

ORIGINAL BUDGET 2022/23 TO LATEST BUDGET 2022/23				
Analysis of Service Expenditure	Original Budget 2022/23 £'000	Latest Budget 2022/23 £'000	Movement Better/(Worse) £'000	Para Ref
<b>EXPENDITURE - LOCAL RISK</b>				
Employment Costs	(6,027)	(6,021)	6	1
Premises Related Expenses	(4,507)	(4,521)	(14)	2
City Surveyor – Repairs & Maintenance	(1,243)	(1,559)	(316)	3
Transport Related Expenses	(34)	(34)	0	
Supplies & Services	(1,173)	(1,195)	(22)	4
Waste & Cleaning Contract at New Spitalfields Mkt	(2,567)	(2,567)	0	
Transfer to Reserves	(156)	(156)	0	
Unidentified Efficiency Savings	39	123	84	5
<b>Total Expenditure</b>	<b>(15,668)</b>	<b>(15,930)</b>	<b>(262)</b>	
<b>INCOME - LOCAL RISK</b>				
Other Grants, Reimbursements & Contributions	503	503	0	
Customer, Client Receipts	12,523	12,543	20	6
Investment Income	2	2	0	
Transfer from Reserves	75	75	0	
<b>Total Income</b>	<b>13,103</b>	<b>13,123</b>	<b>20</b>	
<b>TOTAL NET LOCAL RISK (EXP)/ INC</b>	<b>(2,565)</b>	<b>(2,807)</b>	<b>(242)</b>	
<b>EXPENDITURE - CENTRAL RISK</b>				
Premises Related Expenses	(191)	(191)	0	
Supplies & Services	(154)	(154)	0	
Capital Charges/Depreciation	(209)	(208)	1	7
<b>Total Expenditure</b>	<b>(554)</b>	<b>(553)</b>	<b>1</b>	
<b>INCOME - CENTRAL RISK</b>				
Customer, Client Receipts	1,426	1,413	(13)	8
Customer, Client Receipts (Rent)	4,785	4,785	0	
Transfer from Reserves	10	9	(1)	9
<b>Total Income</b>	<b>6,221</b>	<b>6,207</b>	<b>(14)</b>	
<b>TOTAL NET CENTRAL RISK (EXP)/ INC</b>	<b>5,667</b>	<b>5,654</b>	<b>(13)</b>	
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>				
Central Support Services	(1,764)	(1,781)	(17)	10
Capital Charges/Depreciation	(1,237)	(1,392)	(155)	11
Recharges within Committee	0	0	0	
Recharges within Fund	77	77	0	
Recharges across Fund	351	0	(351)	12
<b>TOTAL SUPPORT SERVICES AND CAPITAL CHARGES</b>	<b>(2,573)</b>	<b>(3,096)</b>	<b>(523)</b>	
<b>TOTAL NET (EXPENDITURE)/INCOME</b>	<b>529</b>	<b>(249)</b>	<b>(778)</b>	

## Original Budget 2022/23 to Latest Budget 2022/23 – Movement Notes

### Local Risk

- 1. Employment Costs** – net decrease of £6k is attributable to staffing changes following the introduction of the Markets Target Operating Model (TOM). This comprises reductions of £108k at New Spitalfields Market and £19k for the Markets Directorate partly offset by increases of (£75k) at Billingsgate Market and (£46k) at Smithfield Market.
- 2. Premises Related Expenses** – increase of (£14k) is due to increases at Billingsgate Market of (£21k) relating to additional repairs and maintenance costs to fund additional works and (£2k) in increased cleaning materials costs. This is partly offset by a £9k reduction in electricity costs at Smithfield Market transferred to fund increasing costs of the corporate contract for pest control managed by City Surveyor's.
- 3. City Surveyor – Repairs & Maintenance** – the (£316k) increase is attributable to increases of (£311k) related to the Cyclical Works Programme (CWP) at Smithfield Market because of re-phasing of works under the CWP. This is in addition to a (£5k) net increase in the cost of Building, Repairs and Maintenance contract including an increase of (£27k) at Smithfield Market due to additional works being required. This is offset by reductions of £11k at Billingsgate Market and £11k at New Spitalfields Market.
- 4. Supplies & Services** – the (£22k) increase is attributable to additional costs on the Markets Directorate primarily related to professional fees for a study into the development of retail markets as well as costs associated with the Markets float for the Lord Mayors Show.
- 5. Unidentified Efficiency Savings** – the increase of £84k is due to the re-allocation of the £68k contingency budget on the Markets Directorate to other expenditure categories to cover additional employment and supplies and services costs. This is in addition to a £46k increase in required efficiency savings at Smithfield Market as a result of staffing changes arising from the TOM. The increase is partly offset by a (£30k) reduction at Billingsgate Market related to efficiency savings which have been achieved through additional licence income.
- 6. Customer, Client Receipts** – the £20k increase is due to a £98k increase in service charge income at Billingsgate Market as a result of increased staff costs recharged to tenants as well as £30k in additional licence income at Billingsgate Market. This is partly offset by a (£108k) reduction in service charge income at New Spitalfields Market as a result of reduced staff costs recharged via tenant service charges following the introduction of the TOM.

### Central Risk

- 7. Capital Charges/Depreciation** – the £1k reduction is attributable to reduced depreciation at Billingsgate Market.
- 8. Customer, Client Receipts** – the (£13k) reduction relates to decreases in service charge income of (£11k) at Billingsgate Market and (£2k) at New Spitalfields Market as a result of reduced central recharges and costs from the Building, Repairs and Maintenance contract needing to be recharged to tenants.

**9. Transfer from Reserves** – the (£1k) reduction relates to lower transfers from tenant reserves at New Spitalfields Market as a result of reduced City Surveyor employee recharges charged to the tenant repair fund.

### **Support Services and Capital Charges**

**10. Central Support Services** – the (£17k) net increase can be attributed to a (£84k) increase in central support services covering the cost of central departments such as Chamberlains, Town Clerks and Comptrollers and City Solicitors. This is offset by total decreases of £67k in recharges from other corporate departments primarily related to IT and City Procurement as a result of savings achieved from these corporate departments.

**11. Capital Charges/Depreciation** – the (£155k) increase relates to additional buildings depreciation charges being incurred at New Spitalfields Market following an increase in the valuation of the building and roof at the market with the market being depreciated on the revised value of the building over its remaining useful life.

**12. Recharges Across Funds** – the decrease of (£351k) relates to the costs of the Directorate no longer being recharged to the Port Health & Environmental Services and Licensing Committees following the Department for Markets and Consumer Protection ceasing to exist after the introduction of the TOM. Following the changes arising from the TOM, the Directorate will see an overall reduction in its costs and the costs of the Directorate will only be recharged to the three wholesale markets in future.