



Report to Policy Committee

Author/Lead Officer of Report:

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Report of: *Executive Director, Neighbourhood Services*

Report to: *Waste & Street Scene Policy Committee*

Date of Decision: *15th November 2023*

Subject: *Review of Crystal Peaks Market Service Charge*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 2144				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				
<p><i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i></p>				

Purpose of Report:

This paper sets out a proposal to review the service charge recharged to traders at Crystal Peaks Marketplace. The Council are tenants of the Crystal Peaks market under a Lease made between Albany Courtyard Investments Limited and the Council which was commenced on 29th July 2005 ("the Superior Lease"). The Superior Lease provided that the Council's landlord could recover a service charge from the Council for certain services that the provision of is managed by the landlord's agent Workman LLP. Although the under leases made by the Council with market traders allows for this service charge to be recovered by the Council from the market traders there has not been an increase passed on to traders in several years. This is despite the operational cost of the market increasing substantially. There has also been increases to the Service Charge paid by Sheffield Council to Workman LLP that has never been passed on to the Traders within the Marketplace.

This report therefore sets-out the impact of under-recovery and proposes options in relation to service charges going forward.

Recommendations:

The Waste & Street Scene Committee is recommended to:

- Approve an increase to the service charge currently charged to market traders to close the gap to eventual full cost recovery.
- Agree a period of 12 weeks from the decision being taken to the implementation of the new service charge.
- Agree that a review should take place annually for officers to make proposals to the Committee for moving towards full cost recovery or if necessary, proposals will be brought to reduce the service charge.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Adrian Hart
		Legal: David Sellars
		Equalities & Consultation: Ed Sexton
		Climate: Liam Pond
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	Ajman Ali – Executive Director
3	Committee Chair consulted:	Cllr Joe Otten, Chair of Waste and Street Scene Committee
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Liam Pond	Job Title: Interim Operations Manager City Centre Maintenance & Sheffield Markets
Date: 01/10/2023		

1. PROPOSAL

1.1 BACKGROUND

- 1.1.1 Market traders pay three separate charges in Crystal Peaks Market. There is a rent for the market stall, a utility charge, and a service charge that is designed to recover the cost of providing the general services of the markets used by all (which includes items such as market staffing costs, cleansing etc.). Due to the pandemic the Service Charge has not been reviewed and we are significantly under recovering.
- 1.1.2 The service charge is devised from the costs incurred by the Landlord for running and maintaining shared parts of the building or estate, which legally the landlord can charge back to tenants. This report only deals with the costs for the service charge; however, the intention is to bring a future report to committee which will outline the rent position and review the impact of the recent Committee decision to increase the utility charges by 50%.
- 1.1.3 As part of various support measures agreed by Cabinet Members to help market traders through challenging economic times, such as the Covid-19 pandemic, the service charge hasn't increased since 2009 where it saw a 3% increase.
- 1.1.4 This has led to a under charge in the recovery for all tenant's services attributable to the service charges over this period. Additionally, the service charge payable by all tenants works on the principle that all traders contribute to one third of the utility charges for the common areas (public space outside their immediate stall area). This has also seen no increase in recent years.
- 1.1.5 The market traders are categorised on their stalls set out into 4 key areas, Non-Food, Food, Café, and Meat & Fish.
- 1.1.6 A report was brought to a previous Waste and Street Scene Committee meeting in June 2023, which resulted in members deferring a decision requesting officers to revise figures to firm up proposals on a service charge increase.

1.2 INTRODUCTION

- 1.2.1 The purpose of this report is to outline the financial implications that the under recovery of service charge from Council tenants has created and provide some options on addressing this unsustainable situation.
- 1.2.2 The options set out in the report consider the impact that increasing cost recovery could have on market traders, who are already feeling the impact of other price rises in goods and services due to the energy crisis/cost of

living, without impacting their overall business sustainability.

1.3 CURRENT POSITION ON COSTS

1.3.1 The below table sets out the operational cost and amount attributable via the service charge in 2022/2023 financial year.

