

## APPENDIX A

### 2016-2017 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 3<sup>rd</sup> period in 2016/17 (December– March inclusive).

| To end of Period 3 (August - November)   |  |                     | Total days lost for Year<br>(1 <sup>st</sup> April 2016-31 <sup>st</sup> January 2017) |                                    |
|--|--|---------------------|--|------------------------------------|
|  |  |                     | Target for period<br>April 2016 – January<br>2017                                      | Actual (April 2016 – January 2017) |
| <b>MKPI 1</b>  | Achieve an overall sickness level of no more than 6 days per person by 31 March 2016, and a total of no more than 678 days across all markets <sup>1</sup> . | <b>Billingsgate</b> | 200  | 494                                |
|  |  | <b>Smithfield</b>   | 189  | 480                                |
|  |  | <b>Spitalfields</b> | 150  | 194                                |
|  |  | <b>Directorate</b>  | 26   | 4                                  |
|  |  | <b>Total</b>        | 565  | 1172                               |
| Comments: The sickness figures presented only cover the period 1 <sup>st</sup> April 2016 – 31 <sup>st</sup> January 2017. This is due to a technical fault with the HR system for recording sickness statistics. Sickness absence is significantly in excess of target, especially at Billingsgate and Smithfield Markets where several long-term cases have contributed to the high volume of sickness days. Appendix D illustrates the sickness trend over the period. There has been a reducing trend in long-term absences since the report to January's Committee. |  |                     |  |                                    |
| <b>MKP2</b>  | 90% of debts to be settled within 60 days and 100% of debts settled within 90 days.  |                     | <b>60days</b>  | <b>90days</b>                      |
|  |  | <b>Billingsgate</b> | 96%  | 100%                               |
|  |  | <b>Smithfield</b>   | 100%   | 100%                               |
|  |  | <b>Spitalfields</b> | 96%  | 96%                                |
| Comments: Spitalfields - 61-90 days debt of £3,083.98, relates to 6 debtors all of which are being pursued locally at the Market.  |  |                     |  |                                    |
| <b>MKP3</b>  | Divert 90% of waste from landfill at the Markets   | 90%                 | <b>Billingsgate</b>  | <b>100%</b>                        |
|  |  |                     | <b>Smithfield</b>  | <b>100%</b>                        |
|  |  |                     | <b>Spitalfields</b>  | <b>100%</b>                        |
| <b>MKP4</b>  | Achieve 95% occupancy of all lettable space at Billingsgate, Smithfield and New Spitalfields Markets.  | 95%                 | <b>Billingsgate</b>  | <b>98%</b>                         |
|  |  |                     | <b>Smithfield</b>  | <b>90%</b>                         |
|  |  |                     | <b>Spitalfields</b>  | <b>100%</b>                        |
| Comments: Smithfield - a number of pending lettings within the Poultry Market have been delayed due to continuing correspondence on reservation rights for the occupancy of a new tenant. The first of these has now been resolved and it is expected the remainder will be concluded in the next quarter.   |  |                     |  |                                    |

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

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| <b>MKP5</b> | 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. |  | <b>Billingsgate</b> 100% |
|             |  |  | <b>Smithfield</b> 100%   |
|             |  |  | <b>Spitalfields</b> 100% |
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| 1 | <p><b><u>Customer and Stakeholder Focus.</u></b><br/> <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>Billingsgate Market</u><br/> <b>Refresh the Code of Practice at Billingsgate to include all areas that require compliance.</b><br/>         ●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.<br/>         ●This will assist with ensuring that food hygiene standards and safety are maintained.</p> | <p>●The updated code of practice is in place; more rigorous enforcement of the code is now required. The cleaning standards of some tenants need to be challenged, particularly in the Market Hall. Tenants will be required to ensure that their stands/shops are swept clean of all food remains and debris at the end of each trading day. It is important to maintain hygiene standards that will not encourage pests. Formal written communications to specific tenants with deadlines for action are to be used to enforce the clean state requirement.</p> |
|   | <p><u>New Spitalfields Market</u><br/> <b>Complete and implement the Working Manual for New Spitalfields Market in consultation with the tenants.</b><br/>         ●The Working Manual will clearly set out the responsibilities of the landlord, tenants and market workers in terms of day-to day market activities.</p>  | <p>●The Working Manual is now complete and is in use as a working document.</p>   |
|   | <p><u>Smithfield Market</u><br/> <b>Review the Working Manual and have an updated copy agreed and signed by the tenants.</b><br/>         ●The Working Manual will clearly set out the responsibilities of the landlord, tenants and market workers in terms of day-to-day market activities.</p>   | <p>●The new Superintendent has started a review of the Working Manual and will schedule review meeting with the Food Standards Agency (FSA) in the near future, followed by a meeting with the Smithfield Market Tenants' Association (SMTA) to progress this document. It is anticipated that a revised Working Manual will be in place by June 2017.</p>  |
|   | <p><b>Initiate a comprehensive strategic review of the City's three wholesale markets – including transport needs and location.</b><br/>         ●A report to Markets Committee on the proposed way ahead for the City's Markets.</p>   | <p>●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.<br/>         ●It is anticipated that the Review will be completed by March 2018 and that a report will go to Markets Committee on the findings of the review in May 2018.</p>   |

