



Markets Committee Supplementary Agenda Pack

Date: WEDNESDAY, 13 JANUARY 2021

Time: 11.30 am

Venue: VIRTUAL MEETING

3. PUBLIC MINUTES

For Decision
(Pages 1 - 8)

4. OUTSTANDING ACTIONS LOG

For Information
(Pages 9 - 10)

7. REVENUE AND CAPITAL BUDGETS 2021/22 (REVISED)

For Decision
(Pages 11 - 40)

14. NON-PUBLIC MINUTES

For Decision
(Pages 41 - 42)

Item received too late for circulation in conjunction with the Agenda.

John Barradell
Town Clerk and Chief Executive

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MARKETS COMMITTEE

Wednesday, 25 November 2020

Minutes of the meeting of the Markets Committee held at Virtual Meeting
<https://youtu.be/h7ZjgSZnx90> on Wednesday, 25 November 2020 at 11.30 am

Present

Members:

John Chapman (Chairman)	Deputy Henry Jones
James Tumbridge (Deputy Chairman)	Gregory Lawrence
Matthew Bell	Deputy Edward Lord
Peter Bennett	Wendy Mead
Mark Bostock	Deputy Robert Merrett
Deputy David Bradshaw	Hugh Morris
Simon Duckworth	John Petrie
John Edwards	Deputy Elizabeth Rogula
Helen Fentimen	John Scott
Alderman Alison Gowman	Deputy Dr Giles Shilson
Alderman David Graves	Deputy Philip Woodhouse
Deputy Tom Hoffman	Dawn Wright
Michael Hudson	

In Attendance

Officers:

Jon Averbs	- Director of Markets and Consumer Protection
Donald Perry	- Markets and Consumer Protection Department
Daniel Ritchie	- Billingsgate Market Superintendent
Mark Sherlock	- Smithfield Market Superintendent
Debbie Howard	- New Spitalfields Market Superintendent
Anna Dunne	- City Surveyor's Department
Steven Chandler	- City Surveyor's Department
Julie Smith	- Chamberlain's Department
Simon Owen	- Chamberlain's Department
Andrew Fothergill	- Comptroller & City Solicitor's Department
Antoinette Duhaney	- Town Clerk's Department
Julie Gibbs	- Markets and Consumer Protection Department
Shani Annand-Baron	- Town Clerk's Department
Peter Collinson	- City Surveyor's Department
Ian Hughes	- Department of the Built Environment
Paul Monaghan	- Department of the Built Environment
Paul Wright	- Rembrancer's

1. **APOLOGIES**

Apologies were received from Deputy Brian Mooney, Ian Seaton and Mark Wheatley.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

3. **PUBLIC MINUTES**

The public minutes of the meeting held on 11th September 2020 were approved as a correct record.

4. **OUTSTANDING ACTIONS LOG**

The Committee considered a report of the Town Clerk on actions outstanding from previous meetings.

Energy Costs – Officers reported that meetings were being arranged for Markets traders to look at energy procurement in the context of specific needs and costs and would also consider energy efficiency.

Markets Co-location Programme and New Food school – Policy & Resources Committee had yet to make a decision on which committee would be responsible for managing the new food but had supported the Deputy Chairman continuing as the Lead Member progressing this element of the Markets Co-location Programme.

RESOLVED – That the report be noted.

5. **MARKETS SUPERINTENDENTS UPDATES**

In respect of the wholesale markets, the following matters were reported by the Market Superintendents.

Billingsgate

- COVID-19 test centres had been accommodated on 50 days.
- Income from filming and car parking was beginning to show signs of recovery until the recent national lockdown was imposed on 5th November.
- An action plan was being worked up for future uses of the Billingsgate Market site and in the interim, further traffic management measures and improvements to fish handling facilities were being explored.
- The CoL was working collaboratively with MIND to provide mental health and wellbeing resources on site including a breakout area.

New Spitalfields

- Entrance barrier – CoL was negotiating with the contractor and following software upgrades full income was being collected with effect from 15th November. A few minor issues were outstanding and there were some

operational challenges. The pedestrian gate was still not operating and Officers were liaising with IT colleagues to address this. Regrettably, these challenges had impacted on income collection.

- The Rent Review Exercise had been postponed until December 2020.

Smithfield

- Following the canopy collapses at West Smithfield, scaffolding and crash desks had been installed. Following an assessment on 9th November 2020, it was anticipated that East Poultry Avenue would reopen on 30th November and further works undertaken during 2021.
- A protest took place in the early hours of 9th October 2020 which interrupted trade. Protestors became violent and during this disturbance, an Officer suffered a minor head injury. Standard Operating Procedures had been agreed to manage future protests.
- A recent HGV audit had identified 7% non-compliance and delivery site rules would be reissued to remind drivers of Health & Safety requirements.

6. **MARKETS COMMITTEE RISK UPDATE - NOVEMBER 2020**

The Committee considered a report of the Director of Markets & Consumer Protection outlining management procedures in place to meet the requirements of the Corporate Risk Management Framework.

The Committee considered a report of the Director of Markets & Consumer Protection outlining measures in place to meet the requirements of the Corporate Risk Management Framework.

Officers highlighted a typographical error on page 24 of the agenda pack MCP-SM012 and advised that surveys outcomes were expected in Spring 2021. It was also clarified that funding would not come from the Markets Co-location Programme budget. This was drawn to the Committee's attention as that had been the original proposal and to make it clear that an alternative source of funding would need to be identified.

Members debated whether any aspects of MCP risk should lie with Markets Committee or Capital Buildings Committee and in response Officers stated that in the event the MCP did not proceed, the Markets Committee would bear any associated risks.

Members also questioned the rating of some risks such as building maintenance which Members felt was too low. Officers stated that this risk had been rated as green in light of mitigation measure put in place. Members were concerned that even with mitigation measures, this was high risk pending survey findings and Officers undertook to review the rankings.

RESOLVED – That the report be noted.

7. CONCESSIONARY PARKING AT SMITHFIELD MARKET DURING THE CHRISTMAS PERIOD 2020

The Committee considered a report of the Director of Markets & Consumer Protection regarding a request from Smithfield Market Tenants Association for a temporary reduction in the car park tariffs throughout December 2020.

The Deputy Chairman acknowledged that although 2020 had been a challenging year for market traders, there was no data to support concessions in either option A or B as set out in para 7 of the report (page 35 of the agenda pack). It was suggested that a clearer rationale for concessions on the basis of car park usage data should be provided, given that 9 days of concessions was granted in the days leading up to Christmas 2019.

Members had mixed views on the length of the concessionary period with some members supporting concessions from 1st - 31st December as requested by SMTA. There were also concerns that a shorter concessionary period would cause confusion and increase congestion.

In response to observations from Members, Officers advised that the concessions would mainly benefit customers whilst keeping roads clear for deliveries and servicing.

The Deputy Chairman **MOVED** and Michael Hudson **SECONDED** "That a concessionary period of 9 days be agreed (16th - 24th December)" and nine Members were in favour.

John Scott **MOVED** and Philip Woodhouse **SECONDED** "That a concessionary period of 31 days be agreed (1st – 31st December)" and four Members were in favour.

The Chairman then **MOVED**, it was **SECONDED** and

RESOLVED –

1. That an increased concessionary period of 14 days, (compared to 9 days in 2019) be granted from 9pm on Thursday 10th December - 10am on Thursday 24th December 2020.
2. That the current tariff be reduced to free for all visitors to the Rotunda car park from 9pm on Thursday 10th December - 10am on Thursday 24th December 2020. (14 days)

8. CONCESSIONARY PARKING AT SMITHFIELD IN JANUARY 2021 IN THE EVENT OF A NO DEAL EU EXIT

The Committee considered a report of the Director of Markets & Consumer Protection requesting a temporary reduction in the car park tariffs from 9pm on Sunday 3rd January 2021 - 10am on Monday 1st February 2021.

