

<b>Committee:</b>	<b>Date:</b>
Markets	23 January 2017
<b>Subject:</b> Markets Business Plan Update Period 2 2016/17 (August – November)	<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 2 (August-November) 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:

- Revised terms have been agreed with advertising hoarding company Clearchannel and it is expected that the contract will be signed in January 2017. The rent will increase from £350k to £475k per year from a date to be confirmed.

##### General activities

- Billingsgate Code of Practice has been completed and issued to tenants.
- Billingsgate successfully defended an accident claim in court after a Fishmonger claimed he slipped in a puddle of fish slime. The judge ruled in the Market's favour as he felt there were adequate cleaning systems in place.
- From 1<sup>st</sup> April 2017 the LFMA/Billingsgate Traders will reduce their annual service charge contribution towards the Seafood School's facilities from £39,000 to £18,000. The LFMA feel that the Seafood School should now be financially self-sufficient and no longer need the contribution the LFMA have been providing.

## **Smithfield**

SBR (Service Based Review) commitments:

- Smithfield car park review of charges has been completed and approved by Planning & Transportation and Markets Committees and the revised charges will come in to effect from 1 June 2017. The car park is forecast to exceed the additional revenue target of £31k by the end of 2016/17.
- The letting of seven vacant meat trading premises in the Poultry market will reduce the cost to the city of service charge voids on vacant premises. Savings of £40,452 have already been achieved and provisional agreement has been reached on two leases that should realise a further £94,900 in 2017/18. We are hoping to complete negotiations shortly with another two tenants that will provide an additional £66,441 in 2017/18. When these negotiations are finalised they will represent some £200k of savings in 2017/18.

## **Spitalfields**

General activities

- All rents have been now been agreed and leases are being prepared to be issued to tenants.
- The tenants are satisfied with the content of the Working Manual and the revised version has now been signed off.
- The full specification for the multi barrier entry system has been written and is with City Procurement to start the tender process.
- The issuing of Parking Charge Notices (PCN) commenced on 14 November and this action is having a noticeable reduction in parking problems.

## **Finance**

- At the end of November 2016, the Department of Markets & Consumer Protection was £150k underspent against the local risk net budget to date of £63k, 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 £60k (3.8%) for his City Fund and City Cash services.

## **Main Report**

### **Financial and Risk Implications**

1. The end of November 2016 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 £150k (238.1%) against the overall local risk budget to date of £63k for 2016/17.

2. Overall the Director of Markets & Consumer Protection is currently forecasting a year end underspend position of £60k (3.8%) 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	Forecast Outturn	Variance from Budget	
			+Deficit/(Surplus)	
	£'000	£'000	£'000	%
City Fund	47	38	(9)	(19.1%)
City Cash	1,518	1,467	(51)	(3.4%)
<b>Total Markets Services Local Risk</b>	<b>1,565</b>	<b>1,505</b>	<b>(60)</b>	<b>(3.8%)</b>

3. 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.
4. The better than budget position at the end of November 2016 relates mostly to Smithfield Market due to salary savings on vacant posts and delays in the commencement of projects/maintenance of agreed carry forward budget works, plus additional income due to backdated car park income miscoded to Tower Hill car park account, which has now been corrected.
5. 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.

### Recommendation:

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

### Appendices

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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