

Operating Statement Notes

The tables below analyse the variances over £50,000 for the Wholesale Markets as reported on the Operating Summary which is attached at Appendix 3. The summary compares the Original 2015-16 to the 2015/16 Latest Budget for Approval (LAB). It has not been prepared in accordance with conventional City of London Corporation format. Brackets on the summary signify an expenditure item or a deficit position.

<u>New Spitalfields Market Note number</u>	<u>Description</u>	<u>2015/16 OR to LAB 2015/16 Variance</u>
	Expenditure	
1	Employees	<p>The increase in cost of (£64,000) which is recoverable through the Service Charge, -5% is due to:</p> <ul style="list-style-type: none"> • a vacant position filled in the year, payable via the Service Charge, (£35,000), • It was agreed with the SpMTA to employ an additional constable (£29,000). The cost will be met from the Service Charge.
2	Premises Related	<p>The increase in cost of (£55,000), -4%, is in relation to:</p> <ul style="list-style-type: none"> • additional repairs and maintenance projects payable via the market reserve account listed on the 20 year plan, (£39,000), • an increase for rates and water of (£9,000), • an increase for maintenance and additional CCTV equipment of (£7,000).
3	Supplies and Services	<p>The increase in cost of (£171,000) -118%, is due to:</p> <ul style="list-style-type: none"> • an increase for professional fees for Surveying costs required for the lease negotiations (£150,000), • higher spend on hi-viz clothing within the service charge, (£15,000);

		<ul style="list-style-type: none"> inflationary increases on various expenditure items (£6,000).
	Income	
4	Charges for services	The increase in income of £101,000, -2%, is due to increases in service charge costs.

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<u>Billingsgate Market Note number</u>	<u>Description</u>	<u>2015/16 OR to LAB 2015/16 Variance</u>
	Expenditure	
5	Transport	The (£54,000), -180%, increase is due to; <ul style="list-style-type: none"> the hire of a Johnson sweeper (£23,000) on the service charge and additional budget future costs for the Johnson Sweeper of (£9,000), the purchase of a Tug Bin vehicle funded from the market reserves (£22,000).
6	Supplies and Services	The increase of (£55,000), -45%, is due to an increase in professional fees of (£60,000) required for the Satellite unit and a net decrease in other costs of £5,000.
	Income	
7	Rental Income	Reduction in rental income of (£23,000) , 3% which was the apportionment of rent expected to be achieved from the Satellite unit during 2015/16 but lettings took longer than anticipated.
8	Charges for Services	The £82,000, -2%, increase in income is due to: <ul style="list-style-type: none"> additional service charge income to cover additional transport costs of £32,000 and £17,000 on central support costs, additional car parking income of £33,000

<u>Smithfield Market Note number</u>	<u>Description</u>	<u>LAB 2014-15 to 2015-16 OR Variance</u>
	Expenditure	
9	Employment.	The decrease of £125,000, 7%, is due to; <ul style="list-style-type: none"> • a reduction in constabulary and cleaning posts of £125,000, partly taken as service based review savings in 2015/16 of £98,000.
10	Premises	The (£460,000) increase of -15% is due to: <ul style="list-style-type: none"> • one off carry forwards of (£189,000) for projects and repair works delayed from 2014/15 into 2015/16, such as – re-install showers and tanking to floor in the West market, emergency lighting renewal, inverter drive replacement and renewal of the rail system compressor in the East and West Markets. • an increase in City Surveyors costs of (£298,000) detailed in Table 2. (£176,000 for additional works programme and cyclical works of £178,000 less £56,000 of this total which is for the car park and not part of the difference for the operating wholesale market). • An increase in other premises costs such as energy and water of £27,000.
10A	Transport	The reduction of £9,000, 69%, is due to a reduction in congestion charging costs.
11	Supplies and Services	The increase of (£65,000) of -16% is due to: <ul style="list-style-type: none"> • Provision for professional fees of £55,000, • a net increase in various other costs of £10,000 including waste.

	INCOME	
12	Rental Income	A reduction in rental income of £21,000, -1% is due to a reduction of Tenancy at Will lettings.
13	Capital Charges and depreciation	The (£99,000), -619%, increase in depreciation is due to the transfer of budget from Port Health and Environmental Services Committee to Markets Committee for the Animal By Product Facility.
14	Other central costs	The decrease of £40,000, 4% is due to the reapportionment of costs based on the reduced full time equivalent staff numbers and reduced central support costs.

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