It was suggested that authority be delegated to the Officers in consultation with the Chairman and Deputy Chairman, to review whether a reduction in tariffs was justified as the situation emerged.

RESOLVED – That Authority be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman to consider whether a concessionary period should be granted as the situation becomes clearer.

9. CAR PARK & ON-STREET PARKING BAY TARIFFS

The Committee considered a report of the Director of the Built Environment reviewing both on-street and off-street parking tariffs.

Members has mixed views on increased tariffs. A Member suggested that any increase be delayed for 12 months whilst another Member suggested that tariffs for Smithfield Car Park should be aligned with charges for other CoL parking charges as had already been agreed by the Planning & Transportation Committee

In response, Officers stated that now was the right time to review tariffs and agree standard charges across CoL car parks and parking bays. Even with the challenges of COVID-19, some car parks such as London Wall had been occupied to full capacity and tariffs had not been reviewed for more than 3 years.

RESOLVED –

That in respect of Smithfield car park, the three-year pricing strategy for parking charges in this public car park as set out in paragraph 19 of the report be approved, with effect from January/February 2021.

10. REPORT OF ACTION TAKEN: SMITHFIELD CONCESSIONARY PARKING

The Committee considered a report of the Town Clerk a reporting on action in response to a request from the Smithfield Market Tenants' Association for concessionary parking and a temporary reduction in car park tariffs for market users.

RESOLVED –

That the action taken by the Town Clerk in consultation with the Markets Committee Chairman and Deputy Chairman as set out in paragraph 4 of the report be noted.

11. UPDATE ON SMITHFIELD CANOPIES AND SUBSEQUENT REMEDIAL WORK

The Committee considered a report of the City Surveyor reviewing the current risk attached to the building condition at Billingsgate, New Spitalfields and Smithfield Markets and identifying urgent remedial work and medium-term actions.

In respect of Smithfield Market, Officers reported that a scaffolding deck and fish net wraparound had been put up to allow glass panelling to be tightened and make the structure safe. Surveys were also being undertaken to identify areas of risk and the cyclical works programme would be recalibrated as necessary so that any remedial work could be prioritised.

Officers also reported that they would be meeting with colleagues in the City Surveyor's Department the following day, after which an update would be presented to the Committee in January 2021.

RESOLVED –

That the report be noted.

12. **LINDSEY STREET BRIDGE STRENGTHENING**

The Committee considered a report of the Director of the Built Environment regarding proposal for strengthening Lindsey Street Bridge to meet the load carrying capacity of current standards.

RESOLVED –

1. That a budget of £100,000, of which £25,000 has been secured from LOBEG, is approved to reach the next Gateway.
2. That the total project budget of £2,500,000 (excluding risk) be noted.

13. **MCP WORKING PARTY UPDATES**

This was considered under item 20.

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

Climate Action Strategy - Energy costs – In response to a question from a Member, Officers advised that the workstreams within the strategy were being progressed and resourcing implications were being considered.

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

16. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act as follows:-

Item(s)	Paragraph
17 - 21	3

17. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 11th September 2020 be agreed as a correct record.

18. **MARKETS DEBT ARREARS - PERIOD ENDING 31ST OCTOBER 2020**

The Committee considered a report of the Director of Markets and Consumer Protection setting out arrears of invoiced income.

19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There was one question.

20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items.

The meeting ended at 1.28 pm

Chairman

**Contact Officer: Antoinette Duhaney, 020 7332 1408,
antoinette.duhaney@cityoflondon.gov.uk**

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MARKETS COMMITTEE – OUTSTANDING ACTIONS

Meeting date	Agenda item	Action	Officer(s) responsible	Comment/Update
16.07.20	3	<p>Energy costs – The Chairman referred to concerns raised at previous meetings in respect of energy costs for market traders. Despite the lengthy delay in sending correspondence to traders, the Chairman gave assurances that this matter was being monitored closely and further updates would be provided to the Committee in due course. A copy of the letter sent to traders would also be circulated to Committee Members for information.</p>	Director of Markets & Consumer Protection/ City Surveyor's	<p>A copy of a letter sent to the Chairman of SMTA has been circulated to Markets Committee Members.</p> <p>We continue to take steps across the Corporation to ensure we are able to manage energy costs in a way which seeks to mitigate costs, without increasing our exposure to markets. These steps tackle commodity prices but also consumption, as both of these elements impact the final cost of energy to tenants.</p>
16.07.20	4	<p>New Spitalfields Market Barrier - There were a few outstanding technical issues and the payment machine had been converted to accept cash. There were also technical issues with the pedestrian gate and turnstile and it was anticipated that this would be operational by early autumn. Officers were liaising with the Comptroller's Department to draft a letter making a case for compensation from the contractors in lieu of delays in supplying/fitting equipment. <i>(The Chairman requested that a</i></p>	Director of Markets & Consumer Protection/ Comptroller's	<p>Further advice being sought regarding delay in completing works in reasonable time and to the expected standard.</p>

		<i>copy of the letter be circulated to Committee Members)</i>		
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Agenda Item 7

Committee(s): Markets	Dated: 13/01/2021
Subject: Revenue and Capital Budgets 2021/22	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain Director of Markets and Consumer Protection	For Decision
Report author: Leyla Dervish, Chamberlain's Department	

Summary

This report is the annual submission of the revenue and capital budgets overseen by your Committee. It is asking members to note the latest revenue budget for 2020/21 and approve the proposed revenue and capital budgets for 2021/22, for subsequent submission to the Finance Committee.

The 2020/21 Latest Budget totals net expenditure of (£95k), an increase in total net expenditure of (£189k) compared with the 2020/21 Original Budget of net income £94k.

The proposed budget for 2021/22 has been prepared within the resource envelope allocated to the Director by Resource Allocation Sub Committee, including the Department's required 12% Target Operating Model (TOM) reduction of £427k, which for this Committee amounts to £171k. These savings have yet to be identified and the Director will continue to work through proposals against the 12% savings. These will be revised once the TOM is progressed through the year(s). The 12% savings have therefore been included in the budget as unidentified efficiency savings to ensure flexibility to move people into the right roles as a result of the TOM. Additionally, as a result of the creation of a new Director of Markets post as part of the TOM restructure further unidentified savings of £75k will also be required.

The proposed 2021/22 Original Budget incorporates a reduction in expenditure of £874k compared to the original 2020/21 budget resulting in total net income of £815k, an increase in net income of £721k compared with the 2020/21 Original Budget of net income £94k.

Recommendations

Members are asked to:

- i) review and approve the Markets Committee proposed revenue budget for 2021/22 for submission to Finance Committee;
- ii) review and approve the Markets Committee proposed capital and supplementary revenue projects budgets for 2021/22 for submission to Finance Committee;
- iii) authorise the Chamberlain, in consultation with the Director of Markets & Consumer Protection to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme and capital charges.

Main Report

Background

1. This report sets out the latest budget for 2020/21 and the proposed revenue and capital budgets for 2021/22 for your Committee and under the control of the Director of Markets and Consumer Protection, analysed between:
 - a. **Local Risk Budgets** – these are budgets deemed to be largely within the Chief Officer’s control.
 - b. **Central Risk Budgets** – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside his/her control or are budgets of a corporate nature.
 - c. **Support Services and Capital Charges** – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
2. In this and subsequent tables, figures in brackets indicate expenditure, decreases in income or increases in expenditure. Figures without brackets represent income, increases in income or decreases in expenditure.
3. The latest 2020/21 budget and provisional 2021/22 budgets, summarised in Table 1 below, are analysed by risk, fund and Chief Officer in Appendix 1.

