

Committee(s)	Dated:
Port Health and Environmental Services – For information	22 May 2018
Subject: Markets and Consumer Protection Business Plan 2017-2020: Progress Report (Period 3)	Public
Report of: The Director of Markets and Consumer Protection	For Information
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Summary

This report provides an update on progress against the operational performance indicators (PIs) and improvement objectives outlined in the Business Plan of the Port Health and Public Protection Division (PH&PP) of the Department of Markets and Consumer Protection (M&CP), for Period 3 (December 2017-March 2018) of 2017-18.

The report consists of:

- Performance against operational performance indicators (PIs) – Appendix A
- Progress against key improvement objectives – Appendix B
- Enforcement activity – Appendix C
- Financial information – Appendix D
- PH&PP Risk Register Summary and Risk Matrix – Appendix E

Key points from the report are that:

- The Department continues to evaluate the potential impact of leaving the EU on the services it provides in order to prepare appropriate mitigating actions. Submissions have been made to relevant Government inquiries and representation on working parties and lobbying of MPs continues.
- Throughput at the Ports has continued to increase significantly. Between January and March 2018, throughput of consignments of products of non-animal origin was 54,161, compared to 39,584 for the same period in 2017; an increase of over 35%. The first three months of 2018 surpassed the total throughput for 2014.
- The City's infrastructure projects are progressing well with the Pollution Control Team working hard to ensure the environmental impacts of Crossrail, Thames Tideway Tunnel and Bank Station Capacity Upgrade are being continuously monitored and managed by the numerous contractors.
- Air Pollution levels in Sir John Cass School playground met health-based limits for the first time since monitoring began.
- The Commercial Team presented written evidence to the Chartered Institute of Environmental Health (CIEH) and to an All Party Parliamentary Group (APPG) on working at height. As a result, Officers were invited to provide further evidence at the APPG's first oral session.

- Trading Standards is carrying out work in relation to the potential reputational threat to the City from fraudulent cryptocurrency businesses. Project planning is now underway that will lead to visits being made during 2018.
- The Heathrow Animal Reception Centre has continued to see an increase in income. The Centre has also received a wide variety of animals from around the world including cheetahs, wombats, Fairy Penguins and very rare cockatoos.
- At the end of the February 2018, M&CP was £268k (11.63%) underspent against the local risk budget to date of £2,305k, over all the PH&PP services managed by the Director and covered by the Port Health & Environmental Services Committee. Overall, the Director is currently forecasting a year end underspend of £186k (7.1%) for the PH&PP City Fund services.
- Several departmental risks have been identified. Of these, the most significant risks for this Committee to consider are:
 - CR21 – Air Quality (Current Risk: RED no change)
 - MCP-PHPP 001 Brexit (Current Risk: AMBER no change)

Recommendation(s)

Members are asked to:

- Note the content of this report and its appendices.

Main Report

Background

1. The 2017-20 PH&PP Business Plan sets out ten operational performance indicators (PIs) and fifteen improvement objectives against which the Division's performance will be measured throughout the year.
2. The PIs and objectives were selected to be representative of the main elements of work carried out.

Current Position

3. To ensure that your Committee is kept informed of progress against the current business plan, progress against PIs (Appendix A) and key improvement objectives (Appendix B) is reported on a periodic (four-monthly) basis, along with a financial summary (Appendix D). This approach allows Members to ask questions and have a timely input to areas of particular importance to them. Members are also encouraged to ask the Director for information throughout the year.
4. Progress against the business plan is regularly discussed by Senior Management Groups to ensure any issues are resolved at an early stage.
5. In order to provide further information on the work carried out by PH&PP, each periodic report includes a summary of the enforcement activity carried out (Appendix C).

