

# **Dorchester Markets Joint Informal Panel 27<sup>th</sup> September 2023 Financial Outturn Report 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 approve the income and expenditure statement for 2022/23.

### **Reason for Recommendation:**

To enable Members of the Panel to consider and approve the Accounts for the year ending 31<sup>st</sup> March 2023.

### **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 2022/23.

### **9. Background Papers**

Financial statements from the Market Operator (Ensors).

### **10. Budget 2022/23**

- 10.1 The Panel agreed a budget for 2022/23 at a meeting on 23<sup>rd</sup> February 2022. The expenditure budget was set at £44,313, with the income budget at £166,379, leaving a budgeted surplus for distribution of £122,066.

### **11. Outturn 2022/23**

- 11.1 Actual expenditure incurred during 2022/23 totalled £45,094 against a budget of £44,313, resulting in a minor overspend of £781. This was mainly due to higher than budgeted electricity costs following the surge in utility unit prices observed during 2022/23. Offsetting this to a degree were below budgeted costs relating to the Market Toilets, and Subscriptions costs.

- 11.2 Included in the £44,313 total expenditure budget was a line for Repairs & Maintenance (R&M) with a budget of £19,600. This line had a nil variance in 2022/23. Actual R&M expenditure incurred during the year was only £1,060, with the balance of £18,540 being transferred into the Market Maintenance Earmarked Reserve.
- 11.3 The total income accounted for during 2022/23 was £130,382 against a budget of £166,379, leaving an income deficit of £35,997. The main underlying reason for this shortfall is due to the reduction in rental premium for the Cornhill Market operations, alongside lower than budgeted returns from the main Market Operator contract (Ensors).
- 11.4 Income generated from the Market Operator contract with Ensors saw a significant decrease from the 2021/22 total of £64,253, with a 2022/23 total of £42,914 (a 33.2% drop in the net income generated). At this stage, it is difficult to ascertain the underlying reason behind this drop. It may be the case that the 2021/22 figure saw a post pandemic 'boom', and has now settled down again as society returns to a more normal pattern, although the trends would need analysing over a greater period of time to identify this pattern. The operation of the Market returned the panel £30,619 against a budget of £48,000, while the Car Boot returned the panel £12,295 against a budget of £21,000.
- 11.5 During the pandemic period, there was a 50% reduction in the budgeted income contribution of £47,824 in relation to Fairfield Car Park income in recognition of the reduced Market activities during restrictions. However, in both 2021/22 and 2022/23, the full budgeted (£49,755 for 2022/23) contribution was received from Parking services following the easing of Covid restrictions and return a more normalised trading environment.
- 11.6 It was agreed at a previous panel meeting that the outstanding debt in relation to the Cornhill Traders, up to 31/03/22, would be written off, in addition to a reduction in the monthly premium for a set period of time. Therefore a significant shortfall of income against the original budgeted income allocation on the Cornhill Traders account was realised. Monthly invoicing was adjusted from June 2022 onwards to reflect the reduced premium. Total budgeted income relating to Cornhill Market in 2022/23 was £25,974, with actual invoiced income of £15,152.
- 11.7 Other income budget lines were either on budget, or had a very minor variance. For example, there was a rent review undertaken in year in relation to the lease of the Café which resulted in a slight

excess of budgeted income, although offsetting this there was no rival market monies payable (of which there is a nominal income budget).

11.8 The final net surplus for distribution in 2022/23 was £85,287 against a budget of £122,066, a shortfall of £36,779. The distribution of this is as follows....

- £11,066 to the Sunday Car Boot Reserve (against a budget of £18,900)
- £48,244 to Dorset Council (against a budget of £67,058)
- £25,978 to Dorchester Town Council (against a budget of £36,108)

## **12. Reserves Position 2022/23**

12.1 The balance carried forward on the Market Maintenance Earmarked Reserve, as at 31/03/2023, is £61,468. This is comprised of an opening balance of £42,928, plus the unspent R&M 2022/23 budget of £18,540. There were no drawdowns made on this reserve during 2022/23.

12.2 The balance carried forward on the Sunday Car Boot Earmarked Reserve, as at 31/03/2023, is £15,597. This is comprised of an opening balance of £28,781, plus the 2022/23 top up of £11,066 from the Sunday Car Boot proceeds. There was in in year draw down on the reserve of £24,250 to fund the Community Grants 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.