

<b>Committee(s):</b>	<b>Date(s):</b>
Markets	30 September 2015
<b>Subject:</b> Markets Business Plan Update Period 1 2015/16 (April – July)	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>

### **Summary**

This report provides an update on progress against the Business Plan of the Markets Department for Period 1 (April-July) of 2015-16 against key performance indicators (KPIs) and objectives outlined in the Business Plan.

**The report consists of:**

- Performance against the key performance indicators (KPIs) and progress report on the business plan – Appendix A
- Matters of general interest to the Committee – Appendix B
- Financial information – Appendix C
- Sickness statistics – Appendix D

**Key points from the appendices to the report are:**

- **Billingsgate.** A £50 overcharging fee was implemented at Billingsgate Market on 25<sup>th</sup> August to tackle the persistent problem of market hall encroachment.
- Billingsgate car park is expected to make £400,000 for 2015/16; the Service Base Review Target is £305,000.
- The second phase of the project to replace the roof has been delayed until there is further progress on evaluating and clarifying the costs of the Additional Facilities project.
- **Smithfield.** The maintenance department specification has been agreed by the SMTA and Head of Maintenance.
- Following agreement with the SMTA on a revised specification for the security function a decision has been made to reduce the complement by 3 staff.
- Vinci Park Services UK have been awarded the new contract to manage all the City off street car parks, including Smithfield Rotunda car park and a report seeking approval for changes to current tariff arrangements will be submitted to the January Committee.
- A workshop run by FTA and attended by City of London staff was held on 19<sup>th</sup> August to discuss the recommendations.
- The FTA will now produce a presentation comprising the list of things that both the City and the tenants need to do to ensure that HGV unloading operations at the market no longer constitute a Red risk.
- **Spitalfields.** Initial negotiations led by the City Surveyor with the Spitalfields Market Tenants Association did not reach agreement on renewal lease terms and Deloitte has now been engaged as the City's expert witness to act in future negotiations and any Court related proceedings. It is currently anticipated that either through negotiation or a Court approved dispute resolution process, terms for new leases will be settled by Summer 2016.
- The draft Working Manual will be completed by the end of October and, once agreed by the City Surveyor and Comptroller & City Solicitor, will be subject to

consultation with the tenants during the lease negotiations.

●**Sickness MKPI 1.**The underperformance at all Markets during Period 1 was due to 7 long-term sickness cases predominantly within the constabulary teams at Smithfield and New Spitalfields Market. At Billingsgate Market there was a hike in short-term sickness cases and this was within the constabulary and cleaning teams.

●**Department.** The first Workforce Planning Group meeting was held on 26<sup>th</sup> June and a draft plan has been prepared and submitted to Summit Group.

● A market management conference was held on 23<sup>rd</sup> June.

●**Finance.** At the end of July 2015, the Department of Markets & Consumer Protection was £283k (47.4%) underspent against the local risk budget to date of £0.6m, over all the services now managed by the Director of Markets & Consumer Protection covering the Markets Committee. Appendix C sets out the detailed position for the individual services covered by this department. Overall the Director of Markets & Consumer Protection is currently forecasting a year end underspend position of £146k (8.2%) for his City Fund and City Cash services.

### **Recommendation(s):**

It is recommended that your Committee notes the content of this Report and its appendices.

## **Main Report**

### **Background**

1. The 2015-16 Markets Business Plan sets out six Key Performance Indicators (KPIs) and 14 Key Improvement Objectives against which the Markets performance will be measured throughout the year.
2. The KPIs and objectives are updated in Appendix A.

### **Financial and Risk Implications**

3. The end of July 2015 monitoring position for Department of Markets & Consumer Protection services covered by Markets Committee is provided at Appendix C. This reveals a net underspend to date for the Department of £283k (47.4%) against the overall local risk budget to date of £0.6m for 2015/16.
4. Overall the Director of Markets & Consumer Protection is currently forecasting a year end underspend position of £146k (8.2%) for his City Fund and City Cash services under his control. The table below details the summary position by Fund.

<b>Local Risk Summary by Fund</b>	<b>Latest Approved Budget</b>	<b>Forecast Outturn</b>	<b>Variance from Budget</b>	
			<b>+Deficit/(Surplus)</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
<b>City Fund</b>	48	48	0	0%
<b>City Cash</b>	1,743	1,597	(146)	(8.4%)

<b>Total Markets Services Local Risk</b>	<b>1,791</b>	<b>1,645</b>	<b>(146)</b>	<b>(8.2%)</b>
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5. The reasons for the significant budget variations are detailed in Appendix C, which sets out a detailed financial analysis of each individual division of service relating to this Committee, for the services the Director of Markets & Consumer Protection supports.
6. The better than budget position at the end of July 2015 relates mostly to underspends at Smithfield Market for salary savings on vacant security posts deleted a year early for the Service Based Review; savings on the water, energy and Citigen budgets due to lower anticipated seasonal usage; and underspends against the agreed carry forward budgets as these works will be completed later in the year by the City Surveyor. Other underspends to date relate to Spitalfields Market and reimbursable energy costs received from the tenants due mainly to the uplifted charges, however, any over-recovery will be offset against lower service charge bills at year end.
7. These favourable variances are partly offset by increased charges at Smithfield Market for the new VINCI car park contract. Additional income will need to be generated or cost savings made elsewhere to offset these costs.
8. The Director of Markets & Consumer Protection anticipates this current better than budget position will continue to year end, subject to income activity achieving projected levels.

### **Strategic Implications**

9. The monitoring of performance indicators across the Division links to all three Corporate Plan Strategic Aims (To support and promote 'The City', To provide modern, efficient and high quality local services for the Square Mile; and, To provide valued services to London and the nation).

### **Consultees**

10. The Town Clerk and the Chamberlain have been consulted in the preparation of this report.

### **Background Papers**

Appendix A - Performance against the key performance indicators (KPIs) and progress reports on the business plan

Appendix B - Matters of general interest to the Committee.

Appendix C – Financial Information

Appendix D – Sickness statistics

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