Crystal Peaks			2022/23
Service Provided			Actual Cost (£)
MANAGEMENT			
1	Site Management Resources		109,535
2	Site service charge		183,926
		Sub-total	293,461
CENTRAL UTILITIES (not covered by direct utility recharge)			
3	Electricity		93,477
4	Gas		14,880
5	Water		7,862
		Sub-total	116,219
SOFT SERVICES			
6	Security		93,963
7	Cleaning and environmental		93,839
8	Marketing and promotions		22,269
		Sub-total	210,071
HARD SERVICES			
9	Mechanical and electrical services		13,400
10	Lifts		-
11	Fabric repairs and maintenance		78,021
		Sub-total	91,421
INSURANCE			
12	Insurance		5,743
		Sub-total	5,743
		TOTAL (a)	716,915

Actual Costs Crystal Peaks Service Charge 2022/2023

1.3.2 Below is a table showing the amount per square metre that is attributable to service charge financial year 2022/23

Actual Square Metres	Sq Mtr
Non-Food	592.46
Food	119.68
Cafes	73.47
Meat and Fish	54.00
TOTAL (b)	839.61

SQ M that collates Annual Service Charge – Actual 2022/2023

1.4 Actual costs and recovery

1.4.1 In total for the financial year 2022/23 operational costs attributable to the Market Service Charge at Crystal Peaks was **£716,915**. The amount recharged to traders was **£453,389** showing an overall subsidy/deficit of **£263,526**.

1.4.2 The recovery rate for this financial year 2022/23 was approximately 63.24% of the actual costs.

1.4.3 Cost recovery will never be at 100% of the operational costs for the markets, as there are some elements of the markets running costs that are not directly attributable to individual traders, either through the service charge, rent or direct utilities costs. These nonrecoverable costs are budgeted for separately, however not withstanding this the above table demonstrates how low recovery now is.

1.5 Mitigation

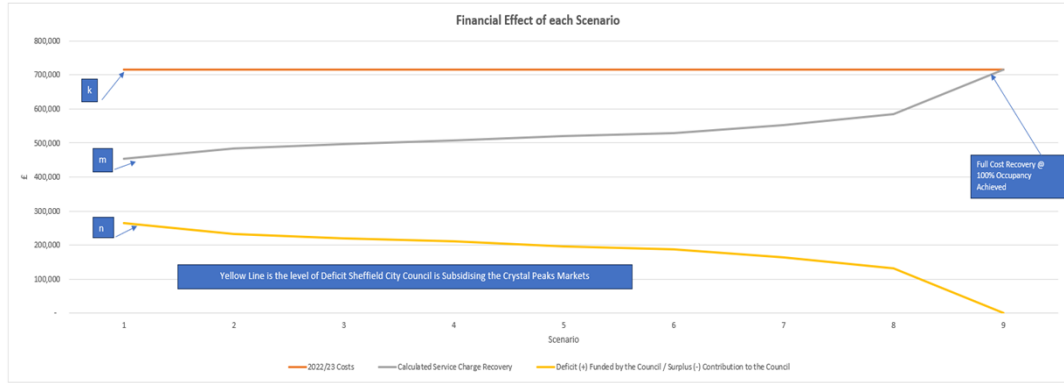
- 1.5.1 Several structural and operational changes over recent years have meant that the markets team is running as lean/and efficiently as possible. It is only through increased tenancies take up and reduction in external charges/costs that the service charge could be reduced. Current occupancy figures at Crystal Peaks Market are 79%.
- 1.5.2 Despite occupancy figures appearing quite low at 79%, national average for market occupancy stands at 72% (Figures from NABMA) which indicates the Market to be performing better on occupancy when compared to the UK average.
- 1.5.3 Changes to the Service Charge would not be implemented immediately. There will be a period of 12 weeks between any decision to change the charge and the charge being implemented. This gives the tenants a reasonable grace period to prepare for any increases.
- 1.5.4 There are no proposals to backdate any historic under recovery of charges.
- 1.5.5 Should a decision be taken to increase the service charge rate, but not fully recover cost, it is proposed that the impact is reviewed with a further performance report to committee on vacancy rates, aged debt, and budget position with a view to agreeing a plan on increasing service charge cost recovery until reaching full cost recovery.

1.6 PROPOSED OPTIONS FOR SERVICE CHARGE INCREASE

- 1.6.1 The below table sets out 9 options for a service charge increase. The below figures calculations have been taken from the information provided in appendix 7.1.4

Scenario	Reference / Calculation	Calculated % Increase	Deficit (+) Funded by the Council / Surplus (-) Contribution to the Council
		(f)	(n) = (k) - (m)
Scenario 1 - Do Nothing	Current Service Charge per Square Metre	0.00%	263,526
Scenario 2 - Add CPI to the Current Charge	CPI Table 4 Published 20/09/23 - % change over 12 months All Services	6.80%	232,695
Scenario 3 - Add CPI+3% to the Current Charge	CPI+3%	9.80%	219,093
Scenario 4 - Add CPI+5% to the Current Charge	CPI+5%	11.80%	210,026
Scenario 5 - Add CPI+8% to the Current Charge	CPI+8%	14.80%	196,424
Scenario 6 - Add CPI+10% to the Current Charge	CPI+10%	16.80%	187,356
Scenario 7 - Add CPI+15% to the Current Charge	CPI+15%	21.80%	164,687
Scenario 8 - Mid Point Charge between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	CPI+22.20% - MID POINT between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	29.06%	131,774
Scenario 9 - Full Cost Recovery (Based on 100% Occupancy)	CPI+51.32% - Full Cost Recovery (Based on 100% Occupancy)	58.12%	14

