

Committee(s):	Date(s):	Item no.
Markets Committee	30.11.2015	
Subject: REVENUE AND CAPITAL BUDGETS - 2015/16 and 2016/17	Public	
Report of: The Chamberlain Director of Markets and Consumer Protection	For Decision	
<p><u>Summary</u></p> <p>This report is the annual submission of the revenue and capital budgets overseen by your Committee. In particular it seeks approval to the latest revenue budget for 2015/16 and provisional revenue budget for 2016/17, for subsequent submission to the Finance Committee. Details of the Committee's draft capital budget are also provided. The budgets have been prepared within the resources allocated to the Director.</p> <p>Business priorities for the forthcoming year include :</p> <ul style="list-style-type: none"> • Implementing the ongoing Service Based Reviews to deliver savings for 2016/17 and beyond; • maintaining the present high level quality of service to our tenants within a cash-limited resource allocation; • completing the New Spitalfields rent and lease negotiations. 		

Summary of Table 1

	Original Budget 2015/16 £'000 (A)	Latest Budget for approval (LAB) 2015/16 £'000 (B)	Movement Original 2015-16 to LAB 2015-16 £'000 (A-B)	Original Budget 2016/17 £'000 (C)	Movement Original 2015-16 to Original 2016-17 £'000 (A-C)
Expenditure	14,109	15,013	904	15,133	1,024
Income	(16,538)	(16,683)	(145)	(17,202)	(664)
Net (Surplus)/Deficit	(2,429)	(1,670)	759	(2,069)	360
Support Services and Capital Charges	2,147	2,221	74	2,256	109
Total Net Expenditure	(282)	551	833	187	469

Overall, the 2015/16 latest budget is £551,000, an increase of £833,000 compared to the original budget of (£282,000). Main reasons for this increase are:

- Re-phasing of City Surveyors local risk estimate for Additional Works Programme of £ 363,000.
- Carry forward provision of £189,000 for works at Smithfield Market,
- Service Based review Savings, (£63,000)
- Supplies and Services, £344,000

Overall, the 2016/17 provisional revenue budget totals £187,000, an increase of £469,000 compared with the original budget for 2015/16 of (£282,000). Main reasons for this increase are:

- Re-phasing and additional City Surveyors local risk estimate for Additional Works Programme and Building Repair Maintenance (BRM) of £728,000,
- Service Based Review Savings of (£362,000),
- National Insurance increases due to the cancelled rebate by the Government, £43,000,
- Supplies and Services, £60,000

Recommendations

The Committee is requested to:

1. Review the latest 2015/16 revenue budget ensure it reflects the Committee's objectives and, if so, approve the budget for

submission to the Finance Committee.

2. Review the provisional 2016/17 revenue budget to ensure it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee.
3. Review and approve the draft capital budget.
4. Authorise the Chamberlain to revise these budgets to allow for changes to the Additional Works Programme and in respect of recharges as well as any changes from Markets Service Reviews, City of London Procurement initiative savings and Carbon Trading Allowances. If the revisions vary by more than 10% of total expenditure a further report will be submitted to this committee for approval.

Main Report

Background

1. The City of London Corporation owns and manages Billingsgate Market (fish) in Docklands, Smithfield Market (meat) in the City and Spitalfields Market (fruit, vegetables and flowers) in Leyton. Smithfield and Billingsgate Markets are funded from City's Cash and Spitalfields Market is funded from City Fund.
2. This report sets out the proposed latest revenue budget and capital budgets for 2015/16 and the proposed revenue budgets and capital budgets for 2016/17. The revenue budget management arrangements are to:
 - Provide a clear distinction between local and central risk and recharge budgets.
 - Place responsibility for budgetary control on departmental Chief Officers.
 - Apply a cash limit policy to Chief Officers' budgets.
 - Provide information regarding the service based review proposals.
3. The latest budget for 2015/16 and the proposed revenue budget for 2016/17 has been analysed by service expenditure and compared with the original budget for 2015/16. The budgets are further analysed between:

- Local risk budgets – these are deemed to be largely within the Chief Officer’s control.
 - Central Risk budgets – these are budgets comprising specific items where the Chief Officer manages the underlying service, but where the eventual financial outcome can be strongly influenced by external factors outside his/her control or are budgets of a corporate nature (e.g. interest on balances and rent from properties).
 - Support Services and Capital Charges – these cover budgets for activities provided by one service to another. The control of costs on these budgets is exercised at the point where the cost or income first arises as a local or central risk cost (e.g. Surveyors employee recharge).
4. The report also compares the current year’s budget with the forecast outcome.
5. In the various tables, income and favourable variances are presented in brackets. Only significant variances (generally those greater than £50,000) are commented on, however this Committee has asked that all adverse variances be commented on, whatever the value.

