

Committee(s)	Dated:
Port Health and Environmental Services – For information	16 January 2018
Subject: Markets and Consumer Protection Business Plan 2017-2020: Progress Report (Period 2)	Public
Report of: The Director of Markets and Consumer Protection	For Information
Report author: Joanne Hill, Department of Markets and Consumer Protection	

Summary

This report provides an update on progress against the operational performance indicators (PIs) and improvement objectives outlined in the Business Plan of the Port Health and Public Protection Division (PH&PP) of the Department of Markets and Consumer Protection (M&CP), for Period 2 (August-November) of 2017-18.

The report consists of:

- Performance against operational performance indicators (PIs) – Appendix A
- Progress against key improvement objectives – Appendix B
- Enforcement activity – Appendix C
- Financial information – Appendix D
- PH&PP Risk Register Summary and Risk Matrix – Appendix E

Key points from the report are that:

- The City Corporation's concerns regarding the potential impact of leaving the EU continue to be highlighted to relevant government departments and agencies.
- The Air Quality Team continues to implement the measures set out in the Air Quality Strategy.
- An Environmental Health Officer spoke at the annual International Rope Access Trade Association exhibition and conference in Cape Town in October.
- Trading Standards led multi-disciplinary teams as part of 'Operation Mass', in October, visiting premises in the City associated with high risk investment and speculation.
- Food Safety Officers completed an investigation of two outbreaks of gastro-intestinal infection (Campylobacter) involving a single event venue. This was carried out in conjunction with colleagues from Public Health England.
- Trade through the Ports increased significantly this period (particularly during October and November). Enhanced checks on Brazilian products, which came into effect in April 2017, continue to result in much higher numbers of compulsory physical checks.
- A high number of non-compliant animals continue to be dealt with by the Animal Health Team. Officers have been working very successfully in conjunction with the Metropolitan Police to deal with these animals.

- A report was commissioned on the redevelopment of the HARC site to enable the City to take up income generating opportunities that arise.
- At the end of November 2017, M&CP was £75k (5.1%) underspent against the local risk budget to date of £1,463k, over all the PH&PP services managed by the Director and covered by the Port Health & Environmental Services Committee. Overall, the Director is currently forecasting a minimal year end underspend of £73k (2.8%) for the PH&PP City Fund services under his control.
- The Department of Markets and Consumer Protection has identified a number of departmental risks. Of these, the most significant risks for this Committee to consider are:
 - CR21 – Air Quality (Current Risk: RED no change)
 - MCP-PHPP 001 Brexit (Current Risk: AMBER no change)

Recommendation(s)

Members are asked to:

- Note the content of this report and its appendices.

Main Report

Background

1. The 2017-20 PH&PP Business Plan sets out ten operational performance indicators (PIs) and fifteen improvement objectives against which the Division's performance will be measured throughout the year.
2. The PIs and objectives were selected to be representative of the main elements of work carried out.

Current Position

3. To ensure that your Committee is kept informed of progress against the current business plan, progress against PIs (Appendix A) and key improvement objectives (Appendix B) is reported on a periodic (four-monthly) basis, along with a financial summary (Appendix D). This approach allows Members to ask questions and have a timely input to areas of particular importance to them. Members are also encouraged to ask the Director for information throughout the year.
4. Progress against the business plan is regularly discussed by Senior Management Groups to ensure any issues are resolved at an early stage.
5. In order to provide further information on the work carried out by PH&PP, each periodic report includes a summary of the enforcement activity carried out (Appendix C).
6. To assure your Committee that satisfactory risk management procedures are in place and meet the requirements of the corporate Risk Management Framework, this report includes an update on the key risks that exist in

