

2015-2016 Progress against Markets Business Plan

This Report aims to bring Members up to date on progress in achieving the objectives set out in the annual Business Plan for the 3rd period in 2015/16 (December– March inclusive).

To end of Period 3 (December - March)			Period Target (April- March)	Actual days lost (April- March)	Period 3 days lost (December- March)	
					Period 3 Target	Period 3 Actual
MKPI 1	Achieve an overall sickness level of no more than 6 days per person by 31 March 2016, and a total of no more than 720 days across all markets ¹ .	Billingsgate	240	352	80	155
		Smithfield	276	370	92	91
		Spitalfields	168	312	56	54
		Directorate	36	5	12	0
		Total	720	1039	240	300
<p>Comments: The underperformance at Billingsgate Market for period 3 (December - March) was due to three long-term cases. The sickness for the year in the department was exceptionally high, exceeding the annual target by 319 days. This was due to exceptionally high cases of sickness in period 1 (April – July), 406 days were lost in period 1, 333 days lost in period 2 (August – Nov) and 300 days lost in period 3 (Dec- March) compared to a target for each period of 240 days.</p>						

		Target	Period 3 Result	
MKP 2a	90% of debts to be settled within 60 days.	90%	Billingsgate	100%
			Smithfield	99%
			Spitalfields	99%

¹. Target based upon Full Time Equivalent (FTE) members of Markets staff at 31 March 2015 (no. 120).

MKP 2b	100% of debts settled within 120 days.	100%	Billingsgate	100%
			Smithfield	99%
			Spitalfields	99.4%
<p>Comments: <u>Smithfield</u>. 121 plus days aged debt of £7,700.11 relates to 1 debtor. This debt belongs to City Surveyors and is currently in the process of being transferred.</p> <p><u>Spitalfields</u>. 121 plus days aged debt of 7,920.57 relates to 15 debtors, all of which are being chased locally at the Market.</p>				
MKP 3	Divert 90% of waste from landfill at the Markets	90%	Billingsgate	100%
			Smithfield	100%
			Spitalfields	100%
MKP 4	Achieve 95% occupancy of all lettable space at Billingsgate, Smithfield and New Spitalfields Markets.	95%	Billingsgate	98.5%
			Smithfield	88%
			Spitalfields	98%
<p>Comments: The underperformance at Smithfield Market during Period 3 is due to vacant space in the Poultry Market Building remaining unlet while the proposed lettings are on hold pending the completion of the asbestos removal element of the Poultry Market refurbishment project.</p>				
MKP 5	Improve the standard of incident reports, ensuring all information and evidence is gathered thoroughly and documented. All reports to be completed within 3 days following the reporting of an incident.		Billingsgate	100%
			Smithfield	91.7%
			Spitalfields	100%
<p>Comments: The underperformance at Smithfield Market during Period 3 was due to one report being submitted late.</p>				

1	<p><u>Customer and Stakeholder Focus.</u> <i>Deliver statutory and non-statutory services to a high quality with regulatory services being increasingly intelligence and risk-based, in line with the Government's Deregulation agenda and the risks accepted by Members in the Service Based Review.</i></p>	<p><u>December - March 2015/16</u></p>
	<p><u>Billingsgate Market</u> Refresh the Code of Practice at Billingsgate to include all areas that require compliance.</p> <ul style="list-style-type: none"> ●The Code of Practice will clearly set out the responsibilities of the landlord, tenants and market workers in terms of day-to day market activities. ●This will assist with ensuring that food hygiene standards and safety are maintained. 	<ul style="list-style-type: none"> ●Revisions to the code of practice are yet to be completed but it is planned to be completed before the end of June 2016. Key elements that are being included in the code of practice are:- <ul style="list-style-type: none"> -market hall encroachment, -early Trading -polystyrene box waste dumping. ●All of these issues are already being tackled.
	<p><u>New Spitalfields Market</u> Draft a Working Manual for New Spitalfields Market in consultation with the tenants.</p> <ul style="list-style-type: none"> ●The Working Manual will clearly set out the responsibilities of the landlord, tenants and market workers in terms of day-to day market activities. 	<ul style="list-style-type: none"> ●The working manual is now a final draft and its content has been agreed by the SpMTA.