Business Planning Priorities

6. Business priorities for 2016/17 will focus on maintaining the high quality of service within cash limited resource allocation. As all the Markets now have service charges, albeit with Smithfield's being phased in over five years, consultation with the respective Tenants' Associations on the level of services and their costs will be important to demonstrate value for money, whilst still ensuring that the City's responsibilities as landlord and property owner are protected.
7. Other priorities will include:
- Continuing to implement agreed savings from the Service Based Review and, where possible, seek opportunities for increasing revenue from new or existing income streams;
 - Continuing to reduce health and safety risks at the markets and minimising accidents.
 - Completing the New Spitalfields rent and lease negotiations.
 - Improving the state of the infrastructure and cleaning standards at Billingsgate;

- Continuing to ensure that the commitments in the Smithfield leases are fully implemented by both the tenants and the City;
- Providing leadership and management training for our middle managers.
- Developing a workforce plan which ensures that our workforce has both the capability and resources to meet the business objectives

8. Projects.

- The Smithfield Poultry Market roof repairs and electrical re-wiring project has been initiated and will be progressed as rapidly as possible by the City Surveyor and industry to enable its planned completion by the end of 2017. Other 'historic works' at Smithfield will be progressed by the City Surveyor in line with the approved Additional Works Programme and the 20 year Maintenance Plan.
- Following Consultation with the London Fish Merchants Association and individual tenants, the Additional Facilities Project at Billingsgate is currently being progressed and priced. Once that is complete, options will be put forward to Members for decision.
- Evaluation and pricing of the Phase 2 Billingsgate roof replacement project is underway with a view to the next gateway report being presented to Committees in 2016. Both Billingsgate projects are dependent on funding being available from the Sinking Fund and matched fishing industry grants.

Latest Revenue Budget for 2015/16

9. Overall there is an increase between the Committee's original and latest budget for 2015/16 of £833,000. Table 1A summarises the movements between the original and latest budgets comprising this increase. A further analysis of local and central risk budgets by service is provided at Appendix 1A.

Expenditure

10. An increase in expenditure between the original 2015/16 and latest proposed 2015/16 budget totals £904,000 as follows:
11. A decrease in employment costs of (£54,000) is due to:

- A reduction of (£113,000) for deleted posts at Smithfield Market, of which (£84,000) was Service Based Review savings,
 - less an additional post at Spitalfields Market for a constable recoverable through the Service Charge £35,000;
 - and additional costs for contribution pay and increments of £24,000 over all the markets.
12. An increase of £180,000 for premises related costs is mainly due to a one off carry forward budget of £189,000 for repair work at Smithfield Market from 2014/15 to 2015/16 and a net decrease for repair work at all the markets of (9,000).
13. The increase of £17,000 is due to vacant costs of the Satellite Unit at Billingsgate Market due to the additional length it has been unoccupied and the City has paid the proportion of Service Charge.
14. The increase of £363,000 is due to additional repair work detailed in Table 2A.
15. The increase in transport related costs of £45,000 is due to the purchase of a Tug Bin at Billingsgate Market funded from the Repair and Special Works Fund (RSWF) of £22,000 and hire of a Johnson Sweeper of £23,000 funded through the Service Charge.
16. There is an increase in supplies and services of £108,000 within the Directors local risk budget which is due to:
- an increase in the management of the Rotunda Car Park £42,000. This is due to the increased cost of the corporate city car parks contract retender which now includes payment of the London Living Wage.
 - fees against possible arbitration of £55,000 at Smithfield Market;
 - an increase in the cost of waste removal of £9,000 at Smithfield Market;
 - and a net increase of £2,000 at the other markets covering various categories.
17. There is an increase in central risk supplies and services of £243,000 due to:
- £156,000 for fees against the lease renewal at Spitalfields Market,
 - £10,000 for the Christmas traffic management at Smithfield Market,

- £17,000 for fees for the letting of the Cock Tavern at Smithfield Market,
- and £60,000 for professional fees for the letting of the Satellite Unit Billingsgate Market.

