

Wholesale Markets Operating Statement Variance Notes – 2023/24 – Variances over £50,000

The tables below analyse the variances for the wholesale markets as reported on the operating statement which is attached at Appendix A2. The statement compares the 2023/24 final budget to the actual outturn for 2023/24.

Brackets signify an expenditure item and/or a worse than budget position and non-brackets signify an income item and/or a better than budget position.

New Spitalfields Market	
Description	2023/24 Final Budget to Actual Outturn
Employment Costs	£73k underspend primarily due to vacant position in teams.
Premises	(£467k) overspend primarily due to: (£341k) increased energy prices which is offset by increased energy recharges to tenants. (£82k) costs relating to CBRE contract/sump pump
Waste and Recycling Contract	(£63k) overspend due to: <ul style="list-style-type: none"> inflationary contract price rises arising from refuse and recycling contract. Offset by increased service charges to tenants.
Charges for Services	£477k more income than budgeted primarily due to: <ul style="list-style-type: none"> £447k additional income recovery from tenants due to increase costs of refuse contract and increase in electricity and gas prices.
Rents	£532k more income than budgeted principally due to: <ul style="list-style-type: none"> Additional rental income following the rent review that was undertaken in the previous financial year.
Central Costs	
Other Central Costs	(£322K) overspend primarily due to: <ul style="list-style-type: none"> (£137k) Additional support service costs particularly in relations to the City of London Payment Service and Digital Information Services team because of a new basis of allocation (£118K) Additional Directorate recharge following the closing of Poultry Market and recharges for MCP staffing. (£159k) Transfer to Reserve and tenants repair funds as part of end of year balance sheet reconciliations.

Billingsgate Market	
Description	2023/24 Final Budget to Actual Outturn
Operating Expenditure	
Employment Costs	£89k staff cost underspend due to vacant positions across the teams.
Premises	(£519k) primarily due to: <ul style="list-style-type: none"> • (£363k) energy prices which is offset by increased energy recharges to tenants. • (£31k) CBRE charges to repair water main and replace fire alarm panels. • (£56k) additional costs against rates and service charge
Transport	(77k) primarily due to: <ul style="list-style-type: none"> • Billingsgate van delivery service which are recovered from the Markets Relocation Programme (see below).
Supplies and Services	(£265k) primarily due to: <ul style="list-style-type: none"> • (£91k) additional expenditure of refuse collection due to an increase of waste as well as additional expenditure on bank charges and consultant fees. • (£173k) Overspending due to bad debt write off (offset by drawdown from bad debt provision in income)
Operating Income	
Charges for Services	£354k more income than budgeted primarily due to: <ul style="list-style-type: none"> • £77k recovery of costs for delivery van service. • £173k Drawdown of bad debt provision to cover cost of debt written off (see above) • £104k Additional Income from Car Park rental of space.
Rent	£164k more income than budgeted primarily due to increased recovery of rental arrears from tenants

Smithfield Market	
Description	2023/24 Final Budget to Actual Outturn
Operating Expenditure	
Premises	(£1M) overspent due to: <ul style="list-style-type: none"> • (£822k) increased electricity, gas, water prices. Offset in part by increased utility recharges to tenants (see below). • (£82k) Additional business rate costs (recovered from tenants – see below) • (£150k) additional expense on Insurance.
Operating Income	
Charges for Services	£636k additional income due to: <ul style="list-style-type: none"> • £82k additional income from Business Rates. This is to offset the expenditure. • £99k additional income from recharges to tenants following increased Chilled Water prices. • £463k additional income from recharges to tenants following increased Utility prices.
Central Costs	
Other Central Costs	(£711k) overspend primarily due to <ul style="list-style-type: none"> • (£173k) additional cyclical works undertaken ahead of programme mainly relating to Smithfield glass canopy. • (150k) additional support service allocations principally from City of London Payment Service and the Digital Information Services Team due to a change in the basis of allocations • (£171k) unrecovered directorate recharges following closure of Poultry Market.