1.6.2 The below graph illustrates the impact of each option on the amount under recovered by SCC.



1.6.3 Below is a table that shows a breakdown analysis of when each scenario will eventually reach full cost recovery

Service Charge per Nine Square Metre Unit									
Financial Year	Scenario 1 Do Nothing	Scenario 2 Add CPI to the Current Charge	Scenario 3 Add CPI+3% to the Current Charge	Scenario 4 Add CPI+5% to the Current Charge	Scenario 5 CPI+8% to the Current Charge	Scenario 6 Add CPI+10% to the Current Charge	Scenario 7 Add CPI+15% to the Current Charge	Scenario 8 CPI+22.26% - Mid Point Charge between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	Scenario 9 CPI+51.32% - Full Cost Recovery (Based on 100% Occupancy)
2024/25	0.00%	6.80%	9.80%	11.80%	14.80%	16.80%	21.80%	29.06%	58.12%
2025/26	0.00%	6.80%	9.80%	11.80%	14.80%	16.80%	21.80%	29.06%	
2026/27	0.00%	6.80%	9.80%	11.80%	14.80%	16.80%			
2027/28	0.00%	6.80%	9.80%	11.80%					
2028/29	0.00%	6.80%	9.80%						
2029/30	0.00%	6.80%							
2030/31	0.00%	6.80%							
2031/32	0.00%								
2032/33	0.00%								
2033/34	0.00%								
2034/35	0.00%								

1.6.4 The following table indicates price increase for traders annually per stall

Traders Annual Service Charge per Nine Square Metre Unit									
Financial Year	Scenario 1 Do Nothing	Scenario 2 Add CPI to the Current Charge	Scenario 3 Add CPI+3% to the Current Charge	Scenario 4 Add CPI+5% to the Current Charge	Scenario 5 CPI+8% to the Current Charge	Scenario 6 Add CPI+10% to the Current Charge	Scenario 7 Add CPI+15% to the Current Charge	Scenario 8 CPI+22.26% - Mid Point Charge between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	Scenario 9 CPI+51.32% - Full Cost Recovery (Based on 100% Occupancy)
2024/25	4,860.00	5,193.00	5,337.00	5,436.00	5,580.00	5,679.00	5,922.00	6,273.00	7,686.00
2025/26	4,860.00	5,546.12	5,860.03	6,077.45	6,405.84	6,633.07	7,213.00	8,095.93	
2026/27	4,860.00	5,923.26	6,434.31	6,794.59	7,353.90	7,747.43			
2027/28	4,860.00	6,326.04	7,064.87	7,596.35					
2028/29	4,860.00	6,756.21	7,757.23						
2029/30	4,860.00	7,215.64							
2030/31	4,860.00	7,706.30							
2031/32	4,860.00								
2032/33	4,860.00								
2033/34	4,860.00								
2034/35	4,860.00								

- 1.6.5 Scenario 1 – Do nothing. This is not a viable option, although the team will actively manage costs as far as possible, there will inevitably be an increase in costs due to inflation, resulting in an overspend position for the Council to fund. In effect this will increase the ‘subsidy’ Sheffield City Council is giving to the Market Traders.
- 1.6.6 Scenarios 2 to 8 – Whilst these proposals increase the current service charge rate by varying degrees, they all still leave Sheffield City Council subsidising the Market Traders and means there continues to be an overspend that the Council needs to fund. However, it must be acknowledged that the greater the increase in the price there is potential for the occupancy level to reduce as Traders may struggle to absorb the additional price increase.
- 1.6.7 Scenario 9 – Whilst this is a significant increase and will result in a reduction to the occupancy level, as Traders will struggle to absorb this increase without increasing their own prices, it is based on recovering all the costs the Council incurs and therefore does not provide a ‘subsidy’ to the Market Traders
- 1.6.8 The recommended proposal is scenario 8 which would increase the current Service charge to the midpoint between current charge and full cost recovery (based on 100% occupancy)

