

LATEST BUDGET 2019/20 TO ORIGINAL BUDGET 2020/21				
Analysis of Service Expenditure	Latest Budget 2019/20 £'000	Original Budget 2020/21 £'000	Movement Better/(Worse) £'000	Para Reference
EXPENDITURE - LOCAL RISK				
Employment Costs	(6,150)	(6,156)	(6)	1
Premises Related Expenses	(4,761)	(4,643)	118	2
City Surveyor – Repairs & Maintenance	(1,964)	(1,791)	173	3
Transport Related Expenses	(57)	(40)	17	4
Supplies & Services	(1,167)	(1,140)	27	5
Waste & Cleaning Contract at New Spitalfields Mkt	(2,840)	(2,894)	(54)	6
Transfer to Reserves	0	0	0	
Committee Contingency	0	0	0	
Total Expenditure	(16,939)	(16,664)	275	
INCOME - LOCAL RISK				
Other Grants, Reimbursements & Contributions	360	352	(8)	7
Customer, Client Receipts	12,851	12,984	133	8
Investment Income	2	2	0	
Transfer from Reserves	115	96	(19)	9
Total Income	13,328	13,434	106	
TOTAL NET LOCAL RISK (EXP)/ INC	(3,611)	(3,230)	381	
EXPENDITURE - CENTRAL RISK				
Premises Related Expenses	(171)	(174)	(3)	10
Supplies & Services	(33)	(131)	(98)	11
Capital Charges/Depreciation	(216)	(216)	0	
Total Expenditure	(420)	(521)	(101)	
INCOME - CENTRAL RISK				
Customer, Client Receipts	1,523	1,495	(28)	12
Customer, Client Receipts (Rent)	4,794	4,825	31	13
Transfer from Reserves	31	31	0	
Total Income	6,348	6,351	3	
TOTAL NET CENTRAL RISK (EXP)/ INC	5,928	5,830	(98)	
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	(1,961)	(1,853)	108	14
Capital Charges/Depreciation	(1,057)	(1,057)	0	
Recharges within Committee	0	0	0	
Recharges within Fund	77	77	0	
Recharges across Fund	334	327	(7)	15
TOTAL SUPPORT SERVICES AND CAPITAL CHARGES	(2,607)	(2,506)	101	
TOTAL NET (EXPENDITURE)/INCOME	(290)	94	384	

Latest Budget 2019/20 to Original Budget 2020/21 – Variance Notes

Local Risk

1. **Employment Costs** – the increase of (£6k) is due to a 2.00% uplift for cost of living for all grades plus a 2.00% uplift in London Weighting costs.
2. **Premises Related Expenses** – the decrease of £118k is due to:
 - £86k net decrease in repairs and maintenance costs of which £39k related to the removal of approved carry forwards from the previous financial year at Smithfield Market relating to an automated electricity system and refrigeration deck matting;
 - £44k net reduction in utility costs due to the introduction of energy efficiency measures;
 - £1k reduced service charge contribution to the Billingsgate Market Repainting and Special Works account;
 - (£12k) increase in rates costs;
 - (£1k) additional costs relating to cleaning and domestic supplies.
3. **City Surveyor – Repairs & Maintenance** – the decrease of £173k is due to:
 - £184k net decrease due to the re-phasing of works as part of the Cyclical Works Programme at Smithfield Market and Smithfield Car Park;
 - £39k decrease in costs relating to the Building Repairs and Maintenance contract managed by Skanska at Billingsgate Market as a result of the asset verification process.
 - £9k lower pest control contract costs;
 - (£51k) increase in costs relating to the Building Repairs and Maintenance contract managed by Skanska at Smithfield Market and Smithfield Car Park as a result of the asset verification process;
 - (£8k) additional costs relating to the Building Repairs and Maintenance contract managed by Skanska at New Spitalfields Market as a result of the asset verification process.
4. **Transport Related Expenses** – the decrease of £17k is due to the removal of one-off costs for the purchase of a forklift truck in the previous financial year.
5. **Supplies & Services** – the £27k decrease is due to the following:
 - £29k decrease due to one-off professional fees taking place at New Spitalfields Market during 2019/20 relating to Working Time Solutions and tenant training;
 - £5k net decrease in the cost of refuse collection and general office expenditure;
 - (£7k) additional management fees for the running of the Rotunda Car Park at Smithfield Market.
6. **Waste & Cleaning Contract at New Spitalfields Market** – the (£54k) increase is primarily due to an uplift in the fixed element of the contract as a result of inflationary increases in the contract price.
7. **Other Grants, Reimbursements and Contributions** – the (£8k) decrease is due to the removal of a one-off grant of (£15k) for the purchase of a cherry picker truck at Billingsgate Market in 2019/20. This is in addition to a (£1k) reduction in the contribution from the service charge to the Repainting and Special Works Fund at Billingsgate Market. This is

offset by additional income of £8k relating to business rates being recharged to tenants at Smithfield Market.

8. Customer, Client Receipts – the increase of £133k is due to:

- £370k additional income from the entry barrier at New Spitalfields Market;
- £27k increased income from the Rotunda Car Park at Smithfield Market;
- £20k in additional service charge income at Billingsgate Market as a result of increased service charge expenditure;
- £10k rise in utility income at New Spitalfields Market;
- £23k extra income from utility and chilled water recharges at Smithfield Market;
- £5k increase in car parking income at Billingsgate Market;
- (£287k) reduction in service charge income at New Spitalfields Market as a result of increased sundry income;
- (£19k) decrease in utility income at Billingsgate Market;
- (£13k) lower filming income at Billingsgate Market;
- (£3k) reduced sundry income at New Spitalfields Market.

9. Transfer from Reserves – the decrease of (£19k) is due to a reduced transfer of (£11k) from the New Spitalfields Market Repainting and Repairs Fund and (£8k) from the Billingsgate Market Repainting and Special Works Fund as a result of reductions in repairs and maintenance works taking place in 2020/21.

Central Risk

10. Premises Related Expenses – the (£3k) increase is due to higher rates expenditure of (£2k) and an increase of (£1k) in anticipated service charge voids at Billingsgate Market.

11. Supplies & Services – the increase of (£98k) is primarily due to professional fees at New Spitalfields Market relating to advice for rent reviews.

12. Customer, Client Receipts – the decrease of (£28k) is due to the following:

- (£42k) reduction in service charge income at Billingsgate Market as a result of reduced central recharges and repairs and maintenance costs managed by City Surveyor's;
- £12k additional public car parking income at Billingsgate Market;
- £1k uplift in insurance recharges at Billingsgate Market;
- £1k increase in service charge income at New Spitalfields Market as a result of higher central recharges and repairs and maintenance costs managed by City Surveyor's.

13. Customer, Client Receipts (Rent) – the increase of £31k is due to agreed rent-free periods at the Poultry Market in 2019/20.

Support Services and Capital Charges

14. Central Support Services – the net decrease of £108k is due to the following:

- £56k reduction in recharges from the Chamberlain's Department;
- £36k lower IT recharges;
- £15k decrease in recharges from the Town Clerk's Department;
- £10k reduction in recharges from Comptrollers and City Solicitors Department;

- £6k lower City Procurement recharges;
- (£7k) increase in insurance recharges;
- (£6k) higher Administration Buildings recharges;
- (£2k) additional City Surveyor's recharges.

15. Recharges Across Fund – the net decrease of (£7k) is due to reduced Directorate recharges to other areas of the Department of Markets & Consumer Protection.