

### Operating Statement Movement Notes

The tables below analyse the aggregate movements over £50k for the Wholesale Markets as reported on the Operating Statement which is attached at Appendix 4. The summary compares the budget movements between the 2021/22 Original Budget (OR) to the 2021/22 Latest Budget (LB) and budget movements between the 2021/22 OR and the 2022/23 OR. Brackets in the summary signify an expenditure item or an adverse movement. Figures without brackets indicate an income item or a favourable movement.

<b>New Spitalfields Market</b>	<b>Description</b>	<b>2021/22 OR to 2021/22 LB Movement Notes</b>	<b>2021/22 OR to 2022/23 OR Movement Notes</b>
<b>Note No.</b>	<b>Operating Expenditure</b>		
1	Employment Costs	Decrease of £115k is a result of pay being frozen for staff on grades D and above from July 2021, savings from flexible retirement and a reduction in the number of Full Time Equivalents (FTEs) at the market.	Decrease of £117k is a result of pay being frozen for staff on grades D and above from July 2021, savings from flexible retirement and a reduction in the number of Full Time Equivalents (FTEs) at the market.
2	Premises	Reduction of £70k due to: <ul style="list-style-type: none"> <li>• £35k decrease in energy costs attributable to a reduction in energy prices and energy efficiency measures;</li> <li>• £22k reduction in works funded by the Repainting and Repair (R&amp;R) account;</li> <li>• £19k cleaning contract savings;</li> <li>• (£6k) additional rates expenditure relating to vacant premises.</li> </ul>	Decrease of £57k due to: <ul style="list-style-type: none"> <li>• £28k reduction in works funded by the R&amp;R account;</li> <li>• £18k decrease in energy costs as a result of a reduction in energy prices and energy efficiency measures;</li> <li>• £16k savings from the corporate cleaning contract;</li> <li>• £10k reduction in water expenditure due to lower consumption;</li> <li>• (£15k) additional rates expenditure relating to vacant premises.</li> </ul>

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3	Supplies and Services	<p>Increase of (£116k) is due to:</p> <ul style="list-style-type: none"> <li>• (£93k) additional professional fees primarily relating to the rent reviews and the market condition surveys;</li> <li>• (£22k) costs relating to the entry barrier covering maintenance and the purchase of a new payment machine;</li> <li>• (£1k) additional printing and stationery costs.</li> </ul>	<p>Increase of (£74k) is due to:</p> <ul style="list-style-type: none"> <li>• (£71k) increase in professional fees primarily relating to the cost of rent reviews;</li> <li>• (£17k) costs relating to maintenance of the entry barrier;</li> <li>• (£1k) additional printing and stationery expenses;</li> <li>• £15k reduction in equipment expenditure covered by the R&amp;R account.</li> </ul>
4	Waste and Recycling Contract	<p>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.</p>	<p>Savings of £283k include £260k reduction in fixed contract costs largely attributable to a variation in the contract as well as £23k savings from the variable element of the contract.</p>
<b>Operating Income</b>			
5	Rent	<p>Reduction in rent income of (£103k) largely due to two catering units being vacant.</p>	<p>Reduction in rent income of (£51k) largely due to two catering units being vacant.</p>
6	Charges for Services	<p>Decrease of (£219k) is due to (£198k) reduction in service charge income recharged to tenants because of reduced service charge expenditure. This in addition to reduced utility recharges to tenants of (£21k) as a result of a reduction in energy prices.</p>	<p>Decrease of (£402k) is due to:</p> <ul style="list-style-type: none"> <li>• (£225k) reduction in service charge income as a result of decreases in gross service charge expenditure;</li> <li>• (£125k) less income from the entry barrier due to a reduction in customer numbers during the pandemic;</li> <li>• (£30k) decline in income from declared waste as a result of additional food waste being donated to charity;</li> <li>• (£14k) reduced income from reimbursable works;</li> </ul>

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			<ul style="list-style-type: none"> <li>(£8k) reduction from utility recharges and other sundry income.</li> </ul>
	<b>Central Costs</b>		
7	Capital Depreciation Charges	Increase of (£180k) due to additional buildings depreciation charges.	Increase of (£180k) due to additional buildings depreciation charges.

Billingsgate Market	Description	2021/22 OR to 2021/22 LB Movement Notes	2021/22 OR to 2022/23 OR Movement Notes
<b>Note No.</b>	<b>Operating Expenditure</b>		
8	Supplies and Services	Increase of (£149k) is due to: <ul style="list-style-type: none"> <li>• (£110k) in professional fees relating to the lease renewals;</li> <li>• (£32k) cost of market condition surveys being funded by the Repainting and Special Works account;</li> <li>• (£7k) additional costs relating to equipment and hospitality.</li> </ul>	

Smithfield Market	Description	2021/22 OR to 2021/22 LB Movement Notes	2021/22 OR to 2022/23 OR Movement Notes
<b>Note No.</b>	<b>Operating Expenditure</b>		
9	Employment Costs		Decrease of £61k is due to savings from flexible retirement and the freeze in pay for employees on grades D and above from July 2021.
	<b>Operating Income</b>		
10	Charges for Services	<p>Decrease of (£53k) is due to the following:</p> <ul style="list-style-type: none"> <li>• (£33k) reduced income from utilities recharges caused by lower heating and cooling costs;</li> <li>• (£7k) lower business rates costs charged to the market;</li> <li>• (£7k) less recharges for the Animal By-Product (ABP) facility attributable to lower levels of condemned meat;</li> <li>• (£6k) reduction in service charge income caused by vacant properties at the Poultry Market at the start of 2021/22.</li> </ul>	
	<b>Central Costs</b>		
11	Other Central Costs		Increase of (£57k) is due to a reduction in unidentified efficiency savings of (£66k) offset by a £9k decrease in the cost of Directorate recharges.