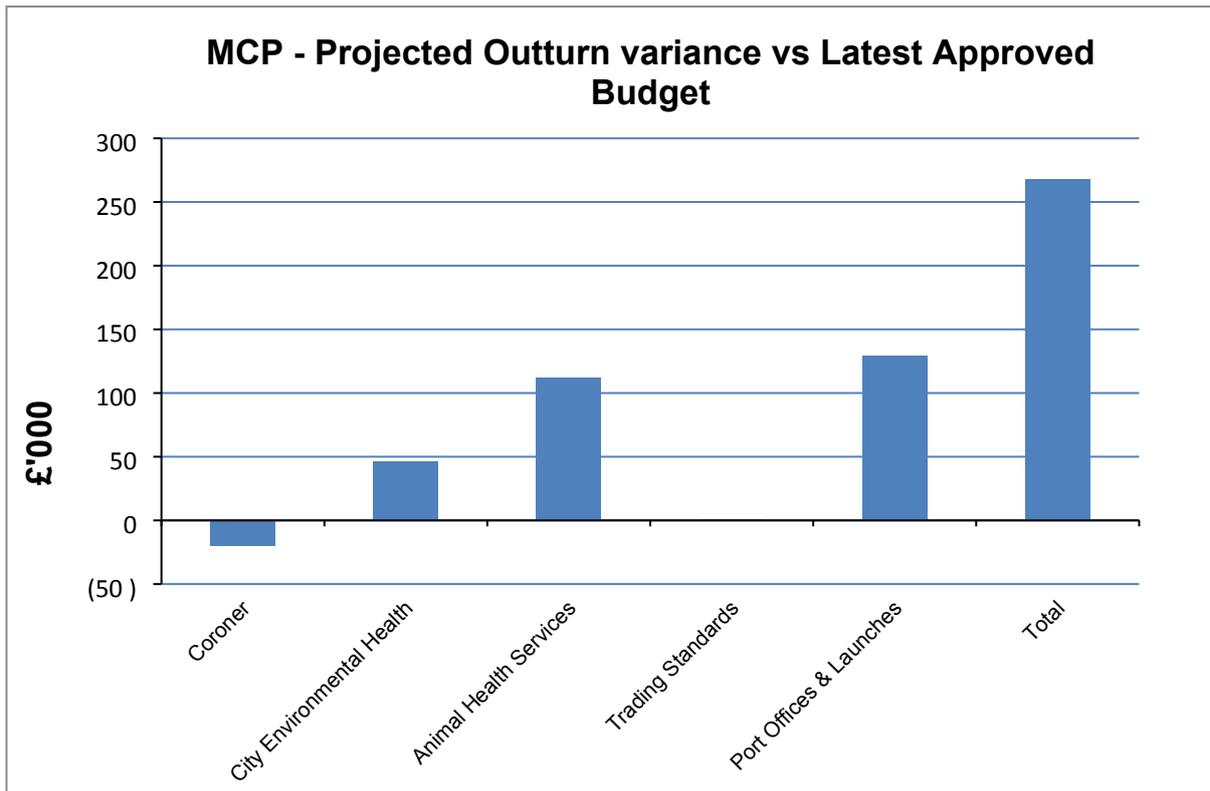
6. To assure your Committee that satisfactory risk management procedures are in place and meet the requirements of the corporate Risk Management Framework, this report includes an update on the key risks that exist in relation to the operations of the PH&PP Division. A summary of the PH&PP Risk Register and the Risk Matrix are provided at Appendix E.

Corporate & Strategic Implications

7. The monitoring of PIs and key improvement objectives across the Division links to all three of the Strategic Aims set out in the Corporate Plan 2015-19.

Financial Implications

8. The end of February 2018 monitoring position for M&CP services covered by the Port Health & Environmental Services Committee is provided at Appendix D. This reveals a net underspend to date for PH&PP of £268k (11.63%) against the overall local risk budget to date of £2,305k for 2017/18.
9. The better than budget position at the end of February 2018 is mainly due to salary underspends resulting from maternity leave and staffing vacancies. There has also been additional income generated at the HARC from increased animal throughput and a variety of additional income streams over performing at the Ports, although this is partly offset by additional sampling costs due to increased workload in relation to Brazilian meat products.
10. Overall the Director of Markets & Consumer Protection is currently forecasting a year end underspend position of £186k (7.1%) for the PH&PP City Fund services



Notes:

1. Zero is the baseline latest approved budget for each Division of Service.
2. Graph shows projected outturn position against the latest approved budget.
3. A variance above the baseline is favourable i.e. either additional income or reduced expenditure.
4. A variance below the baseline is unfavourable i.e. additional expenditure or reduced income.
5. Overall PH&PP is forecasting an underspend of £268k at year end.