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The council’s delivery plan sets out that the council needs to ensure its financial stability and sustainability. Reducing the large subsidy currently being provided on service charges, helps to support this outcome.
- 2.2 Post pandemic the markets are returning to being thriving and vibrant places to shop, eat and socialise. Maintaining markets that offer a wide variety of quality goods and services at reasonable prices contributes towards our strategic goals of tackling inequalities and supporting people through the cost-of-living crisis. By keeping vacancy rates low in the market, we’re supporting small local businesses to contribute towards our ambition for clean economic growth, and continue supporting footfall not only in the markets, but also in the city centre.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Market Management have consulted the traders individually to make them aware that a committee report has been submitted regarding the service charge.
- 3.2 A you ‘.gov’ email has been sent to all traders in Crystal Peaks market to make them aware that a service charge review is to be discussed at the Waste & Street Scene Committee

- 3.3** A meeting recently took place between traders, members of the committee and council officers where the service charge increase was discussed

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 This would be the first increase to the service charge in 14 years therefore the impact may be more significant.

- 4.1.2 The recommended increase to the midpoint between the current charge and actual cost would still see a competitive service charge when compared to other retail outlets, and there will still be an ongoing loss to the council from the under-recovery.

- 4.1.3 Discussions have highlighted that some of the traders believe they may struggle with the service charge increase. As mitigations, the council is proposing to (a) not immediately pursue full cost recovery, (b) give a reasonable period before implementing the new service charges and (c) stagger any future increases towards full cost recovery over a number of years.

- 4.1.4 It's highly likely that increases in costs would be passed onto customers in many cases. The assessment identifies specific impacts in relation to the equality categories of age, cohesion, health, poverty/financial inclusion, and on small traders (partners). The proposal will need monitoring closely to consider and, where possible, mitigate actual impacts.

- 4.1.5 The desired outcome is to make the markets budget more sustainable while minimising the risk to traders of becoming unprofitable, and to minimise impact on cost being passed through to customers.

- 4.1.6 Any increase in recovery of service charge will affect the profitability of traders. As small business owners' changes in profitability can put the overall business at risk of continuing. This could impact the business owners and any staff working for them.

- 4.1.7 The proposed increase is likely to compound other cost increases (e.g., wholesale prices) that traders seem likely to have been experiencing. The costs will continue to increase in line with inflation and the cost-of-living crisis.

4.2 Financial and Commercial Implications

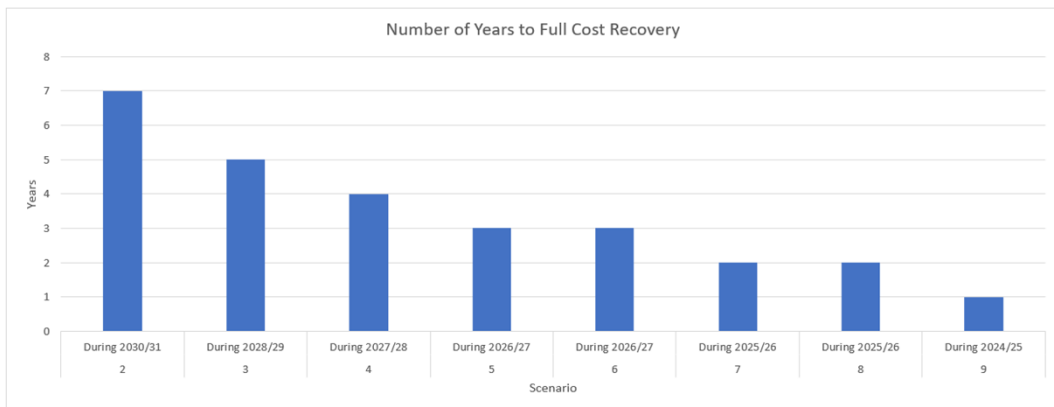
- 4.2.1 The Markets Service continues to face significant financial challenges and inflationary pressures, which will increase the subsidy the Council gives to Market Traders if full cost recovery is not adopted.

- 4.2.2 If full cost recovery is not adopted the Market Service in relation to Crystal

Peaks could face an unsustainable financial position the longer a subsidy is granted.

4.2.3 The number of years that each scenario will take to achieve full cost recovery is shown below in both a table and graph.

<i>Scenario</i>	<i>Full Cost Recovery Year</i>	<i>Number of Years to Full Cost Recovery</i>
1	<i>Never</i>	<i>Never</i>
2	<i>During 2030/31</i>	<i>7</i>
3	<i>During 2028/29</i>	<i>5</i>
4	<i>During 2027/28</i>	<i>4</i>
5	<i>During 2026/27</i>	<i>3</i>
6	<i>During 2026/27</i>	<i>3</i>
7	<i>During 2025/26</i>	<i>2</i>
8	<i>During 2025/26</i>	<i>2</i>
9	<i>During 2024/25</i>	<i>1</i>



4.2.4 The current service charge recovery from traders is £453k and the cost is £716k, this leaves the Council effectively subsidising £263k

4.2.5 The proposal to adopt scenario 8 (half way between the current charge and full cost recovery) will initially recover from traders £585k and the cost remains at £716k, leaving the Council effectively subsidising £131k. This scenario however will only take two financial years to reach full cost recovery.