Income

18. An increase in income between the original 2015/16 and latest proposed 2015/16 budget totals (£145,000). Favourable variances over (£50,000) and adverse variances are as follows:
19. The local risk income has increased by (£98,000) to compensate for additional costs payable by the tenants via the Service Charges at Billingsgate and Spitalfields.
20. The small reduction in rent of £3,000 is due to a reduction in Tenancy at Will income.

Support and Capital Charges

21. A detailed breakdown of support and capital charges and recharges can be seen at Appendix 2. The net increase of £74,000 between 2015/16 original budget and 2015/16 latest budget is mainly due to increases in insurances, City Procurement and IT charges and capital costs. This is offset by reductions in Support Services from Chamberlain, Comptrollers, Town Clerk City Surveyors and the Directorate.

TABLE 1A - MARKETS COMMITTEE SUMMARY – ALL FUNDS OR 2015/16 - LAB 2015/16

Analysis of Service Expenditure	Local or Central Risk	Actual 2014/15 £'000	Original Budget 2015/16 £'000	Latest Budget for approval (LAB) 2015/16 £'000	Movement 2015/16 to LAB 2015/16 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	5,059	5,213	5,159	(54)	11
Premises Related Expenses (see note i)	L	4,799	4,836	5,016	180	12
Premises Related Expenses (see note ii)	C	482	130	147	17	13
City Surveyor – Repairs & Maintenance	L	907	960	1,323	363	14
Transport Related Expenses	L	82	50	95	45	15
Supplies & Services (see note iii)	L	860	892	1,000	108	16
Supplies & Services (see note iv)	C	(26)	90	333	243	17
Waste & Cleaning Contract at New Spitalfields Market	L	1,811	1,857	1,857	0	
Capital Charges	L	292	0	0	0	
Transfer to Reserves	L	0	81	83	2	
Transfer to Service Charge Reserves	C	0	0	0	0	
Total Expenditure		14,266	14,109	15,013	904	
INCOME						
Other Grants, Reimbursements and Contribution	L	(422)	(492)	(492)	0	
Other Grants, Reimbursements and Contribution	C	0	0	0	0	
Customer, Client Receipts (see note v)	L	(10,535)	(10,721)	(10,819)	(98)	19
Customer, Client Receipts (see note v)	C	(1,417)	(1,462)	(1,474)	(12)	
Customer, Client Receipts (Rent)	C	(3,646)	(3,711)	(3,708)	3	20
Investment Income	L	(10)	(4)	(4)	0	
Investment Income	C	0	0	0	0	
Transfer from Service Charge Reserves	L	(242)	(112)	(156)	(44)	
Transfer from Service Charge Reserves	C	(64)	(36)	(30)	6	
Total Income		(16,336)	(16,538)	(16,683)	(145)	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(2,070)	(2,429)	(1,670)	759	
SUPPORT SERVICES AND CAPITAL CHARGES						
Central Support Services and Capital Charges		2,466	2,569	2,619	50	
Recharges within Committees		0	0	0	0	
Recharges within Fund		(88)	(84)	(85)	(1)	
Recharges Across Funds		(370)	(338)	(313)	25	
Total Support Services and Capital Charges		2,008	2,147	2,221	74	21
TOTAL NET EXPENDITURE/(INCOME)		(62)	(282)	551	833	

Notes - Examples of types of service expenditure:-

- (i) Premises Related Expenses, Local Risk (L) – includes repairs & maintenance, energy costs, rates, water services, cleaning and domestic supplies
- (ii) Premises Related Expenses, Central Risk (C) – estimated car park rates liability at Billingsgate Market
- (iii) Supplies and Services, Local Risk (L) – Equipment, furniture, materials, uniforms, printing, stationary, professional fees, grants & subscriptions
- (iv) Supplies and Services, Central Risk (C) – actual includes legal fees for Smithfield Market, current year estimates include rates and professional fees for Billingsgate.
- (v) Customer, Client Receipts Local risk (L) – service charge and car parking income and reimbursements for electricity and water

Proposed Revenue Budget for 2016/17

22. The provisional 2016/17 budgets being presented to your Committee and under the control of the Director of Markets and Consumer Protection have been prepared in accordance with the guidelines agreed by the Policy and Resources and Finance Committees. These include 1.5% cash limit allowance for pay increases, as well as the previously approved Service Based Review savings. The budget has been prepared within the resources allocated to the Director.
23. Overall there is an increase of £469,000 between the Committee's 2015/16 and 2016/17 original budgets. Table 1B summarises the movements comprising the increase. A further analysis of the local and central revenue budgets by service is provided in Appendix 1B.

