

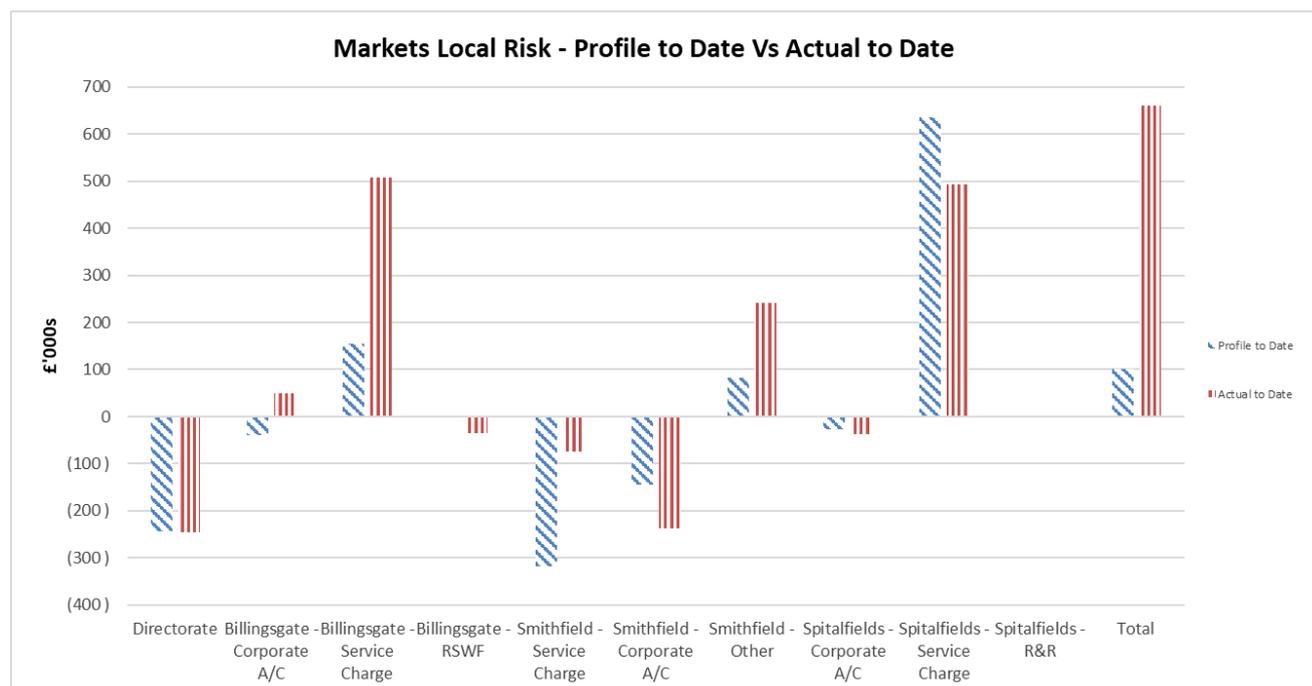
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Summary

At the end of November 2022, the Chief Operating Officer was £558k (552.5%) underspent against the local risk net income budget to date of £101k, over all the services managed by the Chief Operating Officer reporting to the Markets Board. Table A sets out the detailed position for the individual services covered by this department.

Overall, the Chief Operating Officer is currently forecasting a year end overspend position of £239k (18.8%) for her City Fund and City's Cash services. However, this excludes the impact of funding expected to be provided centrally for increasing energy and employment costs which is currently projected to result in an overall underspend of £175k (10.4%) on the Markets Board local risk budget.

1. The end of November 2022 monitoring position for the Chief Operating Officer's services reporting to Markets Board is provided at Table A. This shows a net underspend to date of £558k (552.5%) against the overall local risk net income budget to date of £101k for 2022/23.