Table 1 - Summary Revenue Budgets 2020/21 and 2021/22			
	Original Budget 2020/21 £'000	Latest Budget 2020/21 £'000	Original Budget 2021/22 £'000
Expenditure	(17,185)	(16,995)	(16,311)
Income	19,785	19,400	19,639
Net (Expenditure)/ Income	2,600	2,405	3,328
Support Services and Capital Charges	(2,506)	(2,500)	(2,513)
Total Net (Expenditure)/Income	94	(95)	815

Latest Revenue Budget for 2020/21

4. Appendix 2 provides details on local risk, central risk, support services and capital charges budget movements between the 2020/21 Original Budget and the 2020/21 Latest Budget. Total net expenditure has increased by (£189k) from a net income position of £94k to a net expenditure position of (£95k). Main reasons for the net increase are:
- (£350k) reduction in income from the entry barrier at New Spitalfields Market due to installation delays;
 - (£303k) decrease in rates income at Smithfield Market due to tenants not being recharged for business rates in 2020/21 as a result of the Covid-19 pandemic. This financial support was funded by previous year carry-forward underspends of £236k and £67k from the Covid-19 contingency fund;
 - (£124k) additional costs at Smithfield Market & Billingsgate Market relating to the Building Repairs and Maintenance contract managed by the City Surveyors Department;
 - (£60k) increase in employment costs due to a 2.25% uplift on basic pay plus a 5.00% increase in London Weighting costs, together with centrally provided budgets for apprenticeship costs and contribution pay;
 - (£57k) increase in equipment purchases and IT related expenditure covering all areas overseen by your Committee in response to both the Covid-19 pandemic and expenditure required to support the entry barrier at New Spitalfields Market;
 - £318k increase in service charge income at New Spitalfields Market and Billingsgate Market. This is due to a reduction in the level of budgeted sundry income, increased recharges and costs from increased activity of the Buildings, Repairs and Maintenance contract managed by the City Surveyors Department;
 - £152k reduced costs due to the re-phasing of works as part of the Cyclical Works Programme at Smithfield Market and the Rotunda Car Park;
 - £107k utilities savings at Smithfield Market and New Spitalfields Market from reduced energy prices and energy efficiency measures introduced;
 - £106k saving at the Rotunda Car Park and Smithfield Outside Properties relating to the Building Repairs and Maintenance contract managed by the City Surveyors Department;
 - £64k decrease in the waste & cleaning contract costs at New Spitalfields Market due to a lower fixed contract price rise than was originally budgeted for. This is in addition to a decrease in the rebate element of the contract repaid to tenants.
5. A detailed breakdown of the budget changes by expenditure and income category can be found within the notes section of Appendix 2.

Proposed Revenue Budget for 2021/22

6. The budget has been prepared within the resource envelope allocated to the Director including the Department's required 12% Target Operating Model (TOM) reduction of £427k, which for this Committee amounts to £171k. These savings have yet to be identified and the Director will continue to work through proposals against the 12% savings. These will be revised once the TOM is progressed through the year(s). The 12% savings have therefore been included in the budget as unidentified efficiency savings to ensure flexibility to move people into the right roles as a result of the TOM. Additionally, as a result of the creation of a new Director of Markets post as part of the TOM restructure further unidentified savings of £75k will also be required.

7. Appendix 3 provides details on local risk, central risk, support services and capital charges budget movements between the 2020/21 Original Budget and the 2021/22 Original Budget. Total net income has increased by £721k from a net income position of £94k to a net income position of £815k. Main reasons for the net increase are:
 - £392k reduced costs due to the re-phasing of works as part of the Cyclical Works Programme at Smithfield Market and the Rotunda Car Park;
 - £329k increase in service charge income at New Spitalfields Market and Billingsgate Market as a result of increases in gross service charge expenditure and reductions in sundry income;
 - £171k in unidentified efficiency savings relating to the TOM;
 - £156k decrease in expenditure across all three markets relating to the Building Repairs and Maintenance contract managed by the City Surveyors Department;
 - £89k net decrease in central support costs;
 - £75k unidentified savings resulting from the creation of a new Director of Markets post as part of the TOM restructure;
 - £66k net utilities savings across all three markets due to a reduction in energy prices and energy efficiency measures introduced which is offset by reduced income recharged to tenants;
 - £58k decrease in supplies and services costs primarily caused by a reduction in professional fees costs for rent reviews at New Spitalfields Market;
 - (£242k) decrease in parking income across all three markets due to lower anticipated usage levels as a result of the Covid-19 pandemic;
 - (£134k) net change in transfers to and from reserves at New Spitalfields Market due to a planned transfer being made from the Repainting and Repair account to tenant reserves and works being largely funded by a contribution from tenants in 2021/22;
 - (£96k) net decrease in recharges across funds due to reduced Directorate recharges to other areas of the Department of Markets &

Consumer Protection as a result of savings on the Directorate in 2021/22;

- (£69k) reduction in rebate income from the waste collection contract at New Spitalfields Market;
- (£68k) increase in employment costs due to the creation of a new post for the Director of Markets at grade I as part of the TOM restructure. This is in addition to an uplift in basic pay of 2.25% and an increase in London Weighting costs of 5.00% having originally been budgeted for with any savings from the pay freeze now being used to meet the required unidentified efficiency savings.

8. A detailed breakdown of the budget changes by expenditure and income category can be found within the notes section of Appendix 3.

Operating Statement

9. The operating statement which shows the financial position of the individual Wholesale Markets (i.e. excluding the Rotunda Car Park and outside properties at Smithfield Market) is shown in Appendix 4, with Appendix 5 detailing the reasons for all adverse variances, and all favourable variances over £50k.

10. There is an overall net income to the City of London Corporation for operating the Markets of £1.119m in 2021/22. The net income is higher than the overall Markets Committee total of £815k as the Operating Statement excludes a net cost of (£304k) for the operation of the Rotunda Car Park and outside properties at Smithfield Market. The overall Markets net income for 2021/22 includes costs for capital depreciation charges of (£1.266m).

Staffing Statement

11. The below table analyses the movement in manpower and related staff costs. This shows a decrease in full-time equivalent posts from 125.4 to 121.5 and an increase in total employment costs of (£68k) from (£6.156m) to (£6.224m).

Table 2 - Staffing Statement OR 2020/21 - OR 2021/22				
	Original Budget 2020/21		Original Budget 2021/22	
	Manpower Full-time Equivalent	Estimated Cost £'000	Manpower Full-time Equivalent	Estimated Cost £'000
Directorate	5.4	(459)	4.5	(356)
New Spitalfields Market	35.0	(1,694)	34.0	(1,744)
Smithfield Market	45.0	(2,052)	44.0	(2,131)
Billingsgate Market	40.0	(1,951)	39.0	(1,993)
Total Markets	125.4	(6,156)	121.5	(6,224)

Draft Capital Project budgets for 2021/22

12. The latest estimated costs of the Committee's current approved capital and supplementary revenue projects are summarised in the table below.

Table 3						
Service Managed	Project	Exp. Pre 01/04/20 £'000	2020/21 £'000	2021/22 £'000	Later Years £'000	Total £'000
City's Cash Smithfield Market	Poultry Market Canopy Deconstruction		383			383
City Fund New Spitalfields Market	Entry Barrier	271	5			276
Total Markets		271	388	0	0	659

13. Both schemes listed above are now complete.

14. It will be noted that the table excludes the costs of the Markets Consolidation Programme.

15. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2021.

