

<b>Committee(s):</b>	<b>Date(s):</b>
Markets	27 January 2016
<b>Subject:</b> Markets Business Plan Update Period 2 2015/16 (August – November)	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>
<b>Summary</b>	
<p>This report provides an update on progress for Period 2 (August-November) of 2015-16 against key performance indicators (KPIs) and objectives outlined in the Markets' Business Plan.</p>	
<p><b>The report consists of:</b></p> <ul style="list-style-type: none"> <li>• Performance against the key performance indicators (KPIs) and progress report on the business plan – Appendix A</li> <li>• Matters of general interest to the Committee – Appendix B</li> <li>• Financial information – Appendix C</li> <li>• Sickness statistics – Appendix D</li> </ul>	
<p><b>Key points from the appendices to the report are:</b></p>	
<p><b>Billingsgate.</b></p> <ul style="list-style-type: none"> <li>• SBR (Service Based Review) commitments: <ul style="list-style-type: none"> <li>• Billingsgate car park is running at capacity and on target to produce an income in excess of £400,000 in 2015/16; the target is £305,000.</li> <li>• The reduction of the administration team by 1 FTE, which was to be delivered by the start of 2016/17, has already been achieved, ahead of schedule.</li> </ul> </li> <li>• Additional Facilities project; the City's appointed Architects and City Staff are engaged in ongoing discussions with individual tenants over drafts of the plans.</li> <li>• The roof project has been temporarily shelved until the cost of the Additional Facilities project is known.</li> <li>• All Mission Critical assets have been identified and a preventative maintenance programme is in place.</li> </ul>	
<p><b>Smithfield.</b></p> <ul style="list-style-type: none"> <li>• The work of the Joint Specification Committee (JSC) has agreed and implemented specifications for the Constabulary, Cleaning, and Maintenance teams.</li> <li>• Various campaigns to increase the use of the Rotunda car park are underway:- <ul style="list-style-type: none"> <li>-Continue use of social media; the car park features on Parkopedia.</li> <li>-Leaflets being distributed within neighbourhood over Christmas and in the New Year.</li> </ul> </li> <li>• There was a very successful meeting with the SMTA on 26 November to address the problems with unloading activities (banksmen) at the market, where the FTA (Freight Transport Association) gave a presentation on its findings and proposed recommended actions. The SMTA acknowledged that tenants have a duty to manage actions of their staff regarding safety on site.</li> </ul>	

●**Spitalfields.** ●The latest draft Working Manual has been cleared by the Comptroller & City Solicitor, and the draft is now ready to be issued to the SpMTA for consultation.

●Initial negotiations led by the City Surveyor did not reach agreement on renewal lease terms or the market rent payable at renewal. Deloitte has now been engaged as the City's expert witness to act in future negotiations and any Court related proceedings.

●Labyrinth Logistics Consulting Limited has completed its work to review Fork Lift Truck movement and usage at the Market and have produced a set of practical recommendation for improving the overall safety of this activity.

●**Sickness MKPI 1.**The underperformance at all Markets to the end of period 2 (April - November) was due to exceptionally high cases of sickness in period 1 (April –July), even though sickness absence has reduced in period 2 (Appendix D).

●**90% of debts to be settled within 60 days MKPI 2.** The underperformance at Smithfield is due predominately to 1 debtor who was chased and payment has now been received. A note at paragraph 11 explains the underperformance at New Spitalfields Market.

●**HR** The second Workforce Planning Group meeting was held on 8<sup>th</sup> December and the group will be working on the Investors in People improvement plan.

●**Finance.** The end of November 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 £232k (19.4%) against the overall net local risk budget to date of £1.2m for 2015/16.

**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.

### **Current Position**

3. To ensure that your Committee is kept informed of progress against the current business plan, progress against KPIs (Appendix A) and matters of general interest (Appendix B), financial summary (Appendix C) are reported on a periodic (four-monthly) basis, along with sickness statistics (Appendix D). This approach allows Members to ask questions and have a timely input on areas of particular importance to them. Members are also encouraged to ask the Directors for information throughout the year.
4. Periodic progress is also discussed by Senior Management Groups (SMG) to ensure any issues are resolved at an early stage.

## Financial and Risk Implications

5. The end of November 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 £232k (19.4%) against the overall local risk budget to date of £1.2m for 2015/16.
6. Overall the Director of Markets & Consumer Protection is currently forecasting a year end underspend position of £56k (3.1%) for his City Fund and City Cash services under his control. The table below details the summary position by Fund.

Local Risk Summary by Fund	Latest Approved Budget £'000	Forecast Outturn £'000	Variance from Budget +Deficit/(Surplus)	
			£'000	%
City Fund	48	48	0	0%
City Cash	1,743	1,687	(56)	(3.2%)
<b>Total Markets Services Local Risk</b>	<b>1,791</b>	<b>1,735</b>	<b>(56)</b>	<b>(3.1%)</b>

7. 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.
8. The better than budget position at the end of November 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 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.
9. 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.
10. 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.
11. New Spitalfields Market Debt: The 61-90 day debt amount of £91,369.10 shown as outstanding as at 30 November relates principally to non-paid rent and service charge, that was due 1st July 2015, involving predominantly 8 tenants, with one tenant owing £32,904.60. This was unusual as these tenants are usually prompt payers and, despite reminders, no reasons for late payment on this occasion were forthcoming. All these amounts have now been paid. Due to the number of these late payments a more rigorous regime of chasing outstanding amounts, particularly in relation to these 8 tenants, has been instigated at the Market to ensure this does not occur again.

## Strategic Implications

12. 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

13. 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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