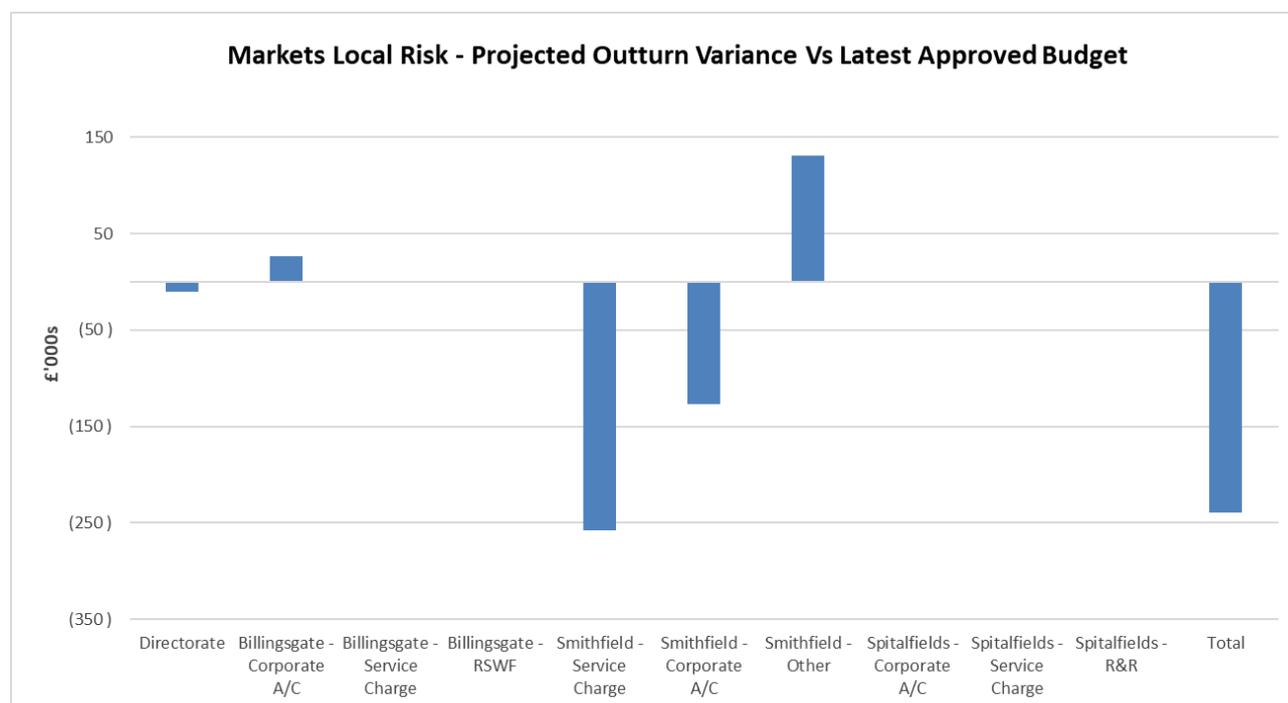


1. Graph shows the actual local risk net position against the profiled budget to date for each Division in Markets.
2. A position above the baseline is favourable i.e. net income.
3. A position below the baseline is unfavourable i.e. net expenditure.
4. Markets total actual to date net income of £659k is £558k underspent against the profiled net income budget to date of £101k.

2. Overall, the Chief Operating Officer is currently forecasting a year end overspend position of £239k (18.8%) for her City Fund and City's Cash services.

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3. However, Members should note that the forecasted overspend position excludes the impact of budgetary adjustments expected to be provided centrally to cover the costs of increasing energy prices, the impact of the pay award to staff from July 2022 and other inflationary pressures. Once this central funding is accounted for, there is projected to be an underspend for 2022/23 of £175k (10.4%) on the Markets Board local risk budget.



1. Zero is the baseline latest approved budget for each Division of Service.
2. Graph shows projected outturn position against the latest approved budget.
3. A variance above the baseline is favourable i.e. either additional income or reduced expenditure.
4. A variance below the baseline is unfavourable i.e. additional expenditure or reduced income.
5. Overall the Service is forecasting a local risk overspend of £239k at year end. However, this excludes central funding due to be provided for energy costs, the July 2022 pay award and other inflationary pressures. Assuming this central funding is received, Markets would currently be forecasting an underspend of £175k.