Expenditure

24. An increase in expenditure between 2015/16 and 2016/17 totals £1,024,000 as follows:
25. An increase in employment costs of £69,000 is due to:
- increases in National Insurance of £130,000, of which £88,000 is recoverable through the Service Charges,
 - an additional post at Spitalfields, recoverable through the Service Charge, £35,000,
 - cost of living and incremental increases of £52,000 less
 - a reduction of (£113,000) at Smithfield Market for deleted posts at Smithfield Market,
 - Service Based Review Savings of (£35,000) at Billingsgate Market
26. An increase of £227,000 for premises related costs is due to:
- an increase in repair and maintenance of £126,000 at Billingsgate Market,
 - an increase of £80,000 for repairs and maintenance at Spitalfields Market;

- a net increase of £21,000 for other premises costs across all the markets.

27. An increase of £728,000 detailed on table 2B is due to:

- an agreement in court that the City of London will undertake certain historical works at Smithfield Market. It was agreed by the City Surveyors that this would be included under the Additional Work Programme,
- the increase in reactive and planned works at Smithfield Market is due to moving from a square metre basis to an asset price basis of apportionment for the building and repair contract as reported to Corporate Asset and Resource and Allocation Sub Committee.

28. The increase in local risk supplies and services of £55,000 is due to increases in the costs of the waste contract by £12,000, increase in the cost of managing the Rotunda Car Park by £38,000 at Smithfield Market and inflation increases for various cost categories of £5,000.

29. Increase in professional fees for letting premises of £4,000 at all markets.

30. There is an inflationary increase of £4,000 for the waste contract at Spitalfields Market.

31. The reduction of transfers to the markets reserve accounts of (£60,000) is due to increased costs, resulting in a reduction of contribution.

Income

32. An increase in income between the original 2015/16 and latest proposed 2016/17 budget totals (£664,000) as follows:

33. The increase of (£79,000) is due to additional contributions payable by the tenants at Billingsgate Market as a contribution to the RSWF for future repairs and projects of (£75,000) and a net increase of (£4,000) at the other markets for direct recoverable costs.

34. An increase for local risk client receipts of (£331,000) is due to:

- recoverable costs have increased, therefore contributions from tenants through the Service Charge have increased by (£162,000) at Spitalfields Market,
- recoverable costs have increased, therefore contributions from tenants through the Service Charge have increased by (£150,000) at Billingsgate Market and,

- the income from the Rotunda Car Park has increased by (£12,000) and direct recovery items such as rates of (£7,000) has increased at Smithfield Market.
35. The increase in central risk client receipts of (£50,000) is due to additional income of (£78,000) at Billingsgate Market for Car Parking, less a reduction in income at Smithfield Market central risk of £28,000 for Car parking.
36. There is a rental income increase of (£223,000), which is due to:
- An increase in rental income at Billingsgate of (£250,000). Under the Service Based Review the rental income was due to increase by (£328,000) however, the Satellite Unit will only achieve (£250,000) in 2016/17, the difference will be met elsewhere within the estimates.
 - this is offset by a reduction in Tenancy at Will income of £27,000 at Smithfield Market and Billingsgate Market.
37. Interest rates have fallen which has resulted in a reduction of investment income of £1,000.
38. An increase of transfers from the market reserves for local risk costs of £22,000 is due to higher costs not sufficiently funded by the contributions to the Service Charge for Billingsgate and New Spitalfields Markets.

Support and Capital Charges

39. The net increase of £109,000 between 2015/16 and 2016/17 original budgets is due to increases in insurances, City Procurement and IT charges and capital costs. This is offset by reductions in Support Services from Chamberlain, Comptrollers, Town Clerk City Surveyors and the Directorate. A detailed breakdown can be seen at Appendix 2.

