature control are minimal. There is an obvious shortage of refrigerated storage facilities as evidenced by the additional trailer units being installed around the market where space permits. The design, location and usage of these units are far from ideal. The main fresh fish storage area is simply a covered apron. This area would have to be enclosed and refrigerated at the very least. Fresh and frozen fish including cooked and smoked products are displayed without protection in the market area. Displayed fish should be protected and refrigerated as necessary. The capacity of the cold store may well have been inadequate for the increasing trade in frozen products from the day it was opened. More particularly the market layout was not designed for handling frozen products and there is a chronic shortage of buffer storage capacity to enable the making up of orders. Consequently, pallets of frozen fish are left for hours unprotected on aprons to provide an accessible stock for the day's trading. This will have to stop. Trade in frozen fish has become a major part of the market and there is little doubt that its continuation will be essential for the market's survival. Purpose designed facilities will be required for this. Changing trading patterns including the shortage of wet fish supplies have resulted in a significant proportion of the trade being in frozen fish thawing for ultimate fresh sale. As the legislation is currently proposed, this trade would be curbed dramatically. Fish would be either frozen or fresh and thawing would have to be carried out in a licensed establishment and the thawed fish properly packaged and labelled.

3. Although the terms of Seafish's contract stipulate that the market will continue to operate on the principle of sale by sample, it is clear that because of changing trading patterns the market has already changed from being a solely sale by sample market. On one particular morning, Seafish project staff measured approximately one third of the total trade passing directly through the stands. Nowadays a major strength of the market is the very wide range of often highly priced products available. Many customers now want to buy small quantities of this wide range rather than bulk orders of the few traditional products. This necessitates selection, packaging and direct sale on each merchants stand. Merchants and customers agree that this is now an essential feature of the trade. However, the implications for the upgrading of the market are massive as each merchant will require to operate in a licensed establishment. It is possible that the outer shops in the central market area could be upgraded to this status but to provide adequate space for the various requirements, more of them would have to be amalgamated into larger units and total throughput capacity would be lost. Lack of space, facilities and protection on the centre stands would preclude this status without

considerable development and large reduction in the number of stands and hence traders. Even then the continuing congestion of customers and product flow on the market floor would be highly undesirable and of questionable hygiene status. The option of restricting trade to sale by sample of intact packages would hinder trade and the long term prospects of the market.

4. There is widespread dissatisfaction amongst merchants and customers in relation to the porterage and handling system. It has to be said that the system is highly flexible and it does work but it is not particularly careful or accurate in operation and pays little heed to hygiene and temperature control requirements. Vehicles are left open for extended periods whilst customers are on the market and products delivered to the vehicles remain unprotected. Changed operating procedures and the addition of refrigerated buffer storage areas for the assembly of orders could correct many of the technical problems.

5. Admission of the public and direct retail sales infuriate the trade customers but are valued by the merchants. Trade buyers object to the resulting congestion and to meeting their own customers on the market. It detracts from their image of the market. This has become more of a problem as the market has moved away from the principle of sale by sample of intact packages. Further data analysis is required to quantify the extent of direct retail trade although there is little doubt that wholesale trade remains by far the greatest proportion. Unrestricted admission of the public to the current system of market operation undoubtedly adds to the hygiene problems but many of those problems will have to be tackled anyway for the continuation of the primary wholesale trade. These primary trade issues should be addressed first.

6. The current shellfish boiling operation will comprehensively fail to meet the particularly stringent hygiene requirements to be demanded for shellfish processing. Any such business would have to be in a licensed establishment. It would require an enclosed, Q shop type operation fitted out to a very high standard with expert management and comprehensive monitoring, control and record keeping systems. Shellfish would have to be cooked in controlled conditions, be rapidly chilled and then be packed and labelled within the establishment. Although the facility is valued by the shellfish merchants it would become an expensive business and would require financial justification.

7. The Q shops have the advantage that they are self contained operations and it is largely the responsibility of the tenants to fit them out to suit requirements. Some are quite well fitted out, others are poor and some are clearly too small for their purpose.

8. Throughout the study to date, cooperation has been forthcoming from virtually all concerned. There is a widespread awareness of the shortcomings of the market and of the need for substantial change, but there is also a considerable loyalty to/affection for the institution of the market and this may be one of its greatest strengths if the technical and operating problems can be overcome. A number of leading merchants have expressed the view that upgrading should be comprehensive so that in the long term they have the facilities to remain competitive with other sectors of the food industry, and they appear to be prepared to invest in that future.