4.2.6 The option of full cost recovery (Scenario 9) would reduce the subsidy to nil immediately.

4.2.7 The Markets Service have sought legal advice from our legal team regarding the implications of providing a subsidy and whether this falls within the Governments Subsidy Control regulations.

4.3 Legal Implications

4.3.1 The proposed grants do appear to fall within the definition of a subsidy, however given the low value of the grants no Subsidy Control Act principles assessment is required to be undertaken.

4.3.2 There are no significant legal implications arising out of the legal agreements that govern the relationship between the Council and its landlord under the Superior Lease or the leases between the Council and its tenants as both require the tenant to pay a proportion of the service charges properly incurred by their landlord.

4.4 Climate Implications

There are no significant climate implications arising from this report. The initial CIA indicates that the emissions level from the operation of the market will remain the same as before.

4.5 Other Implications

4.5.1 There are no other implications

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The option to do nothing (scenario 1) has been rejected by officers due to the unsustainable nature of the increasing subsidy required on operational costs.

5.2 The option to move straight to full cost recovery (scenario 9) will be too much of an impact on the tenants. It's likely to create significant cost pressures that are too large to pass straight on to customers and may increase the markets vacancy rate, which will negatively financially impact the budgets for service charges and rents. Overall, it could undermine the financial position rather than improve it.

5.3 Other models of recharging the service charge such as a service charge only tenancy agreement are options that require further work that has not been possible to complete in time to consider for this paper.

6. REASONS FOR RECOMMENDATIONS

6.1 The option outlined in scenario 8 increasing the Service Charge to the midpoint on the deficit between the current charge and the actual cost. The principle of full cost recovery of Service Charge, while allowing for some subsidy to support tenants to adjust to the increases, which will better allow them to manage costs and charges required to offset the impact on their businesses. This will reduce the potential of businesses needing to leave the market, which in turn reduced financial risk from lost rent or service

charges on the overall financial position.

- 6.2 The overall outcome should be a more sustainable market, maintaining its quality and service levels, and a high occupancy rate to continue the vibrant feel to the markets post pandemic.

7 APPENDIX

- 7.1 Table 7.1 shows the cost breakdown attributable to service charge financial year 2022/23

Crystal Peaks			2022/23
Service Provided			Actual Cost (£)
MANAGEMENT			
1	Site Management Resources		109,535
2	Site service charge		183,926
		Sub-total	293,461
CENTRAL UTILITIES (not covered by direct utility recharge)			
3	Electricity		93,477
4	Gas		14,880
5	Water		7,862
		Sub-total	116,219
SOFT SERVICES			
6	Security		93,963
7	Cleaning and environmental		93,839
8	Marketing and promotions		22,269
		Sub-total	210,071
HARD SERVICES			
9	Mechanical and electrical services		13,400
10	Lifts		-
11	Fabric repairs and maintenance		78,021
		Sub-total	91,421
INSURANCE			
12	Insurance		5,743
		Sub-total	5,743
		TOTAL (a)	716,915

- 7.2 Table 7.2 shows how the service charge is distributed in square metres across all retail units

Actual Square Metres		Sq Mtr
	Non-Food	592.46
	Food	119.68
	Cafes	73.47
	Meat and Fish	54.00
	TOTAL (b)	839.61

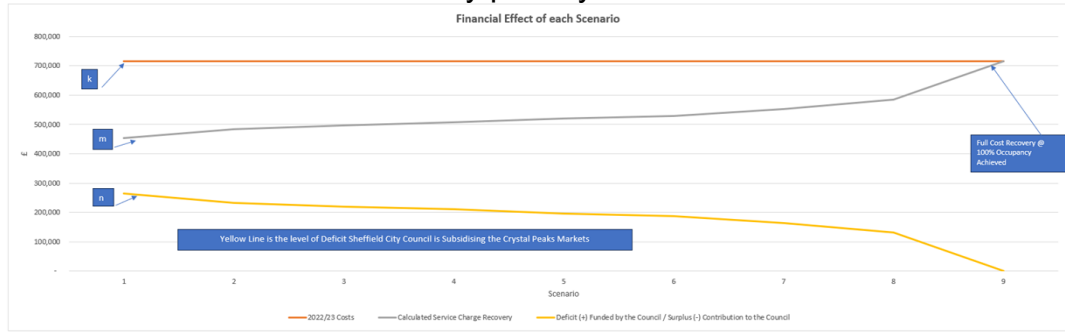
- 7.3 Table 7.3 demonstrates the calculations used to determine current charge, midpoint charge and full cost recovery

