

ORIGINAL BUDGET 2021/22 TO LATEST BUDGET 2021/22				
Analysis of Service Expenditure	Original Budget 2021/22 £'000	Latest Budget 2021/22 £'000	Movement Better/(Worse) £'000	Para Ref
EXPENDITURE - LOCAL RISK				
Employment Costs	(6,224)	(6,141)	83	1
Premises Related Expenses	(4,515)	(4,493)	22	2
City Surveyor – Repairs & Maintenance	(1,243)	(1,258)	(15)	3
Transport Related Expenses	(36)	(74)	(38)	4
Supplies & Services	(1,172)	(1,256)	(84)	5
Waste & Cleaning Contract at New Spitalfields Mkt	(2,850)	(2,780)	70	6
Transfer to Reserves	(76)	(93)	(17)	7
Committee Contingency	246	246	0	
Total Expenditure	(15,870)	(15,849)	21	
INCOME - LOCAL RISK				
Other Grants, Reimbursements & Contributions	510	503	(7)	8
Customer, Client Receipts	12,881	12,615	(266)	9
Investment Income	2	2	0	
Transfer from Reserves	38	126	88	10
Total Income	13,431	13,246	(185)	
TOTAL NET LOCAL RISK (EXP)/ INC	(2,439)	(2,603)	(164)	
EXPENDITURE - CENTRAL RISK				
Premises Related Expenses	(191)	(191)	0	
Supplies & Services	(41)	(216)	(175)	11
Capital Charges/Depreciation	(209)	(209)	0	
Total Expenditure	(441)	(616)	(175)	
INCOME - CENTRAL RISK				
Customer, Client Receipts	1,397	1,413	16	12
Customer, Client Receipts (Rent)	4,805	4,702	(103)	13
Transfer from Reserves	6	9	3	14
Total Income	6,208	6,124	(84)	
TOTAL NET CENTRAL RISK (EXP)/ INC	5,767	5,508	(259)	
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	(1,764)	(1,764)	0	
Capital Charges/Depreciation	(1,057)	(1,237)	(180)	15
Recharges within Committee	0	0	0	
Recharges within Fund	77	77	0	
Recharges across Fund	231	231	0	
TOTAL SUPPORT SERVICES AND CAPITAL CHARGES	(2,513)	(2,693)	(180)	
TOTAL NET (EXPENDITURE)/INCOME	815	212	(603)	

Original Budget 2021/22 to Latest Budget 2021/22 – Movement Notes

Local Risk

1. **Employment Costs** – decrease of £83k is due to savings from flexible retirement in addition to pay being frozen for staff at grades D and above from July 2021 and the removal of three vacant posts.
2. **Premises Related Expenses** – reduction of £22k is due to the following:
 - £19k savings in the corporate cleaning contract at New Spitalfields Market;
 - £17k reduction in water expenditure at Smithfield Market;
 - £9k decrease in energy costs at Smithfield Market as a result of a fall in energy prices;
 - £5k net reduction in rates expenditure across all markets;
 - (£26k) increase in the cost of heating and cooling at Smithfield Market;
 - (£2k) additional ad-hoc pest control costs at Smithfield Market.
3. **City Surveyor – Repairs & Maintenance** – the (£15k) increase is attributable to additional expenditure on the corporate pest control contract at Smithfield Market.
4. **Transport Related Expenses** – the (£38k) increase in transport related expenditure is due to the purchase of a forklift truck for use at Smithfield Market amounting to (£20k) which has been funded by carry forward monies, together with an extra (£18k) in vehicle maintenance costs at Billingsgate Market.
5. **Supplies & Services** – the (£84k) increase is due to the following:
 - (£63k) cost of condition surveys at Billingsgate and New Spitalfields Markets to identify future works at the markets;
 - (£17k) expenditure relating to the maintenance of the entry barrier at New Spitalfields Market;
 - (£9k) increase in equipment costs at Billingsgate and New Spitalfields Market;
 - (£7k) refuse collection expenditure at Smithfield Market as a result of additional waste at the market;
 - (£3k) extra stationery and communication costs at all markets;
 - £15k reduction in internal legal fees at Smithfield Market.
6. **Waste & Cleaning Contract at New Spitalfields Market** – the decrease of £70k relates to contract savings from the fixed element of the contract amounting to £38k as well as a reduction of £32k in variable costs from the contract.
7. **Transfer to Reserves** – the additional (£17k) relates to an increase in the transfer to the Repainting and Repair (R&R) Fund at New Spitalfields Market as a result of additional costs being met through the reserves in 2021/22.
8. **Other Grants, Reimbursements and Contributions** – the (£7k) decrease is due to a reduction in the overall cost of business rates charged to Smithfield Market.
9. **Customer, Client Receipts** – the (£266k) reduction in income is due to the following:

- (£215k) reduction in service charge income at New Spitalfields Market as a result of decreases in gross service charge expenditure;
- (£50k) decrease in service charge income at Billingsgate Market as a result of decreases in gross service charge expenditure;
- (£33k) less income from the recharge of utilities costs to commercial tenants at Smithfield Market as a result of lower heating and cooling costs;
- (£21k) decrease in the recharge of utilities costs to tenants at New Spitalfields Market as a result of reductions in energy prices;
- (£7k) less income related to recharges from the Animal By-Product (ABP) facility at Smithfield Market as a result of lower levels of condemned meat;
- £32k additional income from the Rotunda Car Park following the lifting of Covid-19 restrictions;
- £18k income from the recharges of refuse collection to tenants at Billingsgate Market;
- £10k extra income from trade car parking at Billingsgate Market due to an increase in customer numbers at the market following the lifting of Covid-19 restrictions.

10. Transfer from Reserves – the increase of £88k is due to an additional transfer from reserves of £57k at Billingsgate Market to fund extra works on the Repainting and Special Works Fund (RSWF) as well as a further £31k to cover expenditure on the R&R Fund at New Spitalfields Market.

Central Risk

11. Supplies & Services – the increase of (£175k) is due to (£110k) in external surveyor and legal fees for the lease renewals at Billingsgate Market and an additional (£65k) in professional fees for rent reviews at New Spitalfields Market.

12. Customer, Client Receipts – the £16k increase is due to additional service charge income of £17k at New Spitalfields Market relating to central support and City Surveyor's costs recharged to tenants. This is offset by a (£1k) decrease in service charge income at Billingsgate Market.

13. Customer, Client Receipts (Rent) – the (£103k) reduction is attributable to a decrease in rent income at New Spitalfields Market relating to vacant premises.

14. Transfer from Reserves – the £3k increase is due to additional City Surveyor's employee recharges being incurred on the RSWF account at Billingsgate Market requiring additional transfers from tenant reserves.

Support Services and Capital Charges

15. Capital Charges/Depreciation – the (£180k) increase relates to additional buildings depreciation charges being incurred at New Spitalfields Market.