Conclusion

16. This report presents the proposed 2021/22 budgets for Markets Committee for Members to consider and approve.

Appendices

- Appendix 1 – Committee Summary Budget by Risk, Fund and Chief Officer
- Appendix 2 – Original Budget 2020/21 to Latest Budget 2020/21
- Appendix 3 – Original Budget 2020/21 to Original Budget 2021/22
- Appendix 4 – Wholesale Markets Operating Statement 2020/21 Latest Budget and 2021/22 Original Budget
- Appendix 5 – Operating Statement Movement Notes

Background information

- Report 2021/22 Budget setting update; Resource Allocation Sub Committee 10th December 2020

Leyla Dervish

Chamberlain's Department

T: 020 7332 3574

E: Leyla.dervish@cityoflondon.gov.uk

Committee Summary Budget by Risk, Fund and Chief Officer

	Original Budget 2020/21 £'000	Latest Budget 2020/21 £'000	Original Budget 2021/22 £'000
LOCAL RISK			
Director of Markets & Consumer Protection			
City Fund			
New Spitalfields Market Service Charge	(19)	(19)	(17)
New Spitalfields Market Corporate Account	(55)	(64)	(48)
New Spitalfields Market Repainting and Repairs	0	0	0
Total City Fund	(74)	(83)	(65)
City's Cash			
Smithfield Market Service Charge	(851)	(855)	(749)
Smithfield Market Corporate Account	(115)	(418)	(75)
Smithfield Other Services	191	191	150
Billingsgate Market Service Charge	0	0	0
Billingsgate Market Corporate Account	(124)	(151)	(91)
Billingsgate Market Repainting and Special Works	0	0	0
Markets Directorate	(466)	(473)	(366)
Total City's Cash	(1,365)	(1,706)	(1,131)
Total Director of Markets & Consumer Protection	(1,439)	(1,789)	(1,196)
City Surveyor			
New Spitalfields Market Service Charge	(73)	(73)	(73)
New Spitalfields Market Corporate Account	(55)	(55)	(40)
Smithfield Market Service Charge	(420)	(505)	(369)
Smithfield Market Corporate Account	(829)	(438)	(154)
Smithfield Other Services	(273)	(406)	(446)
Billingsgate Market Service Charge	(141)	(180)	(161)
Total City Surveyor	(1,791)	(1,657)	(1,243)
TOTAL NET LOCAL RISK	(3,230)	(3,446)	(2,439)
CENTRAL RISK			
Director of Markets & Consumer Protection			
City Fund			
New Spitalfields Market Service Charge	411	422	431
New Spitalfields Market Corporate Account	1,992	1,992	2,082
New Spitalfields Market Repainting and Repairs	22	7	0
City Fund Total	2,425	2,421	2,513
City's Cash			
Smithfield Market Service Charge	(4)	(4)	(4)
Smithfield Market Corporate Account	1,523	1,511	1,488
Smithfield Other Services	101	101	104
Billingsgate Market Service Charge	324	364	346
Billingsgate Market Corporate Account	1,452	1,452	1,314
Billingsgate Market Repainting and Special Works	9	6	6
City's Cash Total	3,405	3,430	3,254
TOTAL NET CENTRAL RISK	5,830	5,851	5,767
TOTAL SUPPORT SERVICES AND CAPITAL CHARGES	(2,506)	(2,500)	(2,513)
TOTAL NET (EXPENDITURE)/INCOME	94	(95)	815

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ORIGINAL BUDGET 2020/21 TO LATEST BUDGET 2020/21				
Analysis of Service Expenditure	Original Budget 2020/21 £'000	Latest Budget 2020/21 £'000	Movement Better/(Worse) £'000	Para Ref
EXPENDITURE - LOCAL RISK				
Employment Costs	(6,156)	(6,216)	(60)	1
Premises Related Expenses	(4,643)	(4,538)	105	2
City Surveyor – Repairs & Maintenance	(1,791)	(1,657)	134	3
Transport Related Expenses	(40)	(67)	(27)	4
Supplies & Services	(1,140)	(1,154)	(14)	5
Waste & Cleaning Contract at New Spitalfields Mkt	(2,894)	(2,830)	64	6
Transfer to Reserves	0	0	0	
Committee Contingency	0	0	0	
Total Expenditure	(16,664)	(16,462)	202	
INCOME - LOCAL RISK				
Other Grants, Reimbursements & Contributions	352	49	(303)	7
Customer, Client Receipts	12,984	12,869	(115)	8
Investment Income	2	2	0	
Transfer from Reserves	96	96	0	
Total Income	13,434	13,016	(418)	
TOTAL NET LOCAL RISK (EXP)/ INC	(3,230)	(3,446)	(216)	
EXPENDITURE - CENTRAL RISK				
Premises Related Expenses	(174)	(174)	0	
Supplies & Services	(131)	(131)	0	
Capital Charges/Depreciation	(216)	(228)	(12)	9
Total Expenditure	(521)	(533)	(12)	
INCOME - CENTRAL RISK				
Customer, Client Receipts	1,495	1,546	51	10
Customer, Client Receipts (Rent)	4,825	4,825	0	
Transfer from Reserves	31	13	(18)	11
Total Income	6,351	6,384	33	
TOTAL NET CENTRAL RISK (EXP)/ INC	5,830	5,851	21	
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	(1,853)	(1,853)	0	
Capital Charges/Depreciation	(1,057)	(1,057)	0	
Recharges within Committee	0	0	0	
Recharges within Fund	77	77	0	
Recharges across Fund	327	333	6	12
TOTAL SUPPORT SERVICES AND CAPITAL CHARGES	(2,506)	(2,500)	6	
TOTAL NET (EXPENDITURE)/INCOME	94	(95)	(189)	

Original Budget 2020/21 to Latest Budget 2020/21 – Movement Notes

Local Risk

1. **Employment Costs** – increase of (£60k) is due to a 2.25% uplift on basic pay plus a 5.00% increase in London Weighting costs, together with centrally provided budgets for apprenticeship costs and contribution pay.
2. **Premises Related Expenses** – decrease of £105k is due to the following:
 - £59k utilities savings at Smithfield Market caused by a reduction in energy prices as well as energy efficiency measures introduced at the market including changes to the operation of heating and cooling equipment;
 - £28k reduction in energy costs at New Spitalfields Market due to a decrease in energy prices and energy efficiency measures introduced at the market;
 - £21k savings in locally managed repairs and maintenance works at New Spitalfields Market;
 - £20k decrease in water costs at Smithfield Market as a result of lower water usage at the market;
 - £11k reduction in locally managed repairs and maintenance costs at Billingsgate Market as a result of lower breakdown general costs;
 - £2k decline in the cost of cleaning and domestic supplies at Billingsgate Market;
 - (£18k) increase in cleaning and domestic supply costs due to the purchase of additional cleaning materials at Smithfield Market in response to the Covid-19 pandemic;
 - (£17k) in additional locally managed repairs and maintenance costs required at Smithfield Market;
 - (£1k) net increase in rates expenditure at all markets.
3. **City Surveyor – Repairs & Maintenance** – the £134k decrease is due to the following:
 - £391k reduced costs due to the re-phasing of works as part of the Cyclical Works Programme at Smithfield Market;
 - £106k saving at the Rotunda Car Park and Smithfield Outside Properties relating to the Building Repairs and Maintenance contract;
 - (£239k) additional costs due to the re-phasing of works as part of the Cyclical Works Programme at the Rotunda Car Park;
 - (£85k) additional costs at Smithfield Market relating to the Building Repairs and Maintenance contract;
 - (£39k) further costs at Billingsgate Market relating to the Building Repairs and Maintenance contract.
4. **Transport Related Expenses** – the (£27k) increase in transport related expenditure is due to the proposed purchase of a forklift truck for use at Smithfield Market amounting to (£32k). This is offset by savings in transport expenditure at Billingsgate Market of £5k.
5. **Supplies & Services** – the (£14k) increase is due to the following:
 - (£17k) increase in communications and computing costs at New Spitalfields Market due to the cost of taking credit card payments for the entry barrier as well as the purchase of mobile devices for the constabulary;

- (£12k) relating to the purchase of health and safety equipment on behalf of tenants at all markets in response to the Covid-19 pandemic;
- (£12k) for the installation of a new payment machine for the entry barrier at New Spitalfields Market which is being funded by tenant reserves;
- (£5k) additional expenditure on equipment at Billingsgate Market;
- (£5k) for the purchase of equipment and computer hardware to support Directorate staff working at home as a result of the Covid-19 pandemic;
- (£3k) additional expenditure on materials and telephone costs at Billingsgate Market;
- (£3k) relating to the purchase of additional mobile phone devices at Smithfield Market;
- £27k contract savings in management fees at the Rotunda Car Park as a result of reduced manning levels at the car park during the Covid-19 pandemic;
- £10k reduction in refuse collection expenditure at Billingsgate Market as a result of reduced waste levels at the Market;
- £4k saving at Billingsgate Market in relation to hospitality and cash collection fees;
- £2k reduction in general fees and expenses at New Spitalfields Market.