2	<p><u>Finance.</u> <i>Achieve greater value for Money for all our services, including developing and implementing Action Plans for the Service Based Reviews and rigorous reviews locally of Service Charge costs and increased income generation.</i></p>	December - March 2015/16
	<p><u>New Spitalfields Market</u> Manage the lease renewals in collaboration with City Surveyor's. <ul style="list-style-type: none"> ● Successful completion of the lease negotiation process. </p>	<ul style="list-style-type: none"> ● Initial negotiations led by the City Surveyor did not reach agreement on renewal lease terms or the market rent payable at renewal. ● Deloitte was engaged as the City's expert witness to act in future negotiations and any Court related proceedings. ● In accordance with Court Directions, in August 2015 the Comptroller & City Solicitor issued a draft lease to the Tenants' solicitor. The draft lease was returned with amendments, mostly relating to the service charge provisions, but at a meeting of solicitors good progress was made in narrowing down the contentious areas. A further meeting of solicitors and surveyors was held on 21st or 22nd January 2016. ● A further Directions hearing had been scheduled to take place on 5th January. However, both Parties agreed that it would be beneficial to hold a further meeting to try and narrow the differences before serving formal schedules as required by the Directions, confirming which amendments are accepted/rejected. ● Therefore, both the City, as defendant, and Solicitors for the tenants, as Claimant, sought an adjournment of this hearing, which was held 22nd February 2016. ● At that hearing a 3 month stay of proceedings for the purpose of allowing the parties to determine the issues which are not agreed by expert determination and/or arbitration was agreed. ● Negotiations regarding rent are ongoing but will not be finalised until lease terms are settled. The tenants' surveyor is seeking instructions to put forward an improved rent offer. ● The Court has approved a proposal for dispute resolution through a private arbitration, which is less expensive than formal Court action. An application to the RICS for a surveyor arbitrator will be made if a realistic offer has not been received within the next month.
	<p><u>Smithfield Market</u> Agree service specifications with the SMTA under the terms of the new leases. <ul style="list-style-type: none"> ● The work of the Joint Specification Committee will be completed, with specification agreed for all services that are provided to our tenants. ● Terms of new leases become embedded as 'business as usual'. </p>	<ul style="list-style-type: none"> ● The Superintendent, through the Joint Review Group (JRG), is working to finalise the cost apportionment for the cleaning and maintenance specifications. This will enable these two items to be brought to a conclusion for the Joint Specification Committee (JSC).

Billingsgate & Smithfield Markets

Implement Service Based Review (SBR) proposals.

- Car park usage at Billingsgate and Smithfield Markets, and associated income streams, will be increased in line with SBR commitments.
- The 7 vacant meat trading premises in the Smithfield Poultry Market will be let, and income opportunities maximised.

Billingsgate. ● From 1st April 2016 car parking prices were reviewed as follows:

- For annual and quarterly full week parking customers and for the Mirror Group an increase of 2% per annum.
- For monthly full week customers, an increase of 5% per annum.
- For part week customers in addition to the base 2% increase a further increase of 2% for each day less than a full week. For example, a 1 day per week customer would pay an additional 8%, a 4 day per week customer would pay an additional 2%. Daily parking rates to remain at £10.
- If the car parking usage remains the same, the price review will increase car park income by roughly £15,000 per annum.
- The car park is still operating at capacity and applicants on the current waiting list require part week use.
- The SBR (Service Based Review) target of £305,000 from Car parking charges has been achieved with an income in excess of £400k in 2015/16.
- The commitment made under the SBR to reduce the administration team from 4 persons to 3 persons has been achieved.

Smithfield. ● A report seeking approval for changes to current tariff arrangements will be submitted separately to this Committee in July.

