

Dorchester Markets Joint Informal Panel 27th January 2021 Financial Outturn Projection 2020/21 & Proposed Budget 2021/22

For Decision

Portfolio Holder: Cllr J Haynes, Customer and Community Services

Executive Director: J Sellgren, Executive Director of Place

Report Author: Kevin Evans
Title: Senior Accountant
Tel: 01305 225188
Email: kevin.evans@dorsetcouncil.gov.uk

Report Status: Public

Recommendation:

That Members of the Panel note the current projected outturn position for 2020/21, and approve the 2021/22 budget proposals.

Reason for Recommendation:

To Panel need to agree a budget for 2021/22.

1. Executive Summary

Markets in Dorchester have operated since Anglo Saxon times, and are prescriptive. Under an agreement dated 1984 the markets are managed by Dorset Council for the benefit of Dorset Council and Dorchester Town Council with operational oversight carried out by the Dorchester Markets Joint Informal Panel. The Markets income and expenditure is held within the accounts of Dorset Council. The Panel receives a report on the annual budget and the annual outturn.

2. Financial Implications

As detailed in the report

3. Well-being and Health Implications

None

4. Climate implications

None

5. Other Implications

None

6. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW as the fall in income was anticipated

Residual Risk: MEDIUM as there could be a further loss income

7. Equalities Impact Assessment

None

8. Appendices

Appendix 1 – Budget 2021/22

9. Background Papers

Management Accounts from Market Operator.

1. Projected Outturn 2020/21 (Appendix 1, Column C)

1.1 The total projected expenditure is forecast to be marginally over budget, currently looking at a potential cost of £44,118 against a budget of £41,958. The main reason behind the slight overspend is due to Electricity costs, of which there is no specific budget. This has been addressed as part of the proposed 2021/22 budget. The projected outturn assumes that the full £19.6k R&M budget will be spent. Although current R&M actuals are minimal, it is assumed the unspent R&M budget will be transferred into the earmarked R&M reserve at year end (as per 2019/20 outturn).

1.2 There is projected to be a significant deficit on the gross income budget. Current projections indicate potential income of £79,530, against a budget of £123,240. The most significant element of this

relates to a loss of income from the Market Operator's Contract (Ensors) due to the Covid-19 pandemic. Ensors have supplied Management Account information up to end of November 2020, which indicate a potential income to the panel across the Market Operator Contract, and Car Boot, of £33,500, against a budget of £69,000. Other rental income, such as for Cornhill and the Café, are assumed as on budget, although there are a number of outstanding invoices in relation to these.

- 1.3 At Ensor's request, it has been agreed that the monthly on account payments received from them will be reduced from £5,000 to nil per month with immediate effect, for the remainder of 2020/21. Payments will then revert to £3,000 per month from April 2021. This better reflects current trading conditions at the Market and assists Ensors with their cashflow. This has no impact on the sum due from Ensors at the end of the trading year and will be reviewed again once trading conditions return to normal.
- 1.4 There is a projected charge of £4,800 against the Farmers Market income budget. This is due to a 100% bad debt provision for unpaid invoices from 2018/19 and 2019/20.
- 1.5 Overall, this means the sum available for distribution to the panel is forecast to be £79,530, against a net budget of £123,240. The relevant shares would be split as follows : Dorset Council - £46,722 (against a budget of £67,821), Dorchester Town Council - £25,158 (against a budget of £36,519) and transfer to the Car Boot Reserve of £7,650 (against a budget of £18,900).

2. Budget 2021/22 (Appendix 1, Column D)

- 2.1 The proposed expenditure budget is £43,968.
- 2.2 The proposed income budget is £165,165. This assumes that the market operator's contract income (Ensors) is the same as 2020/21 original budget, £48,000. (The projected outturn for 2020/21 is likely to see significantly reduced income due to the Covid-19 pandemic.) Members will be aware this income has declined steadily from £117,915 in 2014/15.
- 2.3 This means the budgeted surplus for distribution is £121,197, with Dorset Council due £66,493 and Dorchester Town Council £35,804. The budgeted top up to the Car Boot reserve would be £18,900.

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.