6. Waste & Cleaning Contract at New Spitalfields Market - the decrease of £64k relates to a lower fixed contract price rise than was originally budgeted for due to a reduction in the rate of inflation. This is in addition to a decrease in the rebate element of the contract repaid to tenants.

7. Other Grants, Reimbursements and Contributions – the (£303k) decrease is due to tenants at Smithfield Market not being invoiced for the recharge of business rates in 2020/21 as a result of the Covid-19 pandemic. This financial support was funded by previous year carry-forward underspends of £236k and £67k from the Covid-19 contingency fund.

8. Customer, Client Receipts – the (£115k) reduction in income is due to the following:

- (£350k) reduction in income from the entry barrier at New Spitalfields Market due to installation delays;
- (£29k) decrease in income from the Rotunda Car Park as a result of reduced usage of the car park during the Covid-19 pandemic;
- (£26k) reduction from the waste collection contract at New Spitalfields Market as a result of reduced levels of rebate income;
- (£17k) less income from utility expenditure recharged to tenants at Billingsgate Market due to a reduction in energy prices;
- (£12k) decline in income from licenses at New Spitalfields Market due to a licensee leaving the market;
- (£2k) reduction in parking income at New Spitalfields Market due to a decrease in the number of parking permits issued at the market;
- £267k increase in service charge income due to a reduction in the level of budgeted sundry income at New Spitalfields Market;
- £40k additional income from declared waste at New Spitalfields Market as a result of higher levels of waste at the market;
- £9k extra income from the costs of the waste collection contract at New Spitalfields Market recharged to tenants as a result of higher levels of waste;
- £5k increase in income from dumped and undeclared waste at New Spitalfields Market.

Central Risk

- 9. Capital Charges/Depreciation** – the (£12k) increase is due to additional capital charges at Smithfield Market.
- 10. Customer, Client Receipts** – the £51k increase in income is due to a £40k increase in service charge income at Billingsgate Market and an £11k increase in service charge income at New Spitalfields Market as a result of increased recharges and costs from the Buildings, Repairs and Maintenance contract.
- 11. Transfer from Reserves** – the (£18k) decrease in income is due to a (£15k) reduction as a result of reduced City Surveyor's employee recharges on the New Spitalfields Market Repainting and Repair account and a (£3k) decrease following reduced City Surveyor's employee recharges charged to the Billingsgate Market Repainting and Special Works account.

Support Services and Capital Charges

- 12. Recharges Across Fund** – the net increase of £6k is due to increased Directorate recharges to other areas of the Department of Markets & Consumer Protection amounting to £5k and reduced Directorate recharges of £1k charged to New Spitalfields Market.

ORIGINAL BUDGET 2020/21 TO ORIGINAL BUDGET 2021/22				
Analysis of Service Expenditure	Original Budget 2020/21 £'000	Original Budget 2021/22 £'000	Movement Better/(Worse) £'000	Para Reference
EXPENDITURE - LOCAL RISK				
Employment Costs	(6,156)	(6,224)	(68)	1
Premises Related Expenses	(4,643)	(4,515)	128	2
City Surveyor – Repairs & Maintenance	(1,791)	(1,243)	548	3
Transport Related Expenses	(40)	(36)	4	4
Supplies & Services	(1,140)	(1,172)	(32)	5
Waste & Cleaning Contract at New Spitalfields Mkt	(2,894)	(2,850)	44	6
Transfer to Reserves	0	(76)	(76)	7
Unidentified Efficiency Savings	0	246	246	8
Total Expenditure	(16,664)	(15,870)	794	
INCOME - LOCAL RISK				
Other Grants, Reimbursements & Contributions	352	510	158	9
Customer, Client Receipts	12,984	12,881	(103)	10
Investment Income	2	2	0	
Transfer from Reserves	96	38	(58)	11
Total Income	13,434	13,431	(3)	
TOTAL NET LOCAL RISK (EXP)/ INC	(3,230)	(2,439)	791	
EXPENDITURE - CENTRAL RISK				
Premises Related Expenses	(174)	(191)	(17)	12
Supplies & Services	(131)	(41)	90	13
Capital Charges/Depreciation	(216)	(209)	7	14
Total Expenditure	(521)	(441)	80	
INCOME - CENTRAL RISK				
Customer, Client Receipts	1,495	1,397	(98)	15
Customer, Client Receipts (Rent)	4,825	4,805	(20)	16
Transfer from Reserves	31	6	(25)	17
Total Income	6,351	6,208	(143)	
TOTAL NET CENTRAL RISK (EXP)/ INC	5,830	5,767	(63)	
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	(1,853)	(1,764)	89	18
Capital Charges/Depreciation	(1,057)	(1,057)	0	
Recharges within Committee	0	0	0	
Recharges within Fund	77	77	0	
Recharges across Fund	327	231	(96)	19
TOTAL SUPPORT SERVICES AND CAPITAL CHARGES	(2,506)	(2,513)	(7)	
TOTAL NET (EXPENDITURE)/INCOME	94	815	721	

Original Budget 2020/21 to Original Budget 2021/22 – Movement Notes

Local Risk

1. **Employment Costs** – the increase of (£68k) is mainly due to the creation of a new Director of Markets post at grade I as part of the TOM restructure. This is in addition to an uplift in basic pay of 2.25% and an increase in London Weighting costs of 5.00% having originally been budgeted for. Any savings from the pay freeze from July 2021 onwards will be used to meet the required unidentified efficiency savings.

2. **Premises Related Expenses** – the decrease of £128k is due to:
 - £252k utilities savings at Smithfield Market caused by a reduction in energy prices and energy efficiency measures introduced at the market including changes to the operation of heating and cooling equipment;
 - £20k reduction in water costs at Smithfield Market as a result of lower water usage at the market;
 - £15k decrease in locally managed repairs and maintenance costs at Billingsgate Market due to lower than anticipated breakdown general and equipment hire costs;
 - £10k lower utility costs at New Spitalfields Market as a result of energy efficiency measures introduced at the market and a reduction in energy prices;
 - £10k reduction in repairs and maintenance expenditure at the Rotunda Car Park due to lower breakdown general costs;
 - £5k decrease in cleaning and domestic supplies at Billingsgate Market;
 - £4k reduction in energy costs at Billingsgate Market as a result of decreased energy prices;
 - £2k savings in locally managed repairs and maintenance costs at New Spitalfields Market;
 - (£150k) tenant contribution to the New Spitalfields Market Repainting and Repair account to fund the cost of works and a transfer to tenant reserves;
 - (£17k) increase in cleaning and domestic supply costs at Smithfield Market due to the purchase of additional cleaning materials in response to the Covid-19 pandemic;
 - (£10k) additional locally managed repairs and maintenance costs at Smithfield Market;
 - (£10k) increased rates expenditure at Smithfield Market and the Rotunda Car Park;
 - (£2k) additional rates costs at Billingsgate Market;
 - (£1k) higher cleaning and domestic supply expenses at New Spitalfields Market.

3. **City Surveyor – Repairs & Maintenance** – the decrease of £548k is due to:
 - £675k reduced costs due to the re-phasing of works as part of the Cyclical Works Programme at Smithfield Market;
 - £110k decrease in expenditure relating to the Building Repairs and Maintenance contract at the Rotunda Car Park and Smithfield Outside Properties;
 - £51k lower costs at Smithfield Market relating to the Building Repairs and Maintenance contract;
 - £15k reduction at New Spitalfields Market relating to the Building Repairs and Maintenance contract;
 - (£283k) increase in costs due to the re-phasing of works as part of the Cyclical Works Programme at the Rotunda Car Park and Smithfield Outside Properties;
 - (£20k) additional costs at Billingsgate Market from the Building Repairs and Maintenance contract.