- Options of adopting a premium rate for larger good vehicles parking on the Rotunda ramp, as they are unable to access the underground level, are being considered.
- The commitment made under the SBR was to increase the income from the car park by £31,000 by 2015/16. The budget for 2015/16, including the SBR target, was £681,000. The actual income for the year was £667,685.82, providing an increase of £17,686 against the £31,00 target.
- Increased management costs of £48,367, of which £20,000 was refunded, will also have a negative impact on the car park total income.
- Various campaigns to try and increase the use of the Rotunda car park are underway:-
 - Continued use of social media - car park features on 'Parkopedia'.
 - Leaflets being distributed within neighbourhood.
- The letting of units 207, 213 and 213a in the Poultry Market, The proposed lettings are on hold pending the completion of the asbestos removal element of the Poultry Market refurbishment project.
- Offices 202/203 and 211 are currently under offer and, of four units on the ground floor premises that were let over the Christmas period on a temporary basis; two are still being let.

3	<p>Operations and Business Processes. <i>Actively manage both operational and health & safety risks in all aspects of our operations. Collaborate with the City Surveyor to improve the quality of maintenance at our real estate in the short and medium term and, where possible, to improve it.</i></p>	<p>December– March 2015/16</p>
	<p><u>Billingsgate Market</u> Renew the metal roof and adjacent balcony. ●Safer roof and compliance with the food hygiene regulations.</p> <p><u>Billingsgate Market</u> Additional Fish Handling facilities, modernisation works. ●Increased capacity for fish handling transit areas. Tenants will have adequate temperature controlled building space to safely handle each day's fish volumes.</p>	<ul style="list-style-type: none"> ●Prices ranging from £400k to over £3million have been estimated for the roof project. In addition to a full scale renewal, cheaper solutions with a shorter term life expectancy have been and continue to be investigated. The current roof sheets are corroded in places and there have been rainwater leaks. When there have been leaks Individual roof sheets have been replaced and this is resolving the problem in the short-term. A supply of new roof sheets is kept on site. ●In addition, a sealant application solution is being looked at in the short term to address the corrosion problem. ●Proposals and decisions will need to be taken soon as to whether to abandon a full scale renewal and continue with the shorter term solutions of individual panel replacement and corroded sections being managed by the sealant solution. ●Clarity is being sought from City Surveyors regarding the length of time the short term solutions are expected to last. ●The latest price estimate for the Additional Fish Handling Facilities project is significantly over the original estimates. Informal discussions with the tenants association, the LFMA, are strongly indicating that this project be abandoned in its entirety. As a result, tenants having containers placed on site is likely to continue into the future. ●The above two projects were being funded by the Billingsgate Sinking Fund and fishing industry grants but, as it now seems likely that both projects will no longer proceed, the LFMA have instead requested that the Billingsgate Sinking Fund (£1.8 million approx.) be the first choice of funding for all minor modernisation /replacement projects. ●The Sinking Fund is governed by terms and there is a requirement to consult Tower Hamlets before the fund is used, but the fund can be used for rebuilding and replacement works. ●As soon as the fate of the roof and Additional Facilities projects becomes clear, it is proposed that the Sinking Fund be used as funding source to its full extent until all Sinking Fund monies are fully exhausted.

