

Dorchester Markets Joint Informal Panel

30th June 2021

Financial Outturn Report 2020/21

For Decision

Portfolio Holder: Cllr J Haynes, Customer and Community Services

Executive Director: J Sellgren, Executive Director of Place

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Report Status: Public

Recommendation:

That the Head of Community and Public Protection (Dorset Council), in consultation with the Town Clerk (Dorchester Town Council) and with support from the Property and Finance Divisions of Dorset Council, be authorised to agree a reduced fee for the years 2020/21 and 2021/22 with the operators of the Cornhill Market.

That members of the panel approve the income and expenditure statement for 2020/21.

Reason for Recommendation:

To enable Members of the Panel to consider and approve the Accounts for the year ending 31st March 2021.

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 of income.

7. Equalities Impact Assessment

None.

8. Appendices

Appendix 1 – Financial Outturn 2020/21.

9. Background Papers

Financial statements from the Market Operator (Ensors).

1. Budget 2020/21

- 1.1 The Panel agreed a budget for 2020/21 at a meeting on 29th January 2020. The expenditure budget was set at £41,958, with the income budget at £165,198, leaving a budgeted surplus for distribution of £123,240.

2. Outturn 2020/21

- 2.1 Actual expenditure incurred during 2020/21 totalled £40,654, against a budget of £41,958, giving an underspend of £1,304. This was mainly due to an insurance rebate of £1,877 (wall damage) and lower than budgeted costs against the Market toilets budget.

- 2.2 Included in the £41,958 total expenditure budget was a line for Repairs & Maintenance (R&M) with a budget of £19,600. This line had a nil variance in 2020/21. Actual R&M expenditure incurred was £15,011, with the balance of £4,589 being transferred into the Market Maintenance Earmarked Reserve.
- 2.3 The total income accounted for during 2020/21 was £87,303 against a budget of £165,198, leaving a significant income deficit of £77,895. The main underlying reason for this shortfall is the effect of the Covid-19 pandemic, and in particular the effects of the numerous lockdowns & restrictions imposed during 2020/21. The total deficit also includes a £4,800 Bad Debt Provision relating to the unpaid Farmers Market Licence Fees from 2018/19 & 2019/20.
- 2.4 Within the overall £77,895 income deficit was a shortfall of £39,672 from the Market Operators contract (Ensors). Income from both the Market and Sunday Car Boot was particularly suppressed during Spring 2020 and January-March 2021, when nationally imposed restrictions, due to Covid-19, prevented the normal operation of the Market activities.
- 2.5 For 2020/21, there was a 50% reduction in the budgeted income contribution of £47,824 in relation to Fairfield Car Park income. Again, this was due to the effects of the Covid-19 pandemic and associated restrictions.
- 2.6 At present there is a significant debt outstanding relating to Cornhill Market. Preliminary discussions with the operators have identified that the operator was unable to operate the market for significant parts of 2020/21 and that much of this debt will therefore not be recoverable. The operator has also highlighted that there is significant risk that they will not be able to make payments during 2021/22 due to the impact of the pandemic on local retail and footfall. The market did not qualify for support under the Government's various grant packages. A recommendation is included that a reduced fee is negotiated with the operator. It would be prudent to assume no further income from this source until negotiations have been concluded.
- 2.7 The final net surplus for distribution in 2020/21 was £46,649 against a budget of £123,240, a shortfall of £76,591. The distribution of this is as follows....
- £5,095 to the Sunday Car Boot Reserve (against a budget of £18,900)

- £27,010 to Dorset Council (against a budget of £67,821)
- £14,544 to Dorchester Town Council (against a budget of £36,519)

3. Reserves Position 2020/21

- 3.1 The balance carried forward on the Market Maintenance Earmarked Reserve, as at 31/03/2021, is £27,654. This is comprised of an opening balance of £23,065, plus the unspent R&M 2020/21 budget of £4,589.
- 3.2 The balance carried forward on the Sunday Car Boot Earmarked Reserve, as at 31/03/2021, is £15,625. The Covid-19 pandemic significantly suppressed Car Boot income during 2020/21, in turn reducing the reserve transfer to £5,095. There was a draw down in advance made during the year of £10,444 to fund grant awards during 2020/21, so there was a net decrease in the reserve of £5,349. This reserve is used for community awards.

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.