Charging Level	Calculation	£	% Inc on Current Charge
Current Charge	(c)	540.00	0.00%
Half way between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	$(d) = (c) + ((e) - (c)) / 2$	696.94	29.06%
Full Cost Recovery (Based on 100% Occupancy)	$(e) = (a) / (b)$	853.87	58.12%

- 7.4 Table 7.4 shows the calculations used to create each scenario for Service Charge uplift

Scenario	Reference / Calculation	Calculated % Increase (f)	Calculated £ Increase per Square Metre (g)	Charge per Square Metre (h) = (c) + ((c) x (f))	2022/23 Costs (k) = (a)	Calculated Service Charge Recovery (m) = (n) x (b)	Deficit (+) Funded by the Council / Surplus (-) Contribution to the Council (n) = (k) - (m)
Scenario 1 - Do Nothing	Current Service Charge per Square Metre	0.00%	-	540.00	716,915	453,389	263,526
Scenario 2 - Add CPI to the Current Charge	CPI Table 4 Published 20/09/23 - % change over 12 months All Services	6.80%	36.72	576.72	716,915	484,220	232,695
Scenario 3 - Add CPI+3% to the Current Charge	CPI+3%	9.80%	52.92	592.92	716,915	497,822	219,093
Scenario 4 - Add CPI+5% to the Current Charge	CPI+5%	11.80%	63.72	603.72	716,915	506,889	210,026
Scenario 5 - Add CPI+8% to the Current Charge	CPI+8%	14.80%	79.92	619.92	716,915	520,491	196,424
Scenario 6 - Add CPI+10% to the Current Charge	CPI+10%	16.80%	90.72	630.72	716,915	529,559	187,356
Scenario 7 - Add CPI+15% to the Current Charge	CPI+15%	21.80%	117.72	657.72	716,915	552,228	164,687
Scenario 8 - Mid Point Charge between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	$\frac{540.00 + 657.72}{2}$ - Mid Point between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	29.06%	156.92	696.92	716,915	585,141	131,774
Scenario 9 - Full Cost Recovery (Based on 100% Occupancy)	CPI+51.32% - Full Cost Recovery (Based on 100% Occupancy)	58.12%	313.85	853.85	716,915	716,901	14

7.5 The graph in 7.5 demonstrates trend lines based on the effect of each scenario in relation to the subsidy paid by the council.

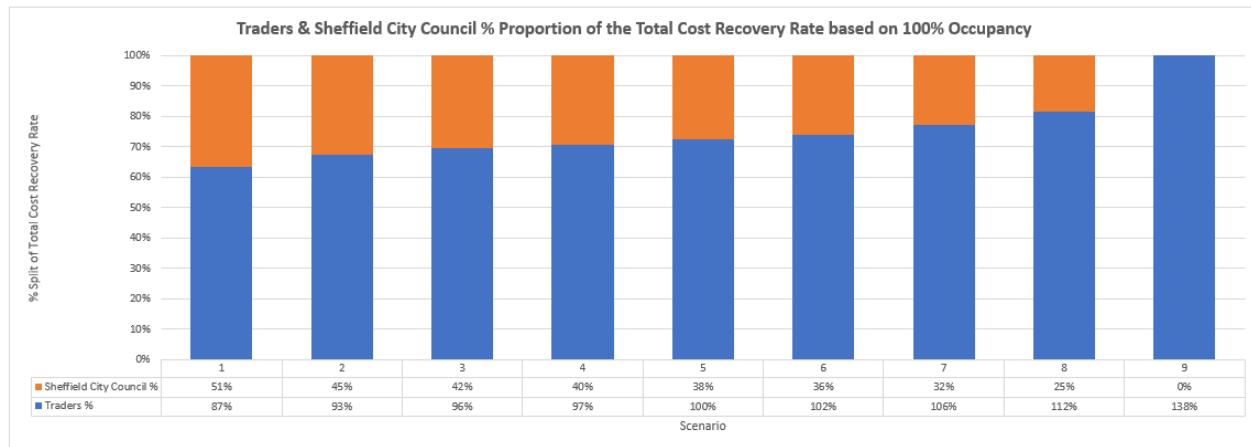


7.6 The service charge at Crystal Peaks Market has not seen an increase since 2009 when a 3% increase was implemented.

7.7 In addition to the rent and service charge, utility charges are also recharged to traders and individually metered. At Crystal Peaks it is only electricity that is billed separately as no current traders use gas as a commodity. A recent decision to increase the utility tariffs by 50% was implemented by the Waste & Street Scene Committee 22/3/23. This was agreed with a 12-week grace period which allowed the first quarter of the new financial year to be billed at old tariff rates. A review is planned to present to committee in December after two quarters of the new tariff have been recharged to traders.