9. Drawing these various but incomplete strands together it is beginning to emerge that a minimum patch and mend upgrading of the existing market will itself be extensive and expensive and be restrictive on the type and scale of

trade permissable. This may not be in the best long term interest of the market. Because of the extent of communal facilities the re-building transition will also be difficult. However, given a clean sheet of paper a much simpler type of market could be envisaged similar to that at New Covent Garden or in principle to that proposed for the upgrading of Smithfield:

Within an overall building shell each merchant is rented a relatively large enclosed unit or number of units located around the periphery of the building. The produce is delivered to the outward facing side of the units and is stored within each unit. The display area is on the inward facing side of each unit. The central area of the building is a promenade area for the customers and no barrows or fork lift trucks, etc, would be permitted there. After sale the produce is moved out again from the outward facing side of the units. Each merchant is responsible for his own unit and can fit it out for fresh or frozen storage and display and as a licensed establishment as required.

This type of market would be simpler to operate, devolves much responsibility to the merchants and provides them with the flexibility to develop their own businesses. Redevelopment along these lines could be in the better long term interest of Billingsgate but would require almost total reconstruction of the current site and with associated transitional problems. Although clearly beyond the terms of Seafish's contract which stipulate that the market should stay where it is, it may be useful for the Corporation to reconsider the totality of its market needs. The building of new markets of the simple type proposed on a new site and disposal of the existing sites may be financially attractive and a better long term proposition for the wholesale trade.

These only partly formed and justified views are expressed at this early stage, when much of the necessary work remains to be done, purely to assist the Corporation in its decision making.

APPENDIX I

The Merchants Questionnaire

SEAFISH BILLINGSGATE MERCHANT SURVEY 1991

1.

Company Name		
Office Tel.	Person Interviewed	
Stand No's.	Shop No's.	Q Shop No's.

2.

Total Annual Turnover of Company 1990/91	£
Annual Turnover at Billingsgate 1990/91	£

NOTES: (Nature of any off-market business)

THE FOLLOWING SECTIONS REFER TO TRADE AT BILLINGSGATE

3.

Nature of products sold	% of Trade By Value	% of Trade By Weight	Trend (Increasing + or Decreasing -)
Deep Frozen			
Iced Wet Fish			
Smoked Fresh (Including Thawing)			
Cooked Fresh (Including Thawing)			
Other Chilled (Including Thawing)			
Live			

4.

Thawing Frozen Fish Handled for Fresh Trade	% of Trade By Value	% of Trade By Weight	Trend (+ or -)

NOTES: (Break down live trade by species)

5.

Type of Customer	% of Trade By Value	% of Trade By Weight	Trend (+ or -)
Direct to Public			
Supermarkets			
Other Retailers			
Friers			
Private Caterers (Hotels, Restaurants)			
Institutional Caterers (Hospitals, Canteens)			
Wholesalers Inside Billingsgate			
Wholesalers and processors outside Billingsgate			

6.

Customer Orders By Telephone	% of Trade By Value	% of Trade By Weight	Trend (+ or -)

NOTES: (Importance and nature of Saturday and Sunday trading)

7.

Goods Collection Point After Sale	% of Trade By Value	% of Trade By Weight	Trend (+ or -)
Direct From Stand or Shop			
Off North or East Aprons			
Direct from Main B'Gate Cold Store			
From Own Store At B'Gate (Off Stand or Shop)			

NOTES:

8.

Delivery to Customers premises	% of Trade By Value	% of Trade By Weight	Trend (- or +)
Customers vehicle			
Merchants vehicle			
Delivery services			

9.

Distance of Customers Premises From Billingsgate	% of Trade By Value	% of Trade By Weight	Trend (+ or -)
Within 10 miles			
10-25 miles			
Over 25 miles			
Principal Outlying Towns Serviced			

NOTES: (Delivery service arranged by customer or merchant?)

FACILITIES ON EACH UNIT:

10.

Unit Type (Stand, Shop, Q.Shop)	No.	Floor Area (M^2)

11.