- 4. Transport Related Expenses** – the decrease of £4k is due to a £5k reduction in transport costs at Billingsgate Market as a result of lower vehicle running costs and hired transport expenses. This is offset by a (£1k) increase at Smithfield Market due to price rises related to the congestion charge.
- 5. Supplies & Services** – the (£32k) increase is due to the following:
- (£17k) increase in communications and computing costs at New Spitalfields Market due to the cost of taking credit card payments for the entry barrier as well as the purchase of mobile devices for the constabulary;
 - (£15k) for a new payment machine for the entry barrier at New Spitalfields Market to be met by the tenant repair fund;
 - (£6k) increase in the cost of equipment, furniture and materials at Billingsgate Market which is due to additional costs for equipment hire as well as the purchase of health and safety equipment in response to the Covid-19 pandemic;
 - (£5k) increase in equipment costs at New Spitalfields Market primarily due to the purchase of a new radio system;
 - (£5k) additional contract costs related to the management of the Rotunda Car Park;
 - (£3k) increase in costs for the Directorate related to the purchase of additional equipment and computer hardware to support working from home arrangements;
 - (£2k) increase in communications and computing costs at Smithfield Market;
 - £8k reduction in fees and services at Billingsgate Market which primarily relates to refuse collection costs as a result of reduced waste levels at the market;
 - £4k lower professional fees costs at Smithfield Market;
 - £3k decrease in hospitality and grants expenditure at Billingsgate Market;
 - £3k reduction in the costs of equipment and clothing at Smithfield Market;
 - £3k decrease in printing and other expenses at New Spitalfields Market.
- 6. Waste & Cleaning Contract at New Spitalfields Market** – the £44k decrease is primarily due to a reduction in the value of the rebate expected to be repaid to tenants as part of the contract.
- 7. Transfer to Reserves** – the (£76k) increase is due to a planned transfer being made from the Repainting and Repair account to the reserves at New Spitalfields Market.
- 8. Unidentified Efficiency Savings** – the Market's required 12% Target Operating Model reduction, which for this Committee amounts to £171k. These savings have yet to be identified and the Director will continue to work through proposals against the 12% savings and these will be revised once the TOM is progressed through the year(s). The 12% savings have therefore been included in the budget as unidentified efficiency savings to ensure flexibility to move people into the right roles as a result of the TOM. Additionally, as a result of the creation a new Director of Markets post as part of the TOM restructure further unidentified savings of £75k will also be required.
- 9. Other Grants, Reimbursements and Contributions** – the £158k increase is due to a £150k tenant contribution from the service charge at New Spitalfields Market funding both the cost of works on the Repainting and Repair account and a transfer to tenant reserves. This is in addition to extra income of £8k relating to business rates being recharged to tenants at Smithfield Market.

10. Customer, Client Receipts – the decrease of (£103k) is due to:

- (£104k) reduction in chilled water and heating recharges at Smithfield Market as a result of decreases in expenditure caused by operational changes to heating and cooling equipment;
- (£80k) decrease in income from the Rotunda Car Park due to lower anticipated usage of the car park caused by the Covid-19 pandemic;
- (£69k) reduction in rebate income from the waste collection contract at New Spitalfields Market as a result of external recycled materials not being accepted;
- (£53k) less income from energy costs recharged to tenants at Smithfield Market as a result of a reduction in the price of energy as well as energy efficiency measures introduced at the market;
- (£46k) decrease in the cost of utilities being recharged to tenants at New Spitalfields Market as a result of energy price reductions and energy efficiency measures;
- (£32k) decline in trade car parking at Billingsgate Market as a result of reduced trade at the market in response to the Covid-19 pandemic;
- (£25k) reduction in income from retail car parking at Billingsgate Market as a result of lower anticipated usage of the car park following the Covid-19 pandemic;
- (£17k) reduction in utilities costs recharged to tenants at Billingsgate Market due to reduced energy prices;
- (£16k) decrease in filming income at Billingsgate Market caused by a reduction in filming projects in response to the Covid-19 pandemic;
- (£12k) decline in income from licenses at New Spitalfields Market due to a licensee leaving the market in 2020/21;
- (£10k) reduction in income from refuse collection at Billingsgate Market as a result of lower waste levels at the market;
- (£5k) lower parking income at New Spitalfields Market due to a decrease in the number of parking permits issued at the market;
- (£4k) decrease in casual rent income at Billingsgate Market;
- £224k increase in service charge income at New Spitalfields Market as a result of increases in gross service charge expenditure;
- £63k higher income from service charges at Billingsgate Market as a result of a reduction in sundry income;
- £40k additional income from declared waste at New Spitalfields Market due to extra waste at the market;
- £25k increase in income from the entry barrier at New Spitalfields Market;
- £9k income from recharges to tenants from the waste collection contract at New Spitalfields Market;
- £6k additional income from dumped and undeclared waste and other sundry income at New Spitalfields Market;
- £3k increase in service charge income at Smithfield Market.

11. Transfer from Reserves – the decrease of (£58k) is due to reduced transfer from reserves as a result of works on the Repainting and Repair account at New Spitalfields Market being largely funded by a contribution from tenants in 2021/22.

Central Risk

12. Premises Related Expenses – the (£17k) increase at Billingsgate Market is due to an additional (£15k) in anticipated service charge voids and (£2k) in higher rates expenditure.

13. Supplies & Services – the decrease of £90k is due to a reduction in professional fees at New Spitalfields Market relating to lease renewals costs which were mainly incurred in 2020/21.

14. Capital Charges/Depreciation – the decrease of £7k is due to a reduction in capital charges at Billingsgate Market amounting to £19k. This is partly offset by a (£12k) increase in depreciation at Smithfield Market.

15. Customer, Client Receipts – the decrease of (£98k) is due to the following:

- (£100k) reduction in income from retail car parking at Billingsgate Market as a result of lower anticipated usage of the car park following the Covid-19 pandemic;
- (£40k) decrease in income from tolls which is no longer being invoiced to tenants at Billingsgate Market;
- £22k increased income from service charges at Billingsgate Market to fund costs from the Building, Repairs and Maintenance contract delivered by the City Surveyors Department as well as additional recharge costs;
- £20k extra service charge income at New Spitalfields Market to fund increased recharge costs.

16. Customer, Client Receipts (Rent) – the decrease of (£20k) is the result of agreed rent-free periods at the Poultry Market.

17. Transfer from Reserves – the (£25k) decrease is due to a reduced transfer of (£22k) from reserves at New Spitalfields Market and a (£3k) reduction from the reserves at Billingsgate Market as a result of lower City Surveyor's employee recharges.

Support Services and Capital Charges

18. Central Support Services – the net decrease of £89k is due to the following:

- £38k decrease in recharges from the Town Clerk's Department;
- £28k lower IT recharges;
- £24k reduction in recharges from the Chamberlain's Department;
- £15k decreased Administration Buildings recharges;
- £12k lower City Surveyor's employee recharges;
- £10k reduced City Procurement recharges;
- £5k decrease in City Surveyor's recharges;
- (£33k) increase in recharges from Comptrollers and City Solicitors Department;
- (£10k) additional insurance recharges.

19. Recharges Across Fund – the net decrease of (£96k) is due to reduced Directorate recharges to other areas of the Department of Markets & Consumer Protection as a result of savings on the Directorate in 2021/22.