Details (Based on a Standard Traders Unit of 9 Square Metres (3m x 3m))		Scenario								
		1	2	3	4	5	6	7	8	9
Base Data	Base Price	540.00								
	Price Increase %	0.00%	6.80%	9.80%	11.80%	14.80%	16.80%	21.80%	29.06%	58.12%
	Price Increase £	-	36.72	52.92	63.72	79.92	90.72	117.72	156.92	313.85
	Will Sheffield City Council Subsidise the Traders with this Price	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Average Unit Area (3m x 3m = 9 Square Metres) & Service Charge Rates (Trader & Sheffield City Council Subsidy)	Average Unit Area (3m x 3m = 9 Square Metres)	9	9	9	9	9	9	9	9	9
	Square Metre Unit Service Charge	540.00	576.72	592.92	603.72	619.92	630.72	657.72	696.92	853.85
	Rounded Square Metre Unit Service Charge	540.00	577.00	593.00	604.00	620.00	631.00	658.00	697.00	854.00
	Value of Subsidy per Square Metre Unit Service Charge	313.85	277.13	260.93	250.13	233.93	223.13	196.13	156.93	-
	Value of Rounded Subsidy per Square Metre Unit Service Charge	314.00	277.00	261.00	250.00	234.00	223.00	196.00	157.00	-
Traders Service Charges	Traders Total Annual Service Charge	4,860.00	5,193.00	5,337.00	5,436.00	5,580.00	5,679.00	5,922.00	6,273.00	7,686.00
	Traders Monthly Service Charge (12 Months)	405.00	432.75	444.75	453.00	465.00	473.25	493.50	522.75	640.50
	Traders Weekly Service Charge (52.143 Weeks)	93.21	99.59	102.35	104.25	107.01	108.91	113.57	120.30	147.40
Sheffield City Council Subsidy	Sheffield City Council Annual Subsidy	2,826.00	2,493.00	2,349.00	2,250.00	2,106.00	2,007.00	1,764.00	1,413.00	-
	Sheffield City Council Monthly Subsidy (12 Months)	235.50	207.75	195.75	187.50	175.50	167.25	147.00	117.75	-
	Sheffield City Council Weekly Subsidy (52.143 Weeks)	54.20	47.81	45.05	43.15	40.39	38.49	33.83	27.10	-
% Of Total Cost Recovery by Trader and Sheffield City Council	Traders Proportion of Total Cost Recovery @ 100% Occupancy	87%	93%	96%	97%	100%	102%	106%	112%	138%
	Sheffield City Council Proportion of Total Cost Recovery @ 100% Occupancy	51%	45%	42%	40%	38%	36%	32%	25%	0%
	Total Annual Service Charge	138%	138%	138%	138%	138%	138%	138%	138%	138%