TABLE 1B - MARKETS COMMITTEE SUMMARY – ALL FUNDS OR 2015/16 to OR 2016/17

Analysis of Service Expenditure	Local or Central Risk	Actual 2014/15 £'000	Original Budget 2015/16 £'000	Original Budget 2016/17 £'000	Movement 2015/16 to 2016/17 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	5,059	5,213	5,282	69	25
Premises Related Expenses (see note i)	L	4,799	4,836	5,063	227	26
Premises Related Expenses (see note ii)	C	482	130	129	(1)	
City Surveyor – Repairs & Maintenance	L	907	960	1,688	728	27
Transport Related Expenses	L	82	50	48	(2)	
Supplies & Services (see note iii)	L	860	892	947	55	28
Supplies & Services (see note iv)	C	(26)	90	94	4	29
Waste & Cleaning Contract at New Spitalfields Market	L	1,811	1,857	1,861	4	30
Capital Charges	L	292	0	0	0	
Transfer to Reserves	L	0	81	21	(60)	31
Transfer to Service Charge Reserves	C	0	0	0	0	
Total Expenditure		14,266	14,109	15,133	1,024	
INCOME						
Other Grants, Reimbursements and Contribution	L	(422)	(492)	(571)	(79)	33
Other Grants, Reimbursements and Contribution	C	0	0	0	0	
Customer, Client Receipts (see note v)	L	(10,535)	(10,721)	(11,052)	(331)	34
Customer, Client Receipts (see note v)	C	(1,417)	(1,462)	(1,512)	(50)	35
Customer, Client Receipts (Rent)	C	(3,646)	(3,711)	(3,934)	(223)	36
Investment Income	L	(10)	(4)	(3)	1	37
Investment Income	C	0	0	0	0	
Transfer from Service Charge Reserves	L	(242)	(112)	(90)	22	38
Transfer from Service Charge Reserves	C	(64)	(36)	(40)	(4)	
Total Income		(16,336)	(16,538)	(17,202)	(664)	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(2,070)	(2,429)	(2,069)	360	
SUPPORT SERVICES AND CAPITAL CHARGES						
Central Support Services and Capital Charges		2,466	2,569	2,646	77	
Recharges within Committees		0	0	0	0	
Recharges within Fund		(88)	(84)	(77)	7	
Recharges Across Funds		(370)	(338)	(313)	25	
Total Support Services and Capital Charges		2,008	2,147	2,256	109	39
TOTAL NET EXPENDITURE/(INCOME)		(62)	(282)	187	469	

40. The lease negotiations at New Spitalfields are currently ongoing between the Spitalfields Tenants Association and their representatives and the City Surveyor. The current lease expired for the majority of tenants in May 2015 and as prudent course of action, the Chamberlain in consultation with the Director of Markets and Consumer Protection has not increased the rental income for New Spitalfields for 2015/16 and 2016/17. When the outcome of negotiations are complete a revision will be required.

City Surveyors Local Risk

41. The increase of £363,000 between original and latest budget for 2015/16 for the City Surveyor's repairs and maintenance programme reflects changes in the composition and phasing of the works as outlined in Table 2A below

TABLE 2A - CITY SURVEYOR LOCAL RISK OR 2015/16 - LAB 2015/16

	Original Budget 2015/16	Latest Budget for Approval 2015/16	Movement
Repairs and Maintenance	£'000	£'000	£'000
Additional Works Programme	440	616	176
Planned, Re-active & Cyclical Works			
Billingsgate	164	172	8
Smithfield	325	503	178
Spitalfields	31	32	1
Total City Surveyor	960	1,323	363

42. The increase of £728,000 between original 2015/16 and original 2016/17 budget for the City Surveyor's repairs and maintenance programme reflects changes in the composition and phasing of the works as outlined in Table 2B below

TABLE 2B - CITY SURVEYOR LOCAL RISK OR 2015/16 - OR 2016/17

	Original Budget 2015/16	Original Budget 2016/17	Movement
Repairs and Maintenance	£'000	£'000	£'000
Additional Works Programme	440	1,021	581
Planned, Re-active & Cyclical Works			
Billingsgate	164	172	8
Smithfield	325	463	138
Spitalfields	31	32	1
Total City Surveyor	960	1,688	728

43. Budgets have provisionally been included for the 2016/17 additional works programme based on bids considered by the Corporate Asset Sub Committee in June 2015. However, a decision on funding of the programme is not due to be made by the Resource Allocation Sub Committee until December 2015. It may therefore be necessary to adjust budgets to reflect the Resource Allocation Sub Committee's decision.

