

Dorchester Markets Joint Informal Panel 23rd February 2022 Financial Outturn Projection 2021/22 & Proposed Budget 2022/23

For Decision

Portfolio Holder: Cllr L Miller, Customer and Community Services

Executive Director: J Sellgren, Executive Director of Place

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Report Status: Public

Recommendation:

That Members of the Panel note the current projected outturn position for 2021/22, and approve the 2022/23 budget proposals.

Reason for Recommendation:

The Panel need to agree a budget for 2022/23.

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 – Budget 2022/23

9. Background Papers

Management Accounts from Market Operator.

1. Projected Outturn 2021/22 (Appendix 1, Column C)

1.1 The total projected expenditure is forecast to be marginally over budget, currently looking at a potential cost of £44,218 against a budget of £43,968. The main reason behind the slight overspend is due to minor Water costs from Wessex Water Authority, of which there is no specific budget. This has been addressed as part of the proposed 2022/23 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 2020/21 outturn).

1.2 There is projected to be a significant deficit on the gross income budget. Current projections indicate potential income of £124,655, against a budget of £165,165. The latest supplementary management

accounts from the market operator (Ensors) cautiously points to an improved position compared to the 2020/21 outturn, which saw income severely suppressed due to Covid-19 induced restrictions. However, at the time of writing, Dorset Council has only received Ensor's management accounts covering the first quarter of 2021/22. Market income is therefore anticipated to be on budget, whereas the figures for Q1 indicate a potential shortfall on the Car Boot income. It needs to be noted that the final outturn will vary due to 9 months worth of figures still to be received.

- 1.3 It is currently anticipated that there will be zero income received during 2021/22 in relation to the Cornhill Traders, based on the assumption that the panel accepts a recommendation in the separate confidential report from the Town Clerk in relation to Cornhill Market. In addition, a re-allocation of income from the 2020/21 outturn has resulted in a debit of £4,824 against this line. There is an allocated income budget of £25,974, so the forecasted position is for a deficit of just under £31k.
- 1.4 The other sources of income are mostly expected to come in on budget during 2021/22, including the rents for the Corn Market & Café, and the full budget of £48,541 is anticipated in respect of the allowance for Fairfield parking income (it is worth noting that during 2020/21 it was agreed that only half of the Fairfield parking budgeted income would be transferred due to lockdowns and restrictions).
- 1.5 Overall, this means the sum available for distribution to the panel is forecast to be £80,437, against a net budget of £121,197. The relevant shares would be split as follows: Dorset Council - £45,388 (against a budget of £66,493), Dorchester Town Council - £24,440 (against a budget of £35,804) and transfer to the Car Boot Reserve of £10,609 (against a budget of £18,900).

2. Budget 2022/23 (Appendix 1, Column D)

- 2.1 The proposed expenditure budget is £44,313. This represents a very minor increase on the approved expenditure budget for 2021/22, set at £43,968. The increase is due to an inflationary increase on the Electricity line, and a nominal budgetary allocation on the Water line to reflect expected actuals in the current year. The prevailing Dorset Council budget guidance, used in the preparation of 2022/23 budgets, doesn't provide for general inflation on expenditure budget lines, with the exception of utility costs.

2.2 The proposed income budget is £166,379. This assumes that the budgeted income from the Market Operator's contract (Ensors), and other associated rental / licence income is frozen at the 2021/22 budget levels. The exception is an increase in the estimated Fairfield Parking recharge, to reflect anticipated increases in parking income.

2.3 This means the budgeted surplus for distribution is £122,066, with Dorset Council due £67,058 and Dorchester Town Council £36,108. The budgeted top up to the Car Boot reserve would be £18,900.

2.4 Members will be aware that income was significantly suppressed during the 2020/21 Financial Year as a direct result of the Covid-19 Pandemic, including associated lockdowns and restrictions. There are early indications that income levels have improve for the 2021/22 outturn, and it is hoped trading activity may return to nearer normal levels during 2022/23.

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.