Activities Carried Out on Unit	% of Trade By Value	% of Trade By Weight	Trend (+ or -)
Preparation (Knife-work)			
Packaging re-packaging, sorting			

NOTES: (For multiple units link to type of trade)

Type of Facilities on Unit	Tick Box	State Size Where Required
Chill Store (Volume M^3)		
Cold Store (Volume M^3)		
Live Storage In Water (Capacity KG)		
Refrigerated Chilled Display (Area M^2)		
Refrigerated Frozen Display (area m^2)		
Cold Water Supply		
Hot Water Supply		
Sink for Utensils		
Hand Wash Basin		
Dry Store		
Adequate Dry Area for Packaging Materials		

NOTES: (Additional facilities for processing? Ice plants?

MERCHANT'S VIEW ON NEEDS/DEVELOPMENT OF MARKET:

(What are the major issues and why?)

Eg:

- Days, Hrs of Business
- Unit Space
- Unit Facilities
- Storage Facilities
- Hygiene Standards
- Layout of Market
- Handling Arrangements on Market
- Need for Shellfish Boiling
- Transport Arrangements
- Trading Patterns
- Retail Trade
- Future Role of Market

MERCHANT'S OWN OFF-UNIT FACILITIES AT BILLINGSGATE AND OTHER FACILITIES USED OUTSIDE OF BILLINGSGATE:

13.

Type of Facility	Own off unit facilities at Billingsgate	Other facilities used outside of Billingsgate
Chill Store (Volume M^3)		
Cold Store (Volume M^3)		
Live Storage in Water (Capacity KG)		
Preparation, Processing & Packaging Facilities (Floor Area M^2)		

NOTES:

APPENDIX II

The Customers Questionnaire

IN CONFIDENCE

BILLINGSGATE CUSTOMER SURVEY

1. | Town or Postcode | |
|---|---|

2. What type of business do you run? (Please tick)

Fishmonger		Supermarket/Dept. Store		Restaurant		Health	
Market Stall		Fish & Chip Shop		Pub		Contract Caterers	
Mobile		Hotel		Education		Wholesaler	

Other - Please specify

3. What are the average weekly quantities of fish and shellfish purchased by you from all sources. Is this likely to increase or decrease in the future?

		Average Weekly Quantity - State units	Increase + Decrease -
Fish -	Frozen		
	Iced Fresh		
	Smoked Fresh		
	Live		
Shellfish -	Frozen		
	Iced/Fresh		
	Live		
	Cooked Fresh		

4. What proportion (%) of your total purchase of each type is made from Billingsgate. Is this likely to increase or decrease in the future?

		%	Increase + Decrease -
Fish -	Frozen		
	Iced Fresh		
	Smoked Fresh		
	Live		
Shellfish -	Frozen		
	Iced/Fresh		
	Live		
	Cooked Fresh		

e.g if 75% of your frozen fish is purchased at Billingsgate insert 75% in appropriate box.

5. How does Billingsgate compare as a supplier? Place the sources in rank order starting from 1 (best) to 4 (worst) for each category. See below for example.

	Billingsgate	Other Fish Wholesalers	Direct from Coast	Frozen Food Distributors	Other (please (specify)
eg Cream Cakes	3	4	2	1	
Price					
Freshness					
Variety					
Availability					
Packaging					
Delivery					
Overall					

6. Do you expect to purchase a greater variety of fish/shellfish in the future? yes/same/no - (please specify)

7. Is this likely to require smaller individual pack weights? yes/no

8. What opening hours should Billingsgate adopt? - please state (eg 3 am - 6 pm)

9. What are the best hours for delivery to your business?

10. When buying from Billingsgate would you prefer that

(Tick preferred box)

(a) price be quoted 'delivery included' ☐

(b) delivery to be arranged at your discretion ☐

11. Do you visit Billingsgate to purchase? yes/no

12. Do you consider it important that you inspect fish before purchase? yes/no

13. If you were not allowed to smell/touch the fish presented at Billingsgate would this affect your interest in visiting? yes/no

14. What particular advantages does Billingsgate have?

15. What improvements would you like to see at Billingsgate to encourage you to use it more?

If you wish to speak to us please give your name and telephone number below.

Please Return to: Mr J Tower
Sea Fish Industry Authority
Seafish House
St Andrews Dock
HULL
HU3 4QE

Return by 19th April.