

Dorchester Markets Joint Informal Panel

29 January 2025

Financial Outturn Projection 2024/25 & Proposed Budget 2025/26

For Decision

Cabinet Member and Portfolio: Cllr G Taylor, Public Health, Environmental Health, Housing, Community Safety and Regulatory Service

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 2024/25 and approve the 2025/26 budget proposals.

Reason for Recommendation:

The panel need to monitor the financial performance of the markets and agree a budget for 2025/26.

1. **Projected Outturn 2024/25 (Appendix 1, Column C)**

- 1.1 The total projected expenditure is forecast to be slightly under budget, currently looking at a potential cost of £46,586 against a budget of £46,958, giving a forecast underspend of £372. The main reason behind the underspend is a potential saving on the electricity budget due to current year costs coming in lower than last year. Partially offsetting this is a projected minor overspend on the Water budget. Water costs increased during the 2023/24 year due to prior readings being based on estimates taken during the Pandemic period. The increased costs have been reflected in the proposed base budget for 2025/26 and going forward. 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 2023/24, and prior, outturns).
- 1.2 There is projected to be a significant deficit on the gross income budget. Current projections indicate potential income of £139,916, against a budget of £166,515, a projected shortfall of £26,599. At the time of writing, the Council has not received any Management Accounts data from the Market Operator Ensors for any period within the 2024/25 financial year. On this basis, it is difficult to forecast the level of net income relating to the Ensors contract. For the purposes of this report, the total net income relating to the Market Operator contract for 2023/24 has been used as a base for the 2024/25 projection, with an uplift provision of 5% to account for inflation. This means an estimated income to the panel of £35,603 in relation to the Market, and £14,370 in relation to the Sunday Car Boot. In total, this would be a budget deficit of £26,100, which is consistent with the level of deficit seen in the 2023/24 outturn.
- 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 2024/25, including the rents for the Corn Market & Café, and the full budget of £54,855 is anticipated in respect of the allowance for Fairfield parking income.
- 1.5 Overall, this means the sum available for distribution to the panel is forecast to be £93,330, against a net budget of £119,557, a shortfall of £26,227. The relevant shares would be split as follows: Dorset Council -

£52,258 (against a budget of £64,168), Dorchester Town Council - £28,139 (against a budget of £34,552) and transfer to the Car Boot Reserve of £12,933 (against a budget of £20,838).

2. Budget 2025/26 (Appendix 1, Column D)

2.1 The proposed expenditure budget is £47,386. This represents a minor increase on the approved expenditure budget for 2024/25, set at £46,958. The increase is due to inflationary increases on the Water budget. It is proposed to keep the Electricity budget at the same level as the current year, due to the forecast current year underspend and lower actual costs compared to the 2023/24 year.

2.2 The proposed income budget is £169,788, an increase from the £166,515 agreed for 2024/25. The Dorset Council income budget guidance for 2025/26 is to assume increases of 2.5% 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 proposed income budgets have remained static, based on the current fixed rental premium being charged.

2.3 This results in the budgeted surplus for distribution as £122,402, with Dorset Council due £65,678 and Dorchester Town Council £35,365. The budgeted top up to the Car Boot reserve would be £21,359.

3. Current Reserves Summary

3.1 The current balance on the Market Maintenance reserve is £78,035. 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 £937. In December 2024, £12,977 was agreed as the total value of the Community Grants to be funded from the reserve in 2024/25. There will be a further top up of this reserve upon closedown of the 2024/25 accounts, when the Sunday Car Boot figures for the current year will be known from Ensors. Based on the current year forecast, this top-up is estimated to be £12,933.

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 2025/26

11 Background Papers

Ensors Management Accounts for the period 01/04/2023 – 31/03/2024.