<p><u>Billingsgate Market</u> Resolve internal market cleaning. ●An improvement in the overall standard of cleaning will be apparent, to all stakeholders.</p>	<ul style="list-style-type: none"> ●Billingsgate continues to be compliant with Food Hygiene regulations and standards are improving as no complaints from tenants in the reporting period of this report have been received. ●The Johnston Sweeper vehicle used for external cleaning and the scrubber vehicle used for cleaning the flooring of the Market Hall have been replaced and the purchasing of an additional or larger capacity cardboard baler is being investigated. ●Match funding Fishing Industry grants can be applied for in respect of machinery purchases such as a cardboard baler. ●Improving cleaning standards will remain an objective for 2016/17.
<p><u>New Spitalfields Market</u> Improve safety in relation to workplace transport operations in and around the Market Hall with a focus on forklift truck manoeuvres. ●Recommendations from the short/medium/long term Traffic Management Plans and associated procedures will be put in place, reducing the risk of accidents and near misses.</p>	<p>Since the current Traffic Management Plan was implemented in early 2016, based upon the work carried out by Labyrinth, the following actions have been taken:-</p> <ul style="list-style-type: none"> ●An A-Safe barrier system has been trialled in the market. This barrier will separate pedestrians from FLT's in the 5 "fire paths" that traverse the 3 main avenues in the market hall. Following the successful trial in one part of the market, work is now underway on costs for provision in the remaining fire paths. ●Work has previously taken place to provide crossing points on pedestrian footpaths for forklifts to cross into stands. Work is now underway to provide pedestrian crossing points at every junction in the market hall. Hatched areas are being used to ensure that no produce is stored next to crossing points thereby ensuring that crossing points are not blind. ●FLT's are now required to operate at no more than 5mph on site. ●All stands with mezzanine floors have been asked to account fully for their FLT loading operation in a detailed risk assessment with associated SOPs. ●A review of the HGV operating times and parking is currently under way. Associated actions will provide safer parking and unloading, and will ensure that the bulk of forklift journeys and operations will occur at a time when the market is closed to customers. ●A single body has been nominated to train all FLT users. A training area is being constructed for their use currently. It is expected that they will begin training at the end of April.
<p><u>Smithfield Market</u> Put measures in place to control the risks associated with HGV Banksmen duties. ●The, currently 'amber', health and safety risk associated with Banksmen duties will be controlled and the target risk of 'amber' achieved.</p>	<ul style="list-style-type: none"> ●Unloading operations, which are an Amber risk on the Department's Risk Register, are being addressed: ●Following a very successful meeting with the SMTA on 26th November where the FTA (Freight Transport Association) gave a presentation on its findings and recommended actions. The SMTA acknowledged that tenants have a duty to

		<p>manage actions of their staff regarding safety on site.</p> <ul style="list-style-type: none"> ●An Action Plan was agreed with the SMTA in January 2016 and will be updated by the working party on 22 April 2016. ●The Working Manual continues to be progressed with the FSA/SMTA. This will include Banksmen duties and FLT procedures.
	<p>Work with the City Surveyor to agree Mission Critical assets at each of our sites as part of the BRM (Building Repairs and Maintenance) Asset Verification Process</p> <ul style="list-style-type: none"> ●A definitive list of Mission Critical assets for M&CP properties, with an agreed Planned Preventative Maintenance schedule in place for each, which will facilitate the improved performance of the BRM contract (MITIE). 	<ul style="list-style-type: none"> ● All Markets have successfully contributed to this piece of work. ● Maintenance teams at each of the markets are now focussed on contributing to improving the performance of the Building Repairs and Maintenance (BRM) contract, and providing input to the preparations for the re-tendering of the contract.

4	<p>People and Innovation. <i>Enhance the quality of our leadership and people-management in line with the corporate values of “Lead, Empower, and Trust”. Instil a greater sense of responsibility in our middle management cadre.</i></p>	<p>December – March 2015/16</p>
	<p><u>Smithfield Market</u> Complete the restructure of the security team. ●Security service meets the agreed specification and produces the required cost reductions as identified in the SBR measures.</p>	<ul style="list-style-type: none"> ●The new structure for the Constabulary was introduced in January 2016. The Superintendent is now beginning a period of review and consultation to assess how effective the new structure is. ●The review will be completed by early June 2016 and implemented in July 2016.
	<p>Develop and implement a workforce plan which ensures that our workforce has both the capability and resources to meet the Division’s business objectives. ●A Departmental Workforce Plan will be published and the actions within it will have begun to be carried out.</p>	<ul style="list-style-type: none"> ● The third Workforce Planning Group meeting was held on 8th March and the group discussed three key areas for the department:- <ul style="list-style-type: none"> - Leadership - Mobile Working - Succession Planning ●The Group was tasked with identifying critical roles within their departments and will report back to the next meeting which is planned for early June.
	<p>M&CP senior managers review and implement all relevant actions from the Business improvement plan to address any gaps identified through the liP (Investment in People) assessment. ●Contributing to achieving the stretch target of Silver in September 2015.</p>	<ul style="list-style-type: none"> ● The City of London Corporation has achieved the ‘Silver’ liP level award with many improvements noted by the assessors. ●The Workforce Planning Group is now working on achieving the ‘Gold’ liP level award by September 2016.