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**Wholesale Markets Operating Statement
2020/21 Latest Budget and 2021/22 Original Budget**

	New Spitalfields Market						Billingsgate Market						Smithfield Market						Total					
	Original Budget	Latest Budget	Movement	Original Budget	Movement	Notes	Original Budget	Latest Budget	Movement	Original Budget	Movement	Notes	Original Budget	Latest Budget	Movement	Original Budget	Movement	Notes	Original Budget	Latest Budget	Movement	Original Budget	Movement	
	2020/21 £'000	2020/21 £'000	£'000	2021/22 £'000	£'000		2020/21 £'000	2020/21 £'000	£'000	2021/22 £'000	£'000		2020/21 £'000	2020/21 £'000	£'000	2021/22 £'000	£'000		2020/21 £'000	2020/21 £'000	£'000	2021/22 £'000	£'000	
Operating Expenditure:																								
Employment Costs (basic pay, NI, pension, overtime, training and recruitment advertising)	(1,694)	(1,711)	(17)	(1,744)	(50)	1	(1,951)	(1,983)	(32)	(1,993)	(42)	7	(2,052)	(2,061)	(9)	(2,131)	(79)	11	(5,697)	(5,755)	(58)	(5,868)	(171)	
Premises (Energy, repair and maintenance, rates, insurance, water, pest control, cleaning materials)	(1,468)	(1,421)	47	(1,595)	(127)	2	(1,203)	(1,229)	(26)	(1,219)	(16)	8	(3,842)	(3,493)	349	(2,883)	959	12	(6,513)	(6,143)	370	(5,697)	816	
Transport (Vehicle running costs, congestion charge and travel costs)	(1)	(1)	0	(1)	0		(36)	(31)	5	(31)	5		(2)	(34)	(32)	(3)	(1)	13	(39)	(66)	(27)	(35)	4	
Supplies and Services (Refuse collection, equipment hire/maintenance and purchase, uniforms and clothing, communication and office expenses)	(306)	(340)	(34)	(250)	56	3	(166)	(162)	4	(161)	5		(412)	(418)	(6)	(407)	5	14	(884)	(920)	(36)	(818)	66	
Waste and Recycling Contract	(2,894)	(2,830)	64	(2,850)	44	4	0	0	0	0	0		0	0	0	0	0		(2,894)	(2,830)	64	(2,850)	44	
Total Operating Expenditure	(6,363)	(6,303)	60	(6,440)	(77)		(3,356)	(3,405)	(49)	(3,404)	(48)		(6,308)	(6,006)	302	(5,424)	884		(16,027)	(15,714)	313	(15,268)	759	
Operating Income:																								
Rent	2,102	2,102	0	2,102	0		990	990	0	990	0		1,627	1,627	0	1,604	(23)	15	4,719	4,719	0	4,696	(23)	
Charges for Services (Service charge income, filming, car parking, insurance, advertising hoarding, wayleaves and tolls, reimbursement of directly recovered costs and interest income, contributions to repair fund)	6,278	6,220	(58)	6,620	342	5	3,868	3,891	23	3,709	(159)	9	3,853	3,550	(303)	3,707	(146)	16	13,999	13,661	(338)	14,036	37	
Total Operating Income	8,380	8,322	(58)	8,722	342		4,858	4,881	23	4,699	(159)		5,480	5,177	(303)	5,311	(169)		18,718	18,380	(338)	18,732	14	
Net Operating (Expenditure)/Income	2,017	2,019	2	2,282	265		1,502	1,476	(26)	1,295	(207)		(828)	(829)	(1)	(113)	715		2,691	2,666	(25)	3,464	773	
Central Costs:																								
Capital Depreciation Charges	(1,057)	(1,057)	0	(1,057)	0		(117)	(117)	0	(98)	19		(99)	(111)	(12)	(111)	(12)	17	(1,273)	(1,285)	(12)	(1,266)	7	
Other Central Costs (Transfer to and from reserves to fund repairs and works including non-government grants, support costs and Directorate apportionment)	(266)	(280)	(14)	(391)	(125)	6	(372)	(377)	(5)	(259)	113	10	(595)	(595)	0	(429)	166	18	(1,233)	(1,252)	(19)	(1,079)	154	
Total Central Costs	(1,323)	(1,337)	(14)	(1,448)	(125)		(489)	(494)	(5)	(357)	132		(694)	(706)	(12)	(540)	154		(2,506)	(2,537)	(31)	(2,345)	161	
Total Market (Expenditure)/Income	694	682	(12)	834	140		1,013	982	(31)	938	(75)		(1,522)	(1,535)	(13)	(653)	869		185	129	(56)	1,119	934	

NOTE: The above operating statement excludes expenditure and income related to the Smithfield Car Park and Outside Properties

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Operating Statement Movement Notes

The tables below analyse the aggregate favourable movements over £50k and all adverse movements for the Wholesale Markets as reported on the Operating Statement which is attached at Appendix 4. The summary compares the budget movements between the 2020/21 Original Budget (OR) to the 2020/21 Latest Budget (LB) and budget movements between the 2020/21 OR and the 2021/22 OR. Brackets in the summary signify an expenditure item or an adverse movement. Figures without brackets indicate an income item or a favourable movement.

New Spitalfields Market	Description	2020/21 OR to 2020/21 LB Movement Notes	2020/21 OR to 2021/22 OR Movement Notes
Note No.	Operating Expenditure		
1	Employment Costs	Increase of (£17k) is due to a 2.25% uplift for basic pay plus a 5% increase in London Weighting costs, together with centrally provided budgets for contribution pay and apprenticeship costs.	Increase of (£50k) is due to a 2.25% uplift in basic pay plus a 5% increase in London Weighting costs having originally been budgeted for.
2	Premises		Increase of (£127k) is due to: <ul style="list-style-type: none"> • (£150k) tenant contribution to the Repainting and Repair account to fund the cost of works and a transfer to tenant reserves; • (£3k) additional insurance costs; • (£1k) cleaning and domestic supply expenses; • £15k reduction in costs for the Building Repairs and Maintenance contract managed by the City Surveyors Department; • £10k decrease in utility costs as a result of energy efficiency measures introduced at the market and a reduction in energy prices; • £2k reduction in locally managed repairs and maintenance costs.

3	Supplies and Services	<p>Increase of (£34k) is due to:</p> <ul style="list-style-type: none"> • (£17k) increase in communications and computing costs due to the cost of taking credit card payments for the entry barrier as well as the purchase of mobile devices for the constabulary; • (£12k) for the installation of a new payment machine for the entry barrier which is being funded by tenant reserves; • (£7k) additional health and safety equipment purchases on behalf of tenants in response to the Covid-19 pandemic; • £2k reduction in general fees and expenses. 	<p>Decrease of £56k is due to:</p> <ul style="list-style-type: none"> • £90k reduction in professional fees relating to lease renewals costs which were mainly incurred in 2020/21; • £3k decrease in printing and other expenses; • (£17k) increase in communications and computing costs due to the cost of taking credit card payments for the entry barrier as well as the purchase of mobile devices for the constabulary; • (£15k) for the purchase of a new payment machine for the entry barrier to be met by the tenant repair fund; • (£5k) increase in equipment costs primarily due to the purchase of a new radio system.
4	Waste and Recycling Contract	<p>Decrease of £64k relates to a lower fixed contract price rise than was originally budgeted for the waste collection contract due to a reduction in the rate of inflation. This is in addition to a decrease in the rebate element of the contract repaid to tenants.</p>	
Operating Income			
5	Charges for Services	<p>Decrease of (£58k) is due to:</p> <ul style="list-style-type: none"> • (£350k) reduction in income from the entry barrier due to installation delays; • (£26k) decrease from the waste collection contract as a result of reduced levels of rebate income; 	<p>Increase of £342k is due to:</p> <ul style="list-style-type: none"> • £244k increase in service charge income as a result of increases in gross service charge expenditure; • £150k tenant contribution from the service charge funding both the cost of works on the