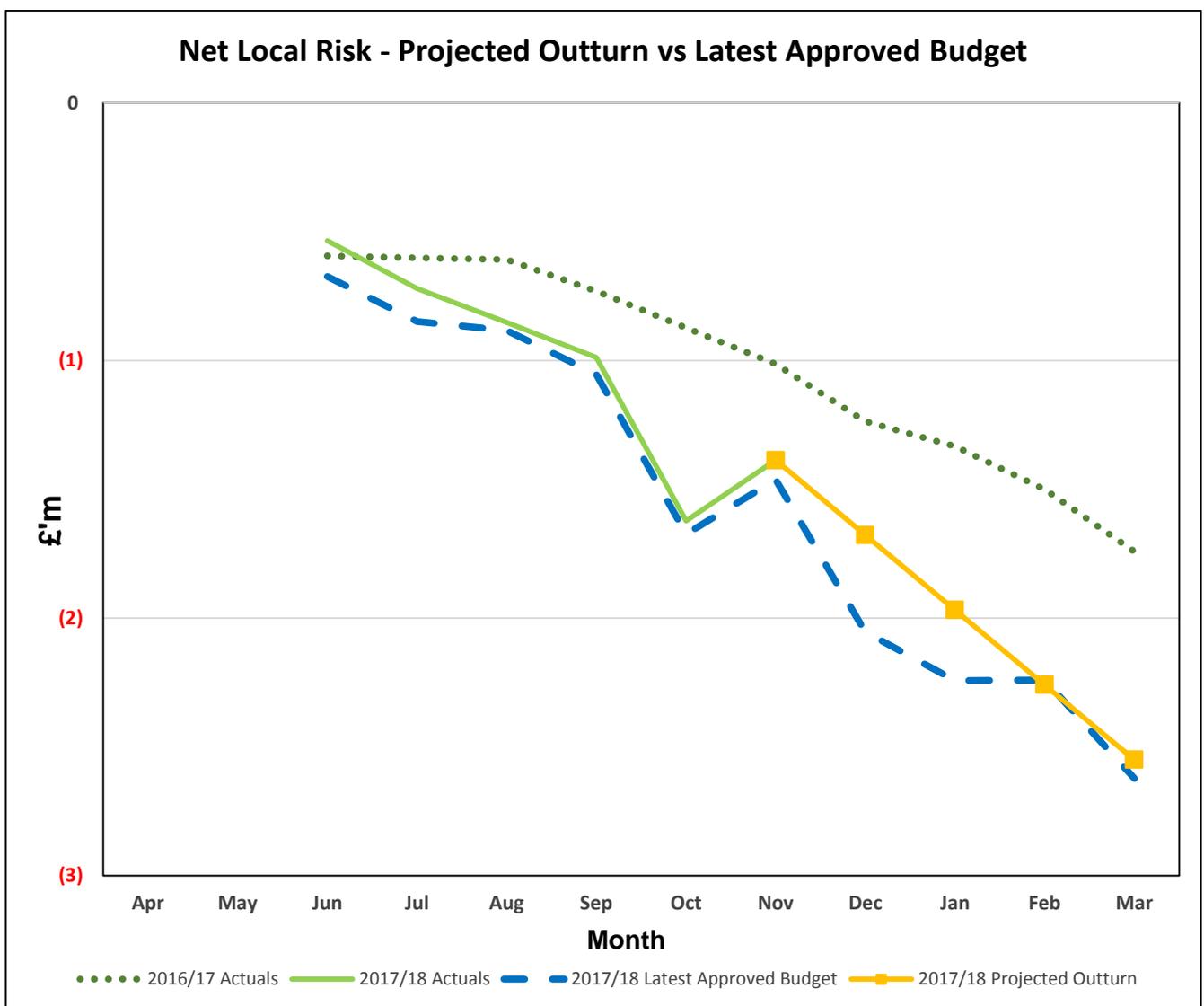
relation to the operations of the PH&PP Division. A summary of the PH&PP Risk Register and the Risk Matrix are provided at Appendix E.

Corporate & Strategic Implications

- The monitoring of PIs and key improvement objectives across the Division links to all three of the Strategic Aims set out in the Corporate Plan 2015-19.