44. The main elements for the increase in the additional works programme, which is for Smithfield Market only, is that the value of work identified in the City Surveyor's 20 year programme for the latest budget for 2015/16 and 2016/17 has increased in comparison with the combined value of various programmes in the original estimate for 2015/16.

45. The planned and reactive works has increased due to the change in pricing mechanism from a square metre basis to a price per asset basis which has resulted in a significant increase for Smithfield Market.

Manpower Statement

46. Analysis of the movement in manpower and related staff costs are shown in Table 3.

Table 3 - Manpower statement OR 2015/16 - OR 2016/17

	Original Budget 2015/16		Original Budget 2016/17	
	Manpower Full-time Equivalent	Estimated cost £'000	Manpower Full-time Equivalent	Estimated cost £'000
Directorate	5.4	403	5.4	418
Spitalfields Market	29.0	1,276	30.0	1,374
Smithfield Market	49.0	1,876	44.5	1,809
Billingsgate Market	41.0	1,658	38.5	1,681
TOTAL MARKETS	124.4	5,213	118.4	5,282

Potential Further Budget Developments

47. The provisional nature of the 2016/17 revenue budget recognises that further revisions may be required, particularly relation to:

- Possible budget adjustments relating to Service Based Reviews.
- Decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee
- Central and department recharges, which have not yet been finalised for the forthcoming year.

Service Based Review

48. The 2015/16 savings of £410,000 and £392,000 for 2016/17 are reflected in the budgets presented to your committee and are anticipated to be fully met within the appropriate year.

Forecast Outturn 2016/17

49. The forecast outturn for the current year is in line with the latest approved budget. It is anticipated that the Director of Markets and Consumer Protection will remain within his resource allocation.

Members Format – Operating Summary

50. Members have, in the past, expressed interest in the financial performance of individual Wholesale Markets (i.e. excluding the car park and outside properties at Smithfield). This is set out in Appendix 3, which has not been

prepared in accordance with conventional City of London format but where expenditure and adverse variances are presented in brackets.

51. On this basis, there is an overall cost to the City of London Corporation for operating the Markets of £31,000 in 2016/17. The costs are lower than the overall Committee total as the excluded items produced a net deficit of £438,000. The costs of the Markets include capital charges and depreciation for 2016/17 totalling £804,000.

52. Appendix 3 details the reasons for adverse variances and favourable variances over £100,000 or where savings are part of the service based review.

Draft Capital Depreciation Budget

53. The City of London Corporation has adopted the Generally Accepted Accounting Practices UK (GAAP UK) which has resulted in the notional capital costs at Spitalfields Market, Smithfield Market and Billingsgate Market being written down and depreciation of the building and plant being charged to the revenue account. The charges for 2016/17 are:

Market	£
Spitalfields	537,000
Billingsgate	152,000
Smithfield	115,000
Total	804,000

Draft Capital and Supplementary Revenue Budgets

54. The latest estimated costs for the Committee's current capital and supplementary revenue projects are summarised in the Table below.

Table 5 - Capital & Supplementary Revenue projects							
Service Managed	Project	Ex. Pre 01/04/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Later Years £'000	Total £'000
Pre-implementation							
Billingsgate	Additional fish handling facilities	17	10	5	0	0	32
Smithfield	Poultry market repairs	5	317	290	0	0	612
Authority to start work							
Billingsgate	Johnson Sweeper Vehicle	0	66	0	0	0	66
Billingsgate	Flat roof and ceiling renewal	698	180	0	0	0	878
Total Markets		720	573	295	0	0	1588

55. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work. It should be noted that the above figures exclude the implementation costs of those schemes which have yet to receive authority to start work.

56. The Additional Fish Handling Facilities project and the later phases of the Roof Renewal project at Billingsgate Market are expected to commence in 2016/17, subject to approval.

57. The implementation of the Poultry Market Repairs project at Smithfield Market, which is being funded by the City, is also anticipated to commence in 2016/17, subject to authority to start work.

58. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2016.