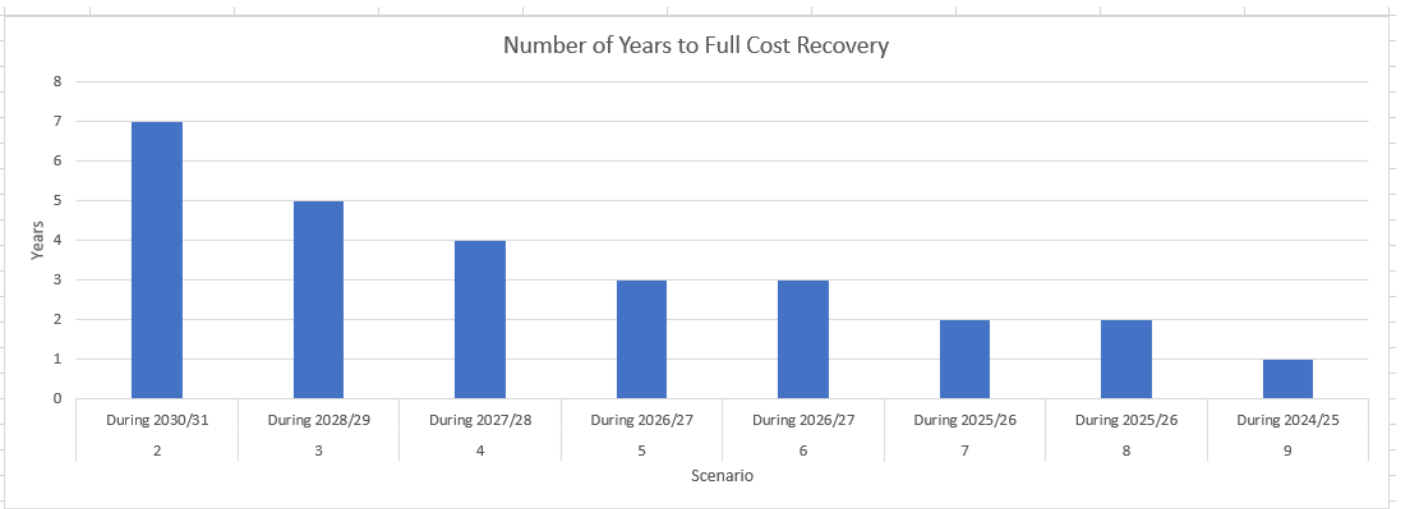
7.8 Break even analysis



Service Charge per Nine Square Metre Unit									
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8	Scenario 9
Financial Year	Do Nothing	Add CPI to the Current Charge	Add CPI+3% to the Current Charge	Add CPI+5% to the Current Charge	CPI+8% to the Current Charge	Add CPI+10% to the Current Charge	Add CPI+15% to the Current Charge	CPI+22.26% - Mid Point Charge between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	CPI+51.32% - Full Cost Recovery (Based on 100% Occupancy)
2024/25	0.00%	6.80%	9.80%	11.80%	14.80%	16.80%	21.80%	29.06%	58.12%
2025/26	0.00%	6.80%	9.80%	11.80%	14.80%	16.80%	21.80%	29.06%	
2026/27	0.00%	6.80%	9.80%	11.80%	14.80%	16.80%			
2027/28	0.00%	6.80%	9.80%	11.80%					
2028/29	0.00%	6.80%	9.80%						
2029/30	0.00%	6.80%							
2030/31	0.00%	6.80%							
2031/32	0.00%								
2032/33	0.00%								
2033/34	0.00%								
2034/35	0.00%								
2035/36	0.00%								

Traders Annual Service Charge per Nine Square Metre Unit									
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8	Scenario 9
Financial Year	Do Nothing	Add CPI to the Current Charge	Add CPI+3% to the Current Charge	Add CPI+5% to the Current Charge	CPI+8% to the Current Charge	Add CPI+10% to the Current Charge	Add CPI+15% to the Current Charge	CPI+22.26% - Mid Point Charge between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	CPI+51.32% - Full Cost Recovery (Based on 100% Occupancy)
2024/25	4,860.00	5,193.00	5,337.00	5,436.00	5,580.00	5,679.00	5,922.00	6,273.00	7,686.00
2025/26	4,860.00	5,546.12	5,860.03	6,077.45	6,405.84	6,633.07	7,213.00	8,095.93	
2026/27	4,860.00	5,923.26	6,434.31	6,794.59	7,353.90	7,747.43			
2027/28	4,860.00	6,326.04	7,064.87	7,596.35					
2028/29	4,860.00	6,756.21	7,757.23						
2029/30	4,860.00	7,215.64							
2030/31	4,860.00	7,706.30							
2031/32	4,860.00								
2032/33	4,860.00								
2033/34	4,860.00								
2034/35	4,860.00								
2035/36	4,860.00								

Sheffield City Council Annual Subsidy per Nine Square Metre Unit									
Financial Year	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8	Scenario 9
	Do Nothing	Add CPI to the Current Charge	Add CPI+3% to the Current Charge	Add CPI+5% to the Current Charge	CPI+8% to the Current Charge	Add CPI+10% to the Current Charge	Add CPI+15% to the Current Charge	CPI+22.26% - Mid Point Charge between Current Charge and Full Cost Recovery (Based on 100% Occupancy)	CPI+51.32% - Full Cost Recovery (Based on 100% Occupancy)
2024/25	2,826.00	2,493.00	2,349.00	2,250.00	2,106.00	2,007.00	1,764.00	1,413.00	-
2025/26	2,826.00	2,139.88	1,825.97	1,608.55	1,280.16	1,052.93	473.00	-	409.93
2026/27	2,826.00	1,762.74	1,251.69	891.41	332.10	-	61.43		
2027/28	2,826.00	1,359.96	621.13	89.65					
2028/29	2,826.00	929.79	71.23						
2029/30	2,826.00	470.36							
2030/31	2,826.00	-	20.30						
2031/32	2,826.00								
2032/33	2,826.00								
2033/34	2,826.00								
2034/35	2,826.00								
2035/36	2,826.00								



**Financial Split between Traders & Sheffield City Council based on the Full Cost
Recover Rate for each Scenarion**

