

Committee:	Date:
Markets	10 May 2017
Subject: Markets Business Plan Update Period 3 2016/17 (December – March)	Public
Report of: Director of Markets and Consumer Protection	For Information
Report author: Don Perry - Department of Markets and Consumer Protection	

Summary

This report provides an update on progress for Period 3 (December-March) 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:

General

- At the National Association of British Market Authorities (NABMA) one day conference in January, Andrew Percy, Minister for Markets, announced that NABMA has been given a seat on the Future High Street Forum Executive Board. This position will mean that markets will remain at the heart of the Government's agenda.
- The procurement exercise to appoint a consultant to carry out the strategic review of the City's three wholesale markets has closed and bids are now being evaluated. It is expected that work on the review will begin in June 2017. The Review will be completed by March 2018 and a report will go to Markets Committee on the findings of the review in May 2018.

Billingsgate

SBR (Service Based Review) commitments:

- Income from the car park remains healthy with £430k of income forecast as the outturn income for 2016/17.

General activities

- Billingsgate Code of Practice is in place; more rigorous enforcement of the code is

required, especially around cleaning standards.

- The Roof project and the Additional Fish Handling Facilities project are on hold and are to be cancelled. The tenants, through the London Fish Merchants Association (LFMA), do not wish the Additional Facilities project to proceed.

Smithfield

SBR (Service Based Review) commitments:

- The outturn report for the car park shows that budgeted income has been exceeded by £160k.
- The letting of four units in the Poultry Market is expected to be concluded shortly. The delays in these lettings have been caused by extended negotiations of City access rights for one specific tenant and waiting for other prospective tenants to provide fit-out costs.

General activities

- The Superintendent has started the review of the Working Manual and will arrange a consultation meeting with the FSA, and the SMTA.
- Freight Transport Association (FTA) have produced a second report on improving Loading Bay, Banksmen Activities, Trading Operations and Traffic Management at Smithfield Market and a meeting with the SMTA to discuss the action plan is planned.

Spitalfields

General activities

- The lease renewal is now complete and Heads of Terms were sent out in March 2017.
- The Working Manual has now been signed off and is in use.
- The multi barrier entry system specification was finalised in March and is with the City Procurement department, who are awaiting confirmation from Comptroller and City Solicitor's department to agree planning rights before they can proceed with the tendering process.

Finance

At the end of February 2017, the Department of Markets & Consumer Protection was £309k (48.5%) underspent against the local risk budget to date of £637k, 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 £330k (21.1%) for his City Fund and City Cash services.

Main Report

Background

1. The 2016-17 Markets Business Plan sets out five Key Performance Indicators (KPIs) and 20 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 (three-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 February 2017 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 £309k (48.5%) against the overall local risk budget to date of £637k for 2016/17.
6. Overall the Director of Markets & Consumer Protection is currently forecasting a year end underspend position of £330k (21.1%) 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	Forecast Outturn	Variance from Budget +Deficit/(Surplus)	
	£'000	£'000	£'000	%
City Fund	47	38	(9)	(19.1%)
City Cash	1,518	1,197	(321)	(21.1%)
Total Markets Services Local Risk	1,565	1,235	(330)	(21.1%)

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 February 2017 relates mostly to Smithfield

Market due to salary savings on vacant posts; delays in the commencement of projects/maintenance of agreed carry forward budget works; reductions in the estimated unit price of energy; and additional income from non-capped leases and additional car park income mainly relating to increased usage levels.

9. The favourable variance to date has been partly offset by increased energy consumption at Spitalfields Market relating to the mezzanine floor areas.
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. The full year end figures will be reported separately by the Chamberlain as part of the outturn report to Committee.

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

Contacts:

Donald Perry (*Report author*)

T: 020 7332 3221

E: donald.perry@cityoflondon.gov.uk

Smithfield Market:

Superintendent – Mark Sherlock

T: 020 7332 3747

E: mark.sherlock@cityoflondon.gov.uk

New Spitalfields Market:

Superintendent – Ben Milligan

T: 020 8518 7670

E: ben.milligan@cityoflondon.gov.uk

Billingsgate Market:

Superintendent – Malcolm Macleod

T: 020 7332 3067

E: malcolm.macleod@cityoflondon.gov.uk

Simon Owen (*Financial information*)

Chamberlain's Department

T: 020 7332 1358

E: simon.owen@cityoflondon.gov.uk