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| 2 | <p><b><u>Finance.</u></b><br/> <b><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></b></p>   |   |
|   | <p><u>New Spitalfields Market</u><br/> <b>Manage the lease renewals in collaboration with City Surveyor's department.</b><br/>         ●Successful completion of the lease negotiation process.</p>   | <ul style="list-style-type: none"> <li>●The lease renewal is now complete and Heads of Terms were sent out in March 2017.</li> </ul>  |
|   | <p><u>Smithfield Market</u><br/> <b>Agree service specifications with the SMTA under the terms of the current leases.</b><br/>         ●The work of the Joint Specification Committee will be completed, with specification agreed for all services that are provided to our tenants including: Security, Cleaning, Maintenance, Administration, Condenser Water, Waste and Electricity (common parts).</p> | <ul style="list-style-type: none"> <li>●The work of the Joint Specification Committee (JSC) in establishing specifications for the services at the market is coming to a conclusion.</li> <li>● Specifications have been implemented for all the operational areas.</li> <li>●The provision of administration services is being referred to the Joint Review Group (JRG) to establish the correct proportion of the cost that can be allocated to the service charge.</li> <li>●The Joint Review Group (JRG) regularly convenes to agree service charge costs in accordance with the Lease terms.</li> </ul>  |
|   | <p><u>Billingsgate &amp; Smithfield Markets</u><br/> <b>Implement Service Based Review (SBR) proposals.</b><br/>         ●Billingsgate – Pursue opportunities to increase income from commercial car parking<br/><br/>         ●Smithfield – The seven vacant meat trading premises in the Smithfield Poultry Market will be let, and income opportunities maximised.</p>                                   | <p><u>Billingsgate:</u></p> <ul style="list-style-type: none"> <li>●The proposed new advertising hoardings lease with Clearchannel, which will increase the annual rent by some £125k £per annum, is anticipated to be finalised in the near future.</li> <li>●Income from the car park remains healthy with £430k of income forecast as the outturn income for 2016/17.</li> <li>●Demand for car parking spaces has been reducing and there is no longer a waiting list. There has been a high turnover of customers due to the nature of some employment at Canary Wharf and businesses relocating their staff.</li> <li>●Parking charges are reviewed annually from 1<sup>st</sup> April and for this year's review, daily parking charges remain unchanged at £10, an increase of 2.5% has been applied in respect of monthly permits and a 2% increase for quarterly and annual permits. The Director of M&amp;CP has approved these charges under delegated authority.</li> </ul> <p><u>Smithfield:</u></p> <ul style="list-style-type: none"> <li>●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 over access rights for one specific tenant and waiting for other prospective tenants to provide fit-out costs. These negotiations should be concluded in the next quarter with minor</li> </ul> |

