

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.