		<ul style="list-style-type: none"> • (£12k) decline in income from licenses due to a licensee leaving the market; • (£2k) reduction in parking income due to a decrease in the number of parking permits issued at the market; • £278k increase in service charge income due to a reduction in the level of budgeted sundry income; • £40k additional income from declared waste as a result of higher levels of waste at the market; • £9k extra income from the costs of the waste collection contract recharged to tenants as a result of higher levels of waste; • £5k increase in income from dumped and undeclared waste. 	<p>Repainting and Repair account and a transfer to tenant reserves;</p> <ul style="list-style-type: none"> • £40k additional income from declared waste due to extra waste at the market; • £25k increase in income from the entry barrier; • £9k income from recharges to tenants from the waste collection contract; • £6k from dumped and undeclared waste and other sundry income; • (£69k) reduction in rebate income from the waste collection contract as a result of external recycled materials not being accepted; • (£46k) decrease in the cost of utilities being recharged to tenants as a result of energy price reductions and energy efficiency measures; • (£12k) decline in income from licenses due to a licensee leaving the market; • (£5k) reduction in parking income due to a decrease in the number of parking permits issued at the market.
	Central Costs		
6	Other Central Costs	Increase of (£14k) is due to a (£15k) reduction in the transfer from reserves as a result of reduced City Surveyor's employee recharges on the Repainting and Repair account. This is offset by a £1k reduction in Directorate recharges.	Increase of (£125k) is due to: <ul style="list-style-type: none"> • (£80k) reduced transfer from reserves as a result of works on the Repainting and Repair account being largely funded by a contribution from tenants in 2021/22;

			<ul style="list-style-type: none">• (£76k) transfer being made from the Repainting and Repair account to the reserves;• £12k reduction in Directorate recharges;• £8k decrease in recharges from City Procurement;• £6k lower central support recharges;• £5k reduction in IT recharges.
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Billingsgate Market	Description	2020/21 OR to 2020/21 LB Movement Notes	2020/21 OR to 2021/22 OR Movement Notes
Note No.	Operating Expenditure		
7	Employment Costs	Increase of (£32k) is due to a 2.25% uplift in basic pay plus a 5% increase in London Weighting costs, together with centrally provided budgets for contribution pay and apprenticeship costs.	Increase of (£42k) is due to a 2.25% uplift in basic pay plus a 5% increase in London Weighting costs having originally been budgeted for. Any savings achieved from the pay freeze from July 2021 will now be used to meet the required unidentified efficiency savings.
8	Premises	<p>Increase of (£26k) is due to:</p> <ul style="list-style-type: none"> • (£39k) additional costs relating to the Building Repairs and Maintenance contract managed by the City Surveyors Department; • £11k reduction in locally managed repairs and maintenance costs as a result of lower breakdown general costs; • £2k reduction in the cost of cleaning and domestic supplies. 	<p>Increase of (£16k) is due to:</p> <ul style="list-style-type: none"> • (£20k) additional costs relating to the Building Repairs and Maintenance contract managed by the City Surveyors Department; • (£15k) higher service charge voids for vacant premises; • (£4k) increase in rates; • (£1k) additional insurance costs; • £15k reduction in locally managed repairs and maintenance costs due to lower than anticipated breakdown general and equipment hire costs; • £5k decrease in cleaning and domestic supplies; • £4k reduction in energy costs as a result of decreased energy prices.
	Operating Income		
9	Charges for Services		Decrease of (£159k) is due to:

			<ul style="list-style-type: none"> • (£125k) reduction in income from retail car parking as a result of lower anticipated usage following the Covid-19 pandemic; • (£40k) decrease in income from tolls which is no longer being invoiced to tenants; • (£32k) anticipated decline in trade car parking as a result of reduced trade at the market following the Covid-19 pandemic; • (£17k) reduction in utilities costs recharged to tenants due to reduced energy prices; • (£16k) decrease in anticipated filming income following the Covid-19 pandemic; • (£10k) reduction in income from refuse collection as a result of lower waste levels at the market; • (£4k) decrease in casual rent; • £85k increase from service charges as a result of a reduction in sundry income.
		Central Costs	
10	Other Central Costs	Increase of (£5k) due to a (£3k) reduction in transfer from reserves following a decrease in City Surveyor's employee recharges charged to the Repainting and Special Works account as well as a (£2k) increase in Directorate recharges.	Decrease of £113k due to: <ul style="list-style-type: none"> • £84k of unidentified efficiency savings; • £13k reduction in Directorate recharges; • £7k decrease in central support recharges; • £7k reduction in IT recharges; • £3k saving in City Procurement recharges; • £2k reduced City Surveyor's employee recharges; • (£3k) decrease in transfer from reserves as a result of lower City Surveyor's employee

			recharges on the Repainting and Special Works account.
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Smithfield Market	Description	2020/21 OR to 2020/21 LB Movement Notes	2020/21 OR to 2021/22 OR Movement Notes
Note No.	Operating Expenditure		
11	Employment Costs	Increase of (£9k) is due to a 2.25% uplift for basic pay plus a 5% increase in London Weighting costs, together with centrally provided budgets for contribution pay.	Increase of (£79k) is due to a 2.25% uplift in basic pay plus a 5% increase in London Weighting costs having originally been budgeted for. Any savings achieved from the pay freeze from July 2021 will now be used to meet the required unidentified efficiency savings.
12	Premises	<p>Decrease of £349k is due to:</p> <ul style="list-style-type: none"> • £391k reduced costs due to the re-phasing of works relating to the Cyclical Works Programme; • £59k utilities savings caused by a reduction in energy prices as well as energy efficiency measures introduced at the market including changes to the operation of heating and cooling equipment; • £20k reduction in water costs as a result of lower water usage at the market; • (£85k) additional costs relating to the Building Repairs and Maintenance contract managed by the City Surveyors Department; • (£18k) increase in cleaning and domestic supply costs due to the purchase of additional cleaning materials in response to the Covid-19 pandemic; • (£17k) in additional locally managed repairs and maintenance costs; • (£1k) additional rates expenditure. 	<p>Decrease of £959k is due to:</p> <ul style="list-style-type: none"> • £675k reduced costs due to the re-phasing of works relating to the Cyclical Works Programme; • £252k utilities savings caused by a reduction in energy prices and energy efficiency measures introduced at the market including changes to the operation of heating and cooling equipment; • £51k saving relating to the Building Repairs and Maintenance contract managed by the City Surveyors Department; • £20k reduction in water costs as a result of lower water costs and usage at the market; • (£17k) increase in cleaning and domestic supply costs due to the purchase of additional cleaning materials in response to the Covid-19 pandemic; • (£10k) increase in locally managed repairs and maintenance costs; • (£8k) additional rates expenditure; • (£4k) increase in insurance costs.

13	Transport	Increase of (£32k) is due to the proposed purchase of a forklift truck for use at the market.	Increase of (£1k) is due to price rises related to the congestion charge.
14	Supplies and Services	Increase of (£6k) is due to (£3k) related to the purchase of health and safety equipment for use by the tenants in response to the Covid-19 pandemic. This is in addition to (£3k) relating to the purchase of additional mobile phone devices.	
	Operating Income		
15	Rent		Decrease of (£23k) is due to reduced income as a result of previously agreed rent-free periods at the Poultry Market.
16	Charges for Services	Decrease of (£303k) is due to tenants not being invoiced for the recharge of business rates in 2020/21 as a result of the Covid-19 pandemic. The budget reduction was funded by previous year carry-forward underspends of £236k and £67k from the Covid-19 contingency fund.	Decrease of (£146k) is due to: <ul style="list-style-type: none"> • (£104k) reduction in chilled water and heating recharges as a result of decreases in expenditure caused by operational changes to heating and cooling equipment; • (£53k) decrease in income from energy costs recharged to tenants as a result of a reduction in the price of energy as well as energy efficiency measures introduced at the market; • £8k in additional income from business rates recharged to tenants; • £3k increase in service charge income.

Central Costs			
17	Capital Depreciation Charges	Increase of (£12k) is due to additional capital charges for the Animal By-Product (ABP) facility.	Increase of (£12k) is due to additional depreciation for the ABP facility.
18	Other Central Costs		Decrease of £166k is due to: <ul style="list-style-type: none"> • £126k unidentified efficiency savings; • £14k reduced Directorate recharges; • £13k decrease in IT recharges; • £10k reduction in City Surveyor's employee recharges; • £3k decrease in central support recharges.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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