

<b>Committee:</b>	<b>Date:</b>
Markets	21 September 2016
<b>Subject:</b> Markets Business Plan Update Period 1 2016/17 (April – July)	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>
<b>Report author:</b> Don Perry - Department of Markets and Consumer Protection	

### Summary

This report provides an update on progress for Period 1 (April-July) of 2016-17 against key performance indicators (KPIs) and objectives outlined in the Markets' 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

SBR (Service Based Review) commitments:

- Billingsgate car park is running at capacity and the projected income from the car park is £450,900 for 2016/17; this is a 9.7 % increase from last year.
- Revised terms with advertising hoarding company Clearchannel will increase annual income to £475,000 from £350,000 after changing all of their existing advertising boards to a digital format.
- The roof project and the Additional Facilities project are being put on hold at the request of the tenants. In the meantime, short term solutions to address the corrosion problem on the roof are being sought from the City Surveyors technical staff.

##### Smithfield

SBR (Service Based Review) commitments:

- Progress is being made to assess rent-free periods for the seven vacant meat-trading premises in the Poultry Market on the basis of the refurbishment needed to bring them up to the standards required by the Food Standards Agency. Subject to Members'

final approval, it is intended to let these premises during this financial year, so that the projected Service Charge savings can start to be made before the beginning of the next financial year.

- In accordance with an agreement reached with the SMTA, the City is increasing the temperature of the condenser water, one degree at a time, to 25°C, in order to reduce operating costs and strain on the cooling towers. The programme has been suspended due to the hot weather but will resume once colder weather returns.

## **Spitalfields**

- As part of the lease negotiations, rent for stands, cafes, full-height catering supply units, and offices have all been provisionally agreed on a 'without prejudice basis'. Compounds and low height catering supply units are subject to further negotiations and agreement.
- Members have approved the proposal to install a segregation barrier within New Spitalfields Market to separate Fork Lift Trucks (FLT) from pedestrians. The cost to install the segregation barrier will be £118,000 and will come from New Spitalfields Market resources.
- The report for a multi barrier entry system to the Market has been through Gateways 1&2 and signed off by Project Committee, Project Sub, and Market Committee.

## **General**

- Sunnyfields Veg of Spitalfields Market was the winner in the Supply Chain Excellence 'Wholesaler of the Year' category and the award was presented to them at the Fresh Produce Consortium's "Fresh Awards" Dinner.

## **Finance**

- At the end of July 2016, the Department of Markets & Consumer Protection was £54k (10.4%) over spent against the local risk budget to date of £0.5m, over all the services covered by the Markets Committee. Appendix B sets out the detailed position for the individual services covered by this department. Overall the Director of Markets & Consumer Protection is currently forecasting a minimal year end overspend position of £13k (0.8%) for his City Fund and City Cash services.

## **Recommendation:**

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

## **Main Report**

### **Background**

1. The 2016-17 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 Director 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 July 2016 monitoring position for Department of Markets & Consumer Protection services covered by Markets Committee is provided at Appendix C. This reveals a net overspend to date for the Department of £54k (10.4%) against the overall net local risk budget to date of £0.5m for 2016/17.
6. Overall the Director of Markets & Consumer Protection is currently forecasting a minimal year end net overspend position of £13k (0.8%) 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	49	49	0	0%
City Cash	1,603	1,616	13	0.8%
<b>Total Markets Services Local Risk</b>	<b>1,652</b>	<b>1,665</b>	<b>13</b>	<b>0.8%</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 worse than budget position at the end of July 2016 relates mostly to Spitalfields Market and incorrect budget profiles for reimbursable energy costs received from the tenants, these will be adjusted for future budget reporting. Further overspends relate to carry forward projects at Smithfield Market that were uncompleted in 2015/16, that were not re-proposed in 2016/17 and have subsequently needed to be funded from local risk resources.
9. These overspends have been partly offset by Smithfield Market salary savings on vacant posts and delays in repairs & maintenance emergency lighting works, plus further underspends at Billingsgate Market due to additional income on the service charge relating to tenancy at wills.

10. The Director of Markets & Consumer Protection anticipates this current worse than budget position will largely be resolved by year end, subject to income activity achieving projected levels.

**Recommendation:**

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

**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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