

Comparison of 2022/23 Outturn and Final Budget

The table below shows the principal variances of £565,000 underspend for the Chief Operating Officer Local Risk are set out below per market. There are other expenditure variances of £584,000 across the three markets that individually are less than £50,000.

New Spitalfields Market		
Notes	Description	2022/23 Final Budget to Actual Outturn
Operating Expenditure		
1	Premises	<ul style="list-style-type: none"> (£575k) Energy - overspend due to increased energy prices which is offset by increased energy recharges to tenants.
2	Supplies and Services	<ul style="list-style-type: none"> (£147k) Contributions to Provisions – overspend due to additional bad debt provisions required for service charge and sundry debts for tenants at high risk of financial failure following pandemic.
3	Waste and Recycling Contract	<ul style="list-style-type: none"> (£267k) Private Contractors - overspend due to inflationary contract price rises arising from refuse and recycling contract. Offset by increased service charges to tenants.
Operating Income		
4	Charges for Services	<ul style="list-style-type: none"> £67k Income from Fees and Charges - Additional rebate income from refuse and recycling income as well as additional income from pallets and fixed penalty notices.
5	Central Services	<ul style="list-style-type: none"> £771k Rents - Additional income from service charges due to overspend on refuse contract as well as utilities recharges to tenants due to increased energy prices.
6	Other	<ul style="list-style-type: none"> (£17k) Miscellaneous premises costs £48k Miscellaneous Income

Billingsgate Market		
Notes	Description	2022/23 Final Budget to Actual Outturn
Operating Expenditure		
7	Employment Costs	<ul style="list-style-type: none"> £272k Direct Employees - Underspend due to savings on staff salaries because of staff vacancies.
8	Premises	<ul style="list-style-type: none"> (£133k) Energy - Overspend due to increased energy prices which is offset by increased energy recharges to tenants. (117k) Transfer to Reserves
Operating Income		
9	Charges for Services	<ul style="list-style-type: none"> £267k Fees and Charges - Additional income from filming and an income for a licence from UK Power Networks as well as increase in trade car parking income which offsets service charges due from tenants. (£120k) Rents - Reduced service charges recharged to tenants due to underspends in staffing costs and increased income from trade parking. Variance partly offset by increased utility recharges to tenants due to increased energy prices.
10		<ul style="list-style-type: none"> (£44k) Miscellaneous Premises Costs (£15k) Miscellaneous Transport Costs (£53K) Miscellaneous Supplies and Services

Smithfield Market		
Notes	Description	2022/23 Final Budget to Actual Outturn
Operating Expenditure		
11	Employment Costs	<ul style="list-style-type: none"> £201k Direct Employees - Underspend due to savings on staff vacancies.
12	Premises	<ul style="list-style-type: none"> (£441k) Overspend due to increased energy prices.
13	Supplies and Services	<ul style="list-style-type: none"> (£80k) - Unidentified savings, whilst target was not achieved, savings made in Employment costs negated this. (£64k) Equipment - Additional expenditure required on health and safety equipment following incident at the Poultry Market.
Operating Income		
14	Charges for Services	<ul style="list-style-type: none"> £749k Rents - Additional income from recharges to tenants following increased utility prices. £73k Fees and Services - Underspend due to re-tendering of contract for off-street parking management

		<ul style="list-style-type: none"> £126k Fees and Charges - Additional income generated from Smithfield Car Park following increased usage of the car park.
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City Surveyor	
Description	2022/23 Final Budget to Actual Outturn
Operating Expenditure	<ul style="list-style-type: none"> £387k underspend due to the costs of four projects forming part of the Cyclical Works Programme (CWP) at Smithfield Market being capitalised in addition to the rephasing of other projects which form part of the CWP. The CWP does not form part of the City Surveyor's local risk budget and any variances will be carried over to 2023/24. This is a three-year rolling programme reported to the Operational Property and Projects Sub Committee (OPPSC) half yearly, where the City Surveyor will report on financial performance and phasing of the projects. £36k underspend relating to the Building, Repairs and Maintenance contract managed by the City Surveyor's Department due to lower than anticipated general breakdown repairs and contract servicing costs.

Appendix A2

Central Risk	
Description	2022/23 Final Budget to Actual Outturn
Spitalfields Market	<p>Underspend of £1.73m primarily due to:</p> <ul style="list-style-type: none"> £1.77m additional rent income due to accrual for backdated rent income from rent review from May 2020 to March 2023 due to be invoiced in 23/24. (£45,000) for additional bad debt provision in fees and services
Billingsgate Market	<p>Overspend of (£211,000) primarily due to:</p> <ul style="list-style-type: none"> Overspend due to extra service charge voids with additional vacant office premises. Overspend due to additional professional fees required for lease renewals. Increased provisions for bad debts for rent debts for Oceanfleet Seafood Ltd who are in administration and are likely to have all debts written off.
Smithfield Market	<ul style="list-style-type: none"> Net overspend of (£29,000)