Financial Implications

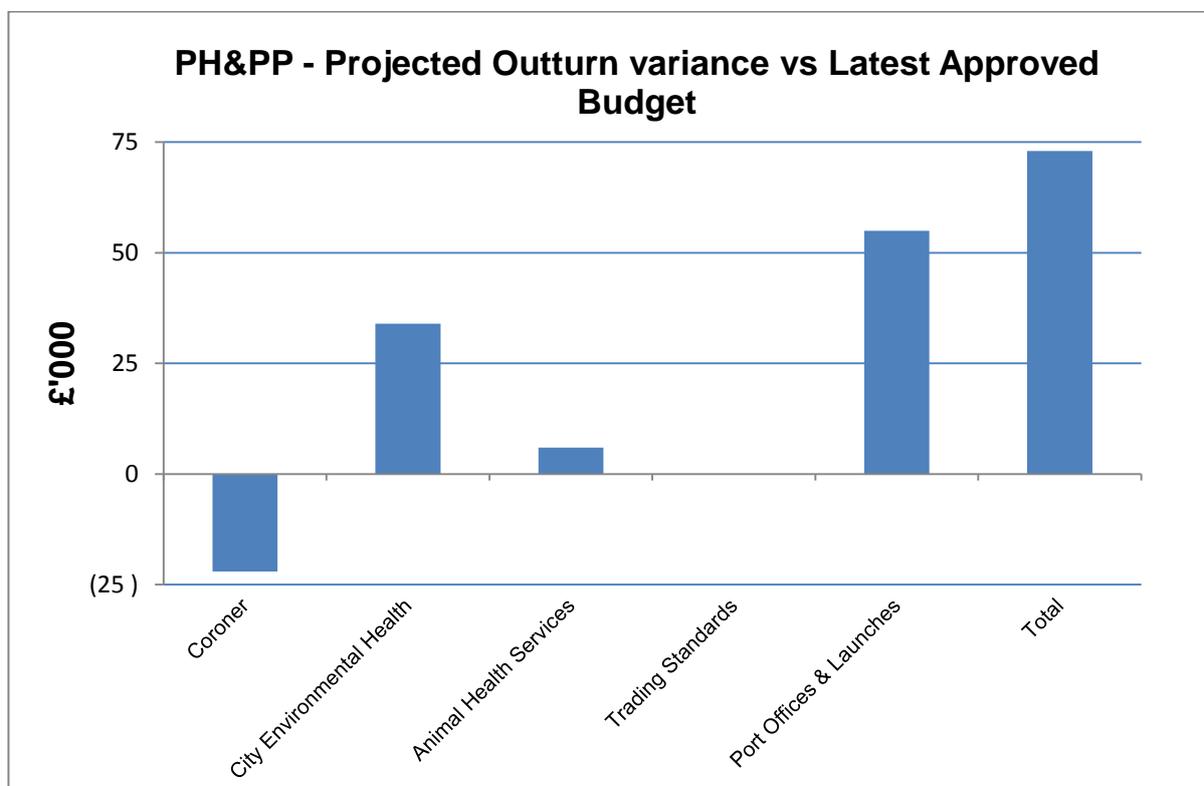
- The end of November 2017 monitoring position for M&CP services covered by the Port Health & Environmental Services Committee is provided at Appendix D. This reveals a net underspend to date for PH&PP of £75k (5.1%) against the overall local risk budget to date of £1,463k for 2017/18.



Notes:

- Graph compares local risk actual net position to date and future projected outturn against the profiled budget for PH&PP.
- PH&PP forecast outturn is £2.550m, representing a projected underspend of £73k against the latest approved budget of £2.623m.

9. Overall the Director of Markets & Consumer Protection is currently forecasting a year end underspend position of £73k (2.8%) for the PH&PP City Fund services under his control.



Notes:

1. Zero is the baseline latest approved budget for each PH&PP service.
2. Graph shows projected outturn position against the latest approved budget.
3. A variance above the baseline is favourable i.e. either additional income or reduced expenditure.
4. A variance below the baseline is unfavourable i.e. additional expenditure or reduced income.
5. Overall the Director is forecasting an underspend of £73k at year end.

10. The reasons for the significant budget variations are detailed in Appendix D, which sets out a detailed financial analysis of each PH&PP service relating to this Committee which the Director supports.
11. The better than budget position at the end of November 2017 is mainly due to salary underspends resulting from maternity leave and staffing vacancies and a variety of additional income streams over performing at the Ports, although this is partly offset by additional sampling costs due to increased workload in relation to Brazilian meat products.
12. The Director anticipates this current better than budget position will continue to year end, subject to income activity maintaining its current performance.

Risk

13. Risk is reviewed regularly by the Senior Management Team as part of the on-going management of operations within the Division. In addition to the flexibility for emerging risks to be raised as they are identified, a process exists for in-depth periodic review of the risk register.