11. The reasons for the significant budget variations are detailed in Appendix D, which sets out a detailed financial analysis of each PH&PP service relating to this Committee which the Director supports.
12. The Director anticipates this current better than budget position will continue to year end, subject to income activity maintaining its current performance. The final year end position will be reported by the Chamberlain, as part of the outturn report, to the July Port Health & Environmental Services Committee.

Risk

13. Risk is reviewed regularly by the Senior Management Team as part of the ongoing management of operations within the Division. 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.

Departmental risk management process

14. Risk management is a standing agenda item at the bi-monthly Departmental Senior Management Group (SMG) meetings, 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, ensuring that adequate consideration is given to operational risk.
15. Between each SMG meeting, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly.
16. Regular risk management updates are provided to this Committee in accordance with the City's Risk Management Framework.

Identification of new risks

17. 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.
18. 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

19. The Department's Risk Register for PH&PP Services (Appendix E) includes one Red (Corporate) risk and one Amber risk as detailed below.
20. CR21 – Air Quality (Current Risk: RED no change)

Cause: Small particulate pollution has chronic health impacts from long term exposure at very low concentrations and is in evidence within the City and central London. There is also a health impact associated with long term and short-term exposure to nitrogen dioxide.

Event: Under certain atmospheric conditions there is a higher probability of poor air quality within the City and it is more likely that residents, workers and visitors would suffer the acute consequences.

Effect: The consequences both acute and chronic may include:

- An increase in hospital referrals placed upon both emergency services and the NHS for those already suffering from respiratory or cardiovascular conditions (it may also place a strain on City social services).
- An increase in deaths, particularly of those already suffering from respiratory or cardiovascular conditions (both residents and workers).
- Economic costs such as acting as a deterrent to businesses coming to London, or staying here, and financial penalties for non-compliance with air quality limits.
- Persistent poor air quality may affect the longer term health of the City population.
- Persistent poor air quality may attract adverse media coverage making the City seem a less attractive place to live and work.

With the aim of reducing the risk, the City continues to implement the policies detailed within the City of London Air Quality Strategy 2015-2020. The Air Quality Team continues to work in liaison with the Department of the Built Environment to investigate ways to reduce factors which create air pollution. A number of other actions have been undertaken during Period Two and a selection of these is shown in the Enforcement Activity Report at Appendix C.

21. MCP- PHPP 001 – Brexit (Current Risk: AMBER no change)

Cause: UK decision to terminate membership of E.U (Brexit).

Event: Legislative changes

Effect: The consequences may include:

- Increased risk to public, animal and environmental health.
- Increased risk to consumers.
- Reduction in income.
- Scarcity of qualified staff, e.g. Official Veterinarians (OVs).
- Potential for increased workload depending on agreement reached.

Operational Property Holdings

22. In accordance with Standing Order 55, PH&PP property holdings are reviewed annually with the City Surveyor. Actions taken this year to date, against a specific improvement objective (objective 12), are given in Appendix B.

Consultees

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

Appendices

- Appendix A – Performance Management Report Period 3 2017-18
- Appendix B – Progress against Key Objectives Period 3 2017-18
- Appendix C – Enforcement Activity Period 3 2017-18
- Appendix D - Financial Statements: Department of Markets and Consumer Protection, Port Health & Public Protection Division
- Appendix E – PH&PP Risk Register Summary and Risk Matrix

Background Papers

Port Health & Public Protection Business Plan 2017-2020
Department Risk Review
Department Business Plan Progress Report
Risk Management Strategy

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