4. The reasons for the significant budget variations are detailed in Table A, which sets out a detailed financial analysis of each individual division of service relating to this Board, for the services the Chief Operating Officer manages.
5. The better than budget position at the end of November 2022 is explained by underspends in employment costs due to vacant posts which will result in reduced service charges to tenants. This in addition to additional income from licenses and filming at Billingsgate Market as well as an increase in income from the Rotunda Car Park at Smithfield.
6. The Chief Operating Officer currently anticipates that there is projected to be an overspend for 2022/23 and this is forecast to amount to £239k. This is primarily due to anticipated increases in energy costs from October 2022 at Smithfield Market which are not fully recoverable from tenants due to

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the current cap on the service charge. This is in addition to the estimated cost of works at Smithfield Market following a recent health and safety incident as well as reduced income from public parking at Billingsgate Market due to reduced visitor numbers in Canary Wharf.

7. Members should however note that budgetary support is expected be provided centrally in 2022/23 to cover increased costs from rising energy prices as well as the impact of the pay deal to staff from July 2022 and other inflationary pressures. It is currently anticipated that this central funding will result in an overall projected underspend of £175k on the Markets local risk budget.

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Table A

Markets Local Risk Revenue Budget - 1st April to 30th November 2022												
(Expenditure and unfavourable variances are shown in brackets)												
	Latest Approved	Budget to Date (Apr-Nov)			Actual to Date (Apr-Nov)				Forecast for the Year 2022/23			
	Budget 2022/23 £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Variance Apr-Nov £'000	Latest Approved Budget £'000	Forecast Outturn £'000	(Over)/Under £'000	Notes
Markets (City's Cash)												
Directorate	(379)	(244)	0	(244)	(245)	0	(245)	(1)	(379)	(389)	(10)	
Billingsgate - Corporate Account	(93)	(167)	127	(40)	(161)	210	49	89	(93)	(67)	26	1
Billingsgate - Service Charge	0	(1,693)	1,848	155	(1,503)	2,010	507	352	0	0	0	2
Billingsgate - Repainting and Special Works	0	0	0	0	(36)	0	(36)	(36)	0	0	0	3
Smithfield - Service Charge	(806)	(1,969)	1,652	(317)	(1,760)	1,685	(75)	242	(806)	(1,064)	(258)	4
Smithfield - Corporate and Direct Recovered	(76)	(937)	793	(144)	(761)	524	(237)	(93)	(76)	(203)	(127)	5
Smithfield - Other (Including Car Park)	150	(452)	534	82	(384)	625	241	159	150	281	131	6
	(1,204)	(5,462)	4,954	(508)	(4,850)	5,054	204	712	(1,204)	(1,442)	(238)	
Markets (City Fund)												
Spitalfields - Corporate Account	(48)	(26)	0	(26)	(41)	3	(38)	(12)	(48)	(49)	(1)	
Spitalfields - Service Charge	(17)	(3,442)	4,077	635	(3,791)	4,284	493	(142)	(17)	(17)	0	7
Spitalfields - Repair and Repainting	0	0	0	0	0	0	0	0	0	0	0	
	(65)	(3,468)	4,077	609	(3,832)	4,287	455	(154)	(65)	(66)	(1)	
TOTAL MARKETS BOARD LOCAL RISK	(1,269)	(8,930)	9,031	101	(8,682)	9,341	659	558	(1,269)	(1,508)	(239)	
<p>1. Billingsgate Corporate - underspend due to additional income received from licenses and filming.</p> <p>2. Billingsgate Service Charge - underspend to date due to savings in employment costs as a result of staff vacancies and additional income from licenses.</p> <p>3. Billingsgate Repainting and Special Works - overspend due to additional repairs and maintenance costs which will be funded through tenant repair reserves.</p> <p>4. Smithfield Service Charge - underspend primarily due to employment costs as a result of vacant posts. There is projected to be an overspend at year-end due to increasing energy and waste costs. Central funding is expected to be provided to cover the increase in energy prices.</p> <p>5. Smithfield Corporate - overspend largely due to works incurred following a health and safety incident at the market.</p> <p>6. Smithfield Other - underspend due to savings from the new contract for management of the Rotunda Car Park as well as additional income from car parking.</p> <p>7. Spitalfields Service Charge - overspend due to inflationary increases from the waste and recycling contract as well as increasing energy costs and reduced income from the entry barrier.</p>												