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Appendix 1A - Analysis by Service Managed OR 2015/16 - LAB 2015/16

	Actual 2014/15 £'000	Original Budget 2015/16 £'000	Latest Budget for approval (LAB) 2015/16 £'000	Movement OR 2015/16 - LAB 2015/16 £'000	Paragraph reference
CITY FUND					
Spitalfields Market					
- Service Charge Account	2	26	26	0	
- City Account	(754)	(846)	(653)	193	
- Repairing and Repairs Fund	0	0	0	0	
Total Spitalfields Market	(752)	(820)	(627)	193	
TOTAL CITY FUND	(752)	(820)	(627)	193	
CITY'S CASH					
Smithfield					
Service Charge Account	1,322	1,713	1,909	196	
Non-Service Charge Account	(146)	(623)	(340)	283	
Other Services	(33)	19	140	121	
Total Smithfield Market	1,143	1,109	1,709	600	
Billingsgate					
Service Charge Account	0	0	0	0	
Non-Service Charge Account	(453)	(571)	(531)	40	
Repairing and Special Works Account	0	0	0	0	
Total Billingsgate Market	(453)	(571)	(531)	40	
Markets Directorate	0	0	0	0	
TOTAL CITY'S CASH	690	538	1,178	640	
TOTAL	(62)	(282)	551	833	

Appendix 1B - Analysis by Service Managed OR 2015/16 - OR 2016/17

	Actual 2014/15 £'000	Original Budget 2015/16 £'000	Original Budget 2016/17 £'000	Movement OR 2015/16 - OR 2015/16 £'000	Paragraph reference
CITY FUND					
Spitalfields Market					
- Service Charge Account	2	26	27	1	
- City Account	(754)	(846)	(813)	33	
- Repairing and Repairs Fund	0	0	0	0	
Total Spitalfields Market	(752)	(820)	(786)	34	
TOTAL CITY FUND	(752)	(820)	(786)	34	
CITY'S CASH					
Smithfield					
Service Charge Account	1,322	1,713	1,945	232	
Non-Service Charge Account	(146)	(623)	(237)	386	
Other Services	(33)	19	156	137	
Total Smithfield Market	1,143	1,109	1,864	755	
Billingsgate					
Service Charge Account	0	0	0	0	
Non-Service Charge Account	(453)	(571)	(891)	(320)	
Repairing and Special Works Account	0	0	0	0	
Total Billingsgate Market	(453)	(571)	(891)	(320)	
Markets Directorate	0	0	0	0	
TOTAL CITY'S CASH	690	538	973	435	
TOTAL	(62)	(282)	187	469	

Appendix 2 - Support Service and Capital Charges from/to Markets Committee

	Actual 2014/15 £'000	Original 2015/16 £'000	Latest Budget for Approval (LAB) 2015/16 £'000	Original Budget 2016/17 £'000
Support Service and Capital Charges				
Administrative Buildings	33	37	33	36
City Surveyor's Employee Recharge	249	194	213	214
Insurance	478	496	506	553
IS Recharges – Chamberlain	253	199	237	231
City Procurement Recharges - Chamberlain	80	18	48	56
Capital Charges	583	734	806	804
Support Services -				
Chamberlain	353	346	319	316
Comptroller and City Solicitor	100	116	110	105
Town Clerk	190	228	197	181
City Surveyor	100	128	108	106
Corporate (e.g. sustainability & contingency planning	0	39	0	0
Liability Insurance	47	34	42	44
Total Support Services and Capital Charges	2,466	2,569	2,619	2,646
Recharges Within Funds				
Corporate and Democratic Core – Finance Committee	(77)	(77)	(77)	(77)
Directorate Recharge – Port Health and Environmental Services Committee	(11)	(10)	(8)	0
Recharges Across Funds				
Directorate Recharge - Markets – City Fund	(96)	0	0	0
Directorate Recharge – Licensing Committee	(24)	(24)	(20)	(21)
Directorate Recharge – Port Health and Environmental Services Committee	(250)	(311)	(293)	(292)
TOTAL SUPPORT SERVICE AND CAPITAL CHARGES	2,008	2,147	2,221	2,256

The Capital Charges within this Committee total £804,000 in 2016/17. These relate to depreciation charges at Spitalfields Market £537,000 depreciation at Smithfield Market, the Animal- By- Product facility and the Car Park £115,000; and depreciation charges at Billingsgate Market £152,000 based on the estimated value as at 1 April 2014 divided by anticipated lives of assets. This is in accordance with the City adopting the UK GAAP accounting standards.