

Dorchester Markets Joint Informal Panel

31 January 2024

Financial Outturn Projection 2023/24 & Proposed Budget 2024/25

For Decision

Portfolio Holder: Cllr L Beddow, Culture and Communities

Executive Director: Jan Britton, Executive Lead for Place

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Report Status: Public

Brief 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.

Recommendation:

That Members of the Panel note the current projected outturn position for 2023/24 and approve the 2024/25 budget proposals.

Reason for Recommendation:

The Panel need to monitor the financial performance of the markets and agree a budget for 2024/25.

1. **Projected Outturn 2023/24 (Appendix 1, Column C)**
 - 1.1 The total projected expenditure is forecast to be over budget, currently looking at a potential cost of £47,725 against a budget of £45,332, giving a forecast overspend of £2,393. The main reason behind the overspend is increased Electricity costs in relation to the monthly Npower bills, and an increase in the monthly Water charges from Water2Business. The monthly water charge has significantly increased in year, following a period of previous charges where the bill was based on typical usage during the pandemic period. This has been reflected in the assumed 2024/25 budget, provisionally allocating an uplift on these lines to correlate to the current position. The projected outturn assumes that the full £19,600 R&M (Repairs & Maintenance) 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 2022/23, and prior, outturns).
 - 1.2 There is projected to be a significant deficit on the gross income budget. Current projections indicate potential income of £133,274, against a budget of £160,280, a projected shortfall of £27,006. At the time of writing, the Council has received Management Accounts from the Market operator Ensors for the period 01/04/2023 to 30/11/2023. Forecasts have been calculated based on totals up to 30/11/2023, as well as factoring in the relevant proportion of figures for the period December 2023 – March 2024, based on the 2022/23 profile for this period. As a result, it is assumed that the proportion of the gross income budget relating to Ensors - £72,450 (£50,400 relating to the Dorchester Market Operation, and £22,050 relating to the Car Boot), will see a projected income deficit of £27,426. Net income from this contract is expected to be broadly in line with the total net income received during 2022/23, which was considerably lower when compared to the 2021/22 figure. For context, the 2021/22 outturn saw a strong recovery from the Covid-19 pandemic, with Market operator income slightly exceeding the budget, although Car Boot income was slightly under budget.
 - 1.3 The Cornhill Market income is currently anticipated to come in on budget, following a reduction to the income budget in 2023/24 to reflect the revised rental premium with the operator.
 - 1.4 The other sources of income are mostly expected to come in or around on budget during 2023/24, including the rents for the Corn Market & Café, and the full budget of £52,243 is anticipated in respect of the allowance for

Fairfield parking income. There is a small element of unbudgeted recoverable costs income, relating to electricity, sewerage & water at the Café.

- 1.5 Overall, this means the sum available for distribution to the panel is forecast to be £85,549, against a net budget of £114,948, a shortfall of £29,399. The relevant shares would be split as follows: Dorset Council - £48,339 (against a budget of £61,817), Dorchester Town Council - £26,029 (against a budget of £33,286) and transfer to the Car Boot Reserve of £11,182 (against a budget of £19,845).

2. **Budget 2024/25 (Appendix 1, Column D)**

- 2.1 The proposed expenditure budget is £46,958. This represents a minor increase on the approved expenditure budget for 2023/24, set at £45,332. The increase is due to inflationary increases on the Electricity and Water budget lines, and to bring these budgets to a more realistic level based on current year outturn projections. Offsetting this to a small degree is a reduction to the Subscriptions budget, rebasing this based on the actual cost of 2022/23 NABMA membership (2023/24 cost has not yet been incurred).
- 2.2 The proposed income budget is £166,515, an increase from the £160,280 agreed for 2023/24. The Dorset Council income budget guidance for 2023/24 is to assume increases of 5% on all Fees & Charges income budgets. This principle has been applied to the Market Operators (Ensors) and Fairfield Car Park income lines. However, for the Cornhill Traders, Corn Market & Café, the income budgets have remained stable, based on the current rental premium being charged.
- 2.3 This means the budgeted surplus for distribution is £119,557, with Dorset Council due £64,168 and Dorchester Town Council £34,552. The budgeted top up to the Car Boot reserve would be £20,837.

3. **Current Reserves Summary**

- 3.1 The current balance on the Market Maintenance reserve is £61,468. This reserve has been topped up over the past few years from the unspent R&M budget, while there have been no recent drawdowns from this reserve.
- 3.2 The current un-committed balance on the Sunday Car Boot reserve is £1,597. As at the closedown of the 2022/23 financial year, this reserve

had a balance £15,597, but the Car Boot panel agreed on the 22/11/2023 to fund community grants totalling £14,000. There will be a further top up of this reserve upon closedown of the 2023/24 accounts, when the Sunday Car Boot figures for the current year will be known from Ensors. Based on prior year actuals, this top up is projected to be in the region of ~£11k.

4 Financial Implications

As detailed in the report.

5 Natural Environment, Climate & Ecology Implications

No impact.

6 Well-being and Health Implications

None.

7 Other Implications

None.

8 Risk Assessment

8.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: MEDIUM as the Market Operator income is variable.

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

9 Equalities Impact Assessment

None.

10 Appendices

Appendix 1 – Budget 2024/25

11 Background Papers

Ensors Management Accounts for the period 01/04/2023 – 30/11/2023