

**Dorchester Markets Joint
Informal Panel Committee**

Market Management Report

Date of Meeting: Wednesday 26th June 2019

Lead Member: Cllr A Alford - Lead Member for Customer, Community and Regulatory Services

Lead Officer: Greg Northcote Estates Manager

Appendix 1 is not for publication by virtue of paragraph 3 of Schedule 12A, Part 1 of The Local Government Act 1972, as amended. The public interest in maintaining the exemption outweighs the public interest in disclosing it.

Executive Summary: The Panel receives bi-annual market management reports on the Dorchester Markets and related property and facilities.

Equalities Impact Assessment:

None

Budget:

See related Financial Outturn Report 2018/2019.

Risk Assessment:

Having considered the risks associated with this report, the level of risk has been identified as:

Current Risk: LOW as the fall in income was anticipated

Residual Risk MEDIUM as there is a risk the income could fall further

