

## Operating Statement Notes

The tables below analyse the variances for the Wholesale Markets as reported on the Operating Summary which is attached at Appendix 3. The summary compares the 2013-14 Latest Approved Budget (LAB) to 2014-15, Original Budget (OR). The Operating summary and statement has not been prepared in accordance with conventional City of London Corporation format. Brackets on the summary signify an expenditure item and/or deficit position. All increases in the budget, whatever the percentage and decreases of 10% or more have been detailed below.

| <u>New Spitalfields<br/>Market Note<br/>number</u> | <u>Description</u>      | <u>2013-14 LAB to 2014-15 OR<br/>variance</u>  |
|--|-------------------------|--|
|  | <b>Expenditure</b>      |  |
| 1  | Employee Costs          | The (£30,000) -2.4% increase in costs is due incremental and allowable inflationary increases.   |
| 2  | Waste/cleaning Contract | The (£37,000) -2.1% increase in the waste and cleaning is due to the annual increase in RPI allowable under the contract.                    |
|  | <b>Central Costs</b>    |  |
| 3  | Other Central Costs     | The (£212,000) -3028.6% increase which is created as a result of net transfers between the service charge reserves and the revenue accounts. |

| <u>Billingsgate<br/>Market Note<br/>number</u> | <u>Description</u> | <u>2013-14 LAB to 2014-15 OR variance</u>   |
|--|--------------------|---|
|  | <b>Expenditure</b> |   |
| 4  | Employee costs     | The (£42,000) -2.7% increase is due to incremental and allowable inflationary increases.  |
| 5  | Transport related  | The £14,000 35% decrease is because of the purchase of a new Johnson Sweeper, reducing the high repair costs associated with the previous sweeper as well as the hire costs |

|   |                                  |  |
|---|----------------------------------|--|
|   |                                  | incurred when the previous sweeper underwent repairs.  |
| 6 | Supplies and Services            | A reduction of £34,000 22.7% is due to: <ul style="list-style-type: none"> <li>• non-recurring professional fees for the letting of the Satellite unit,</li> <li>• various changes of £4,000.</li> </ul> |
|   | <b>Income</b>                    |  |
| 7 | Rent, Wayleaves and tolls        | The £71,000 10.8% increase is due to the expected increase in rent for the Satellite unit for part of the year.  |
|   | <b>Central Costs</b>             |  |
| 8 | Capital Charges and depreciation | The (£35,000) increase of -20.7% is due to the increase in depreciation of the residual construction for the Satellite Unit.   |
| 9 | Other central costs              | The (£193,000) -169.3% increase is created as a result of net transfers from service charge reserves to the revenue accounts.  |

| <b><u>Smithfield Market Note number</u></b> | <b><u>Description</u></b> | <b><u>2013-14 LAB to 2014-15 OR variance</u></b>  |
|---|---------------------------|---|
|   | <b>Expenditure</b>        |   |
| 10  | Employee costs            | The (£16,000) -0.9% increase is due to incremental and allowable inflationary increases.  |
| 11  | Premises related          | The (£473,000) increase of -15.5% is due to <ul style="list-style-type: none"> <li>• the Additional Works Programme increase (£400,000)</li> <li>• energy cost increase (£63,000)</li> <li>• increase in Carbon Reduction credits (£14,000)</li> <li>• netted off against small changes for various other costs £4,000</li> </ul> |
| 12  | Transport related         | The £1,000 decrease of 14.3% is due to a reduction of the congestion charge to staff during certain shift patterns.   |
|   | <b>Central Costs</b>      |   |

|    |                                  |  |
|----|----------------------------------|--|
| 13 | Capital Charges and depreciation | The £106,000 reduction of 86.9% is due to the adoption of the UK GAAP and changes required for depreciation. |
|----|----------------------------------|--|