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|  | <p>impact on expected realisations.</p> <ul style="list-style-type: none"> <li>●The outturn report for the car park shows that budgeted income has been exceeded by £160,000.</li> </ul> |
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| <p><b>3</b></p> | <p><b>Operations and Business Processes.</b><br/> <i>Actively manage both operational and health &amp; 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><u>Billingsgate Market</u><br/> <b>Renew the metal roof and adjacent balcony.</b><br/> <ul style="list-style-type: none"> <li>●Safer roof and compliance with the food hygiene regulations.</li> </ul> </p> <p><u>Billingsgate Market</u><br/> <b>Additional Fish Handling facilities, modernisation works.</b><br/> <ul style="list-style-type: none"> <li>●Increased capacity for fish handling transit areas. Tenants will have adequate temperature controlled building space to safely handle each day's fish volumes.</li> </ul> </p> | <ul style="list-style-type: none"> <li>●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.</li> <li>●To address the corrosion problem on the roof a stock of spare roof panels is being kept locally, so that in the event of roof leaks, panels can be quickly replaced if necessary. There have been no leaks recently.</li> <li>●The LFMA accept, albeit reluctantly, that Billingsgate will remain on its current site for at least the next 10 years, and will work constructively with the Superintendent to agree the improvement works that are required to ensure that Billingsgate facilities remain suitable over that period. The LFMA have written to the City requesting that the rules surrounding the use of the Billingsgate Sinking Fund be relaxed so that the Fund is more readily available to finance improvements works. There is some £1.8 million in the Sinking Fund and also opportunities to apply for matched funding from fishing industry grants. This means that there could be a potential £3.6 million of funds available to improve the Billingsgate infrastructure.</li> <li>●The roof project and Additional Facilities project would have probably exhausted the Sinking Fund. A multiplicity of smaller enhancement projects is now the likely way ahead.</li> </ul> |
|                 | <p><u>New Spitalfields Market</u><br/> <b>Improve safety in relation to workplace transport operations in and around the Market Hall with a focus on forklift truck manoeuvres.</b><br/> <ul style="list-style-type: none"> <li>●The Pedestrian Segregation Action will be fully implemented, reducing the risk of accidents and near misses.</li> </ul> </p>  | <ul style="list-style-type: none"> <li>●Completed - a full waist-height barrier on one side of the market "fire path" has been installed to stop FLT's coming in to contact with pedestrians, with a low level barrier on the other side to prevent FLT's hitting the fences surrounding the market stands.</li> </ul>  |

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|  | <p><u>Smithfield Market</u><br/> <b>Continue with the project to refurbish the Poultry Market roof.</b><br/>         ●Roof repairs complete and all historic repairs for the building completed.</p>   | <ul style="list-style-type: none"> <li>●The Poultry Market - electrical shutdown and survey was carried out on 19<sup>th</sup> April and all went to plan. Due to delays in concluding structural and electrical testing, the City has postponed scaffold works until there is a firm cost offer. This has extended completion from June 2018 to Sept 2018.</li> <li>●Members will receive a separate 'Poultry Market Major Repairs Project Up-date Report' from the City Surveyors at the May Markets Committee.</li> </ul>   |
|  | <p><u>Smithfield Market</u><br/> <b>Implement the action plan, agreed with the SMTA, to control the risks associated with HGV Banksmen duties.</b><br/>         ●The health and safety risk associated with Banksmen duties will be controlled and the target risk status Amber achieved.</p>                          | <ul style="list-style-type: none"> <li>●The Freight Transport Association (FTA) have produced a second report on improving Loading Bay and Banksmen Activities, Trading Operations, and Traffic Management at Smithfield Market. A meeting with the SMTA to discuss the action plan is to be scheduled. The Superintendent is pressing the SMTA for a suitable date.</li> <li>●A four-night audit was undertaken by Market Security staff in February to ascertain current implementation of banksman duties by tenants. The audit revealed 8% of all lock-on movements were un-supervised by a banksman, with 10% being supervised by a driver operative. The results of the audit have been shared with the SMTA for the development of improvement initiatives which will fall within the scope of the FTA report.</li> <li>●More recently, improvements have been evident. A second four-night audit is planned for early May, after consultation with the SMTA, to ensure a consistent robust application of the required tenant duties combined with regular reviews of performance with this obligation.</li> <li>●The Superintendent has written formally to the relevant transport companies that send deliveries of meat to the market, reminding them of operational regulations and protocols which must be observed without exception.</li> </ul> |
|  | <p><b>Review our property holdings with City Surveyors Department to ensure that we do not occupy buildings and land in excess of our identified operational need, in accordance with Standing Order 55.</b><br/>         ● That our property holdings are appropriate for our operational needs and future needs.</p> | <ul style="list-style-type: none"> <li>●Markets property holdings are reviewed annually with the City Surveyor and were subject to an in depth review in 2014 as part of the Service Based Review (SBR), from which property-related rental opportunities were identified. The department's property holding were also included in the City's Operational Property Review in 2015.</li> </ul>  |
|  | <p><b>Provide input to the renewal of the corporate BRM contract. Work with the City Surveyor, through end-user workshops, to develop the technical specification and individual Site Data Packs for each of our sites.</b><br/>         ● A specification for the new BRM contract that meets</p>                     | <ul style="list-style-type: none"> <li>●This action is now complete. Heads of Maintenance at each Market contributed to the preparation of site data packs, to ensure that the specification for the next BRM Contract meets the Markets' operational requirements.</li> <li>●The New Spitalfields Superintendent was on the Building Repairs and Maintenance</li> </ul>   |

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|  | the requirements of the three Market sites.  | evaluation panel.  |
|  | <b>Risk Management</b> <ul style="list-style-type: none"> <li>●Complete transition of all M&amp;CP business risks on to the Covalent database. All risks, both departmental and local, to be migrated on to the system and Risk and Action Owners to be able to update the system as necessary.</li> <li>●Populate the Covalent system with M&amp;CP Top X risks. Top X risks to be migrated on to the system and Risk Owners to be able to update the system as necessary.</li> </ul> | <ul style="list-style-type: none"> <li>●All identified Markets Business risks and Top X risks have been entered onto the Covalent database.</li> <li>●The department's Covalent Superuser is the only person with access to enter new risks onto the system, but once risks have been added, the individual Risk Managers can then amend and update them as necessary.</li> <li>●All Risk Managers have been trained on the use of the Covalent browser system.</li> </ul> |
|  | <u>New Spitalfields Market</u><br><b>Investigate options for a multi barrier entry system to the market.</b> <ul style="list-style-type: none"> <li>●Improve access and traffic management into the Market. Income from entry charge to offset 20 year plan.</li> </ul>  | <ul style="list-style-type: none"> <li>●The multi barrier entry system specification was finalised in March and is now with City Procurement, who are awaiting confirmation from the Comptroller and City Solicitor's department to agree planning rights before they can proceed with the tendering process.</li> </ul>   |

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| <b>4</b> | <b>People and Innovation.</b><br><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>   |   |
|          | <b>Implement the priorities outlined in the Departmental Workforce Plan.</b> <ul style="list-style-type: none"> <li>●Our workforce will have both the capability and resources to meet the markets' business objectives.</li> </ul>   | <ul style="list-style-type: none"> <li>●The Departmental Workforce Planning Group is being refreshed and a new Chair has been appointed to implement the priorities that will be outlined in the Departmental Workforce Plan.</li> </ul>  |
|          | <b>Senior managers to review and implement all relevant actions in the M&amp;CP liP Business Improvement Plan and work towards providing evidence for the relevant indicators to achieve the Gold liP Standard.</b> <ul style="list-style-type: none"> <li>●The markets will contribute towards the corporate stretch target of attaining the Gold liP Standard in 2016.</li> </ul> | <ul style="list-style-type: none"> <li>● It was decided by the Summit Group to put on hold working towards attaining the Investors in People Gold level until 2018. A mid-term review at the 18 month stage needs to be undertaken if we are to maintain our 'Silver' accreditation. This will be a light touch review with one day on site and written evidence reviewed. This review will take place on 7<sup>th</sup> and 8<sup>th</sup> June 2017.</li> </ul> |

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|  | <p><b>Work with IT Department to identify options for mobile working at the markets.</b></p> <ul style="list-style-type: none"> <li>• Greater efficiency and effectiveness of security operations in monitoring Health and Safety incidents and breaches of local operational rules.</li> </ul>   | <ul style="list-style-type: none"> <li>• Stand inspections at Spitalfields Market are now carried out on tenants' stands using a mobile device with a proprietary auditing application. The software allows photographs to be taken as part of evidence gathering and enables reports to be created automatically; the auditing software is designed to support inspection findings.</li> <li>• The use of this software for enforcement activity at the other two Markets is to be explored.</li> </ul>                           |
|  | <p><b>Deliver a Leadership Development Programme for a cohort of 10-12 current and future managers. (Linked to Corporate Equalities priority within the Equalities and Inclusion Action Plan 2016)</b></p> <ul style="list-style-type: none"> <li>- Delegates will be able to: <ul style="list-style-type: none"> <li>- Lead effectively in times of constant change.</li> <li>- Think strategically and see how strategies can be actioned through effective planning and implementation.</li> <li>- Develop their skills as flexible, agile and resilient managers.</li> <li>- Recognise issues key to the City and adapt team priorities and performance to address them.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• The Leadership Development Programme 2016/17 was successfully delivered for 16 people at the Assistant Director and Team Leader level with the specific aim of encouraging them to find different ways of thinking about leading their areas of business.</li> <li>• The programme will be repeated in 2017/18 with a further group of staff, drawn from a wider range of grades from across the department. The first workshop of this programme was delivered in March 2017.</li> </ul> |