

Wholesale Markets Operating Statement Variance Notes – 2020/21

The tables below analyse the variances for the wholesale markets as reported on the operating statement which is attached at Appendix A4. The statement compares the 2020/21 final budget to the actual outturn for 2020/21.

Brackets signify an expenditure item and/or a worse than budget position and non-brackets signify an income item and/or a better than budget position. All variances of £50k or more have been detailed below.

| New Spitalfields Market | | |
|--------------------------------|------------------------------|---|
| Notes | Description | 2020/21 Final Budget to Actual Outturn |
| Operating Expenditure | | |
| 1 | Employment Costs | £125k staff cost underspend was due to vacant positions in maintenance and security roles. |
| 2 | Premises | <p>£121k underspend due to:</p> <ul style="list-style-type: none"> • £64k energy costs due to a decrease in energy prices and energy efficiency measures introduced at the market; • £59k in repairs & maintenance costs of which £31k related to the building, repairs and maintenance contract managed by City Surveyor's and £28k relating to locally managed repairs and maintenance costs; • £10k water expenditure as a result of reduced consumption. <p>These were partly offset by total overspends of (£12k) in the cost of cleaning and domestic supplies and insurances.</p> |
| 3 | Waste and Recycling Contract | £94k overall underspend relating to the waste and recycling contract delivered by Countrystyle Recycling Ltd. This was due to lower than anticipated costs for both the fixed and variable elements of the contract as well as an underspend in the rebate repaid to tenants due to income from the rebate being less than expected. |
| Operating Income | | |
| 4 | Charges for Services | <p>(£270k) less income than budgeted due to:</p> <ul style="list-style-type: none"> • (£164k) service charge income as a result of reduced service charge expenditure; |

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| | | <ul style="list-style-type: none"> • (£60k) rebate and declared waste income and recharges to tenants from the contract with Countrystyle Recycling Ltd due to lower levels of waste at the market; • (£48k) income from the entry barrier and parking permits due to reduced trade at the market as a result of Covid-19; • (£40k) electricity and heating income recharged to tenants due to reduced energy costs. <p>This was partly offset by additional income of £42k in undeclared waste, reimbursable works and the sale of plant as well as other forms of sundry income.</p> |
| Central Costs | | |
| 5 | Other Central Costs | <p>(£50k) overspend was due to:</p> <ul style="list-style-type: none"> • (£20k) IT recharges as a result of increased infrastructure costs and officer time spent to support working from home arrangements during the pandemic; • (£19k) reduced transfers from reserves due to lower than budgeted costs of works met through the Repainting and Repair fund; • (£12k) central support costs relating to increased recharges from Chamberlain's and the Comptroller and City Solicitor; • (£10k) Directorate recharges. <p>This was partly offset by a total underspend of £11k for City Surveyor's employee recharges and City Procurement recharges.</p> |

| Billingsgate Market | | |
|------------------------------|--------------------|---|
| Notes | Description | 2020/21 Final Budget to Actual Outturn |
| Operating Expenditure | | |
| 6 | Employment Costs | £101k staff cost underspend was due to vacant positions in security and cleaning roles. |

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| 7 | Premises | <p>£187k underspend was due to:</p> <ul style="list-style-type: none"> • £110k in repairs & maintenance costs of which £3k related to the building, repairs and maintenance contract managed by City Surveyor's; • £57k energy costs as a result of lower energy prices and energy efficiency measures introduced at the market; • £49k service charge contribution to the Repainting and Special Works account as a result of the overall level of works being less than anticipated. <p>This was partly offset by overspends totalling (£29k) primarily relating to the increased cost of service charge voids for vacant premises.</p> |
| Operating Income | | |
| 8 | Charges for Services | <p>(£605k) less income than budgeted due to:</p> <ul style="list-style-type: none"> • (£288k) car parking income of which (£249k) related to public parking and (£39k) related to trade parking. This was due to reduced occupancy levels during the Covid-19 pandemic; • (£147k) service charge income as a result of reduced levels of service charge expenditure; • (£49k) contribution to the Repainting and Special Works account as a result of lower than anticipated levels of works; • (£40k) toll fees not being charged to tenants; • (£27k) energy costs recharged to tenants as a result of a reduction in energy prices; • (£22k) water costs recharged to tenants due to reduced levels of consumption; • (£20k) filming income caused by a reduction in filming projects at the market during the Covid-19 pandemic; • (£12k) casual rent and other sundry income. |

| Central Costs | | |
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| 9 | Other Central Costs | <p>(£86k) overspend was due to:</p> <ul style="list-style-type: none"> • (£28k) transfers from reserves due to the level of works met by the Repainting and Special Works Fund being less than expected; • (£25k) IT recharges as a result of increased infrastructure costs and officer time spent to support working from home arrangements during the pandemic; • (£22k) central support recharges mainly relating to increased recharges from Chamberlain's and the Comptroller and City Solicitor; • (£11k) Directorate recharges. |

| Smithfield Market | | |
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| Notes | Description | 2020/21 Final Budget to Actual Outturn |
| Operating Expenditure | | |
| 10 | Premises | <p>£1,033k underspend due to:</p> <ul style="list-style-type: none"> • £381k electricity costs caused by a reduction in energy prices and energy efficiency measures at the market; • £320k re-phasing of works in the Cyclical Works Programme (CWP) managed by City Surveyor's; • £186k primarily relating to heating and cooling costs due to changes in the operation of heating and cooling equipment as well as reduced levels of consumption during Covid-19; • £136k in repairs & maintenance costs of which £113k related to the building, repairs and maintenance contract managed by City Surveyor's and £23k related to locally managed repairs and maintenance costs; • £10k cleaning and domestic supplies costs and insurances. |
| Operating Income | | |

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| 11 | Charges for Services | <p>(£436k) less income due to:</p> <ul style="list-style-type: none"> • (£239k) utility recharges from tenants caused by a reduction in energy prices and energy efficiency measures at the market; • (£179k) recharging of heating and cooling costs due to an underspend caused by changes in the operation of heating and cooling equipment as well as reduced levels of consumption during the pandemic; • (£14k) collection of condemned meat recharges as a result of lower costs incurred by the Animal By-Product (ABP) facility; • (£4k) reimbursable works and other sundry income. |
| Central Costs | | |
| 12 | Other Central Costs | <p>(£61k) overspend due to:</p> <ul style="list-style-type: none"> • (£42k) central support costs relating to increased recharges from Chamberlain's and the Comptroller and City Solicitor; • (£20k) IT recharges as a result of increased infrastructure costs and officer time spent to support working from home arrangements during the pandemic; • (£12k) Directorate recharges. <p>This was partly offset by a £13k underspend in City Surveyor's employee recharges.</p> |