

Operating Statement Notes

The tables below analyse the variances for the Wholesale Markets as reported on the Operating Summary which is attached at Appendix B1. The summary compares the 2016-17 final budget to the actual outturn for 2016-17. 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 and non-brackets signify an income item and/or a surplus position. All adverse variances between final budget and actual costs and favourable variances of 10% or more have been detailed below.

<u>New Spitalfields Market</u>	<u>Description</u>	<u>2016-17 Final Budget to actual outturn</u>
<u>Notes</u>	<u>Expenditure</u>	
1	Transport	£2,000/50% decrease in transport was due to lower fuel consumption in market vehicles, and less staff travel.
2	Supplies and Services	£102,000/38% decrease in costs was due to: <ul style="list-style-type: none"> • a decrease in professional fees for the lease negotiations which are still on-going £92,000 and for general lettings £7,000, • a decrease in purchasing uniforms payable by the tenants £2,000 and • reduction in cash collection costs of £1,000.

3	Income	<p>(£119,000)/-2% reduction in income was due to:</p> <ul style="list-style-type: none"> • a reduction in service charge costs resulting in less income required from tenants (123,000), • Increased rental income of (7,000); • an increase in income for various services directly recoverable from tenants and customers such as car parking, reimbursed works and licenses £11,000.
	Central Costs	
4	Other Central costs	<p>£94,000/28%, decrease in costs was as a result of:</p> <ul style="list-style-type: none"> • a reduction of central support costs due to the reapportionment of charges on the corporate account of £85,000 and • a reduction of Directorate recharges of £9,000.

<u>Billingsgate Market</u>	<u>Description</u>	<u>2016-17 Final Budget to actual outturn</u>
<u>Notes</u>	<u>Expenditure</u>	
5	Premises related	(£30,000)/-3% increase in costs was due to : <ul style="list-style-type: none"> • a reduction in planned works due to delays and cancelled projects £61,000, • a reduction in energy costs due to unit price reduction and reduced consumption £58,000; • increases in water costs of (£10,000) due to increased consumption; • increased contributions to the repainting fund of (£95,000); • increased City Surveyor repair costs of (£44,000) that cannot be recovered from the service charge.
6	Transport related	£32,000/44% reduction was due to: <ul style="list-style-type: none"> • reduced repairs required and additional equipment not purchased £31,000, • reduced fuel consumption £1,000.
	Central Costs	
7	Other central costs	(£96,000)/-19% increase in costs was a result of: <ul style="list-style-type: none"> • net transfers to the reserve account from the revenue account (£128,000); • net decrease in support costs and IT costs (38,000).

<u>Smithfield Market</u>	<u>Description</u>	<u>2016-17 Final Budget to actual outturn</u>
<u>Notes</u>	<u>Expenditure</u>	
8	Premises related	<p>£287,000/10% decrease was due to:</p> <ul style="list-style-type: none"> • energy, water and CRC commitment cost reduction £173,000 due to reduction in unit price and consumption, • re-phased additional works programme £111,000; • reduced costs for repair work and projects part of carry forward requests £13,000; • increased costs for installation of meters (£10,000).
9	Supplies and Services	<p>£107,000/23% decrease was due to</p> <ul style="list-style-type: none"> • reduction in professional fees for potential arbitration costs £35,000, • reduction of FSA inspection costs which no longer take place £72,000.
	<u>Income</u>	
10	Charges for Services	<p>(£142,000)/-4% decrease in income was due to:</p> <ul style="list-style-type: none"> • a reduction in the reimbursement from Commercial Office Tenants for cool and heated water as costs for these services have fallen (£142,000).
	<u>Central Costs</u>	
11	Other central costs depreciation	<ul style="list-style-type: none"> • £47,000/6% decrease was due to a reduction in support costs, IT and Directorate recharges.