

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 2016-17 to the Original 2017/18 Budget. 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>2016/17 OR to 2017/18 OR Variance</u>
	Expenditure	
16	Employees	The increase in cost of (£188,000) -14% which is recoverable through the Service Charge is due to: <ul style="list-style-type: none"> • the reinstatement of vacant posts to reconcile to the establishment report (£109,000), • increases for increments, cost of living uplift, National Insurance and pensions of (£79,000).
17	Premises Related	The increase in cost of (£479,000), -38%, is in relation to: <ul style="list-style-type: none"> • an increase in cleaning costs as part of the new waste and cleaning contract of (£67,000), • £100,000 decrease in contribution to the R&R account as agreed with the SMTA. The reduction is due to the anticipated increase in income from the new entry charge being proposed; • increase costs for repairs and projects such as the pedestrian barrier and CCTV replacement (£477,000); • increased costs for City Surveyors of reactive and planned work (£49,000); • small reductions on various cost items,

		£14,000.
18	Waste Contract	The (£39,000), -2% increase in costs, is due to the re-tender of the waste contract and the expected increase in the contract of (£35,000) plus a small inflationary increase for the current contract of (£4,000).
	Income	
19	Rent	The increase in rental income of £699,000, 53% is due to the new rents agreed during the lease renewals.
20	Charges for services	The increase in income of £63,000, 1%, is due to increases in service charge costs.
21	Capital and Depreciation	Increased depreciation for equipment and buildings of (£81,000), -14%.
22	Other Central Costs	The net reduction of £426,000, 185% is due to the transfer of funds from the reserves to fund works and projects.

<u>Billingsgate Market Note number</u>	<u>Description</u>	<u>2016/17 OR to 2017/18 OR Variance</u>
	Expenditure	
23	Employment costs	The (£64,000), -4%, service charge increase is due to higher increments and cost of living increases.
24	Premises	The £254,000, 17% service charge decrease is due to; <ul style="list-style-type: none"> • decrease in energy costs of £41,000, • decrease in repair and maintenance of £128,000, • reduced contribution payable to the RSWF £100,000, • inflationary increases for other premises costs of (£15,000) for cleaning and water.
25	Transport	The service charge increase of (£14,000), -37% is for maintenance contracts on motorised equipment.
	Income	
26	Charges for Services	The £26,000, 1%, increase in income is due to additional car parking income.

<u>Smithfield Market Note number</u>	<u>Description</u>	<u>2016/17 OR to 2017/18 OR Variance</u>
	Expenditure	
27	Employment.	The increased costs of (£51,000), -3%, is due to higher increments and cost of living increases.
28	Premises	<ul style="list-style-type: none"> • The (£357,000), -10% increase is due to an increase in City Surveyors costs of (£500,000) for additional works programme and cyclical works of (£13,000), less £42,000 for the car park not included in this analysis, • an increase in energy of (£30,000); • reduction of Citigen costs £157,000; • inflationary increases on other premise costs such as water and cleaning materials of (£13,000).
	INCOME	
29	Rental Income	The increase in rental income of £16,000, 1% is due to increased Tenancy at Will lettings.
30	Charges for Services	The increased income of £89,000, 3% is due to: <ul style="list-style-type: none"> • increased income for service charges on the letting of the stands in the Poultry Market £173,000, • net reduced income due to reduced service charge costs of (£84,000).
31	Capital Charges and depreciation	The (£32,000), -28% increase in depreciation is due to Poultry Market repairs.
32	Other central costs	The decrease of £115,000, 13% is due the reapportionment of costs based on the reduced full time equivalent staff numbers.