Departmental risk management process

14. Risk management is a standing agenda item at the bi-monthly Departmental Senior Management Group (SMG) meetings, over and above the suggested quarterly review. SMG receives the risk register for review, together with a briefing note highlighting any changes since the previous review. Consideration is also given as to whether any emerging risks exist for inclusion in the risk register as part of Divisional updates on key issues, ensuring that adequate consideration is given to operational risk.
15. Between each SMG meeting, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly.
16. Regular risk management updates are provided to this Committee in accordance with the City's Risk Management Framework.
17. The Director, accompanied by the Chairman, appeared before the Audit and Risk Management (ARM) Committee in July 2017 for a 'Risk Challenge' session, so that the Committee could be assured that Risk within the Director's area of responsibility is adequately managed. The Director set out the department's key risks as being about: Workplace Transport; Brexit; and Air Quality. Only the latter two are relevant to the PHES Committee. On both Brexit and Air Quality (which is also a Corporate Risk) the Director covered the ground that is explained in this report. There was also discussion about illegal street trading, especially concerning nut-sellers by the bridges and ice-cream sellers, which led to a wider discussion about inspections of food establishments and the display of the Food Standards Agency's Food Hygiene Rating Scheme (FHRS) scores. In conclusion, the Chairman of the ARM Committee thanked the Director for explaining how he was managing some very challenging risks and for his candour and insight.

Identification of new risks

18. New and emerging risks are identified through a number of channels, the main being:
 - Directly by SMG as part of the monthly review process.
 - In response to regular review of delivery of the departmental Business Plan; slippage against key deliverables, for example.
 - Annual, fundamental, risk register review, undertaken by the tier of management below SMG.

19. The Risk Register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

Summary of key risks

20. The Department's Risk Register for PH&PP Services (Appendix E) includes one Red (Corporate) risk and one Amber risk as detailed below.
21. CR21 – Air Quality (Current Risk: RED no change)

Cause: Small particulate pollution has chronic health impacts from long term exposure at very low concentrations and is in evidence within the City and central London. There is also a health impact associated with long term and short term exposure to nitrogen dioxide.

Event: Under certain atmospheric conditions there is a higher probability of poor air quality within the City and it is more likely that residents, workers and visitors would suffer the acute consequences.

Effect: The consequences both acute and chronic may include:

- An increase in hospital referrals placed upon both emergency services and the NHS for those already suffering from respiratory or cardiovascular conditions (it may also place a strain on City social services).
- An increase in deaths, particularly of those already suffering from respiratory or cardiovascular conditions (both residents and workers).
- Economic costs such as acting as a deterrent to businesses coming to London, or staying here, and financial penalties for non-compliance with air quality limits.
- Persistent poor air quality may affect the longer term health of the City population.
- Persistent poor air quality may attract adverse media coverage making the City seem a less attractive place to live and work.

With the aim of reducing the risk, the City continues to implement the policies detailed within the City of London Air Quality Strategy 2015-2020. The Air Quality Team continues to work in liaison with the Department of the Built Environment to investigate ways to reduce factors which create air pollution. A number of other actions have been undertaken during Period Two and a selection of these is shown in the Enforcement Activity Report at Appendix C.

22. MCP- PHPP 001 – Brexit (Current Risk: AMBER no change)

Cause: UK decision to terminate membership of E.U (Brexit).

Event: Legislative changes

Effect: The consequences may include:

- Increased risk to public, animal and environmental health.

- Increased risk to consumers.
- Reduction in income.
- Scarcity of qualified staff, e.g. Official Veterinarians (OVs).
- Potential for increased workload depending on agreement reached.

Operational Property Holdings

23. In accordance with Standing Order 55, PH&PP property holdings are reviewed annually with the City Surveyor. Actions taken this year to date, against a specific improvement objective (objective 12), are given in Appendix B.

Consultees

24. The Town Clerk and the Chamberlain have been consulted in the preparation of this report.

Appendices

- Appendix A – Performance Management Report Period 2 2017-18
- Appendix B – Progress against Key Objectives Period 2 2017-18
- Appendix C – Enforcement Activity Period 2 2017-18
- Appendix D - Financial Statements: Department of Markets and Consumer Protection, Port Health & Public Protection Division
- Appendix E – PH&PP Risk Register Summary and Risk Matrix

Background Papers

Port Health & Public Protection Business Plan 2017-2020
 Department Risk Review
 Department Business Plan Progress Report
 Risk Management Strategy

Contacts

Joanne Hill (*Performance Information*)
 Department of Markets and Consumer Protection
 T: 020 7332 1301
 E: joanne.hill@cityoflondon.gov.uk

Simon Owen (*Financial Information*)
 Chamberlain's Department
 T: 020 7332 1358
 E: simon.owen@cityoflondon.gov.uk

John Smith (*Risk Information*)
 Department of Markets and Consumer Protection
 T: 020 7332 3258
 E: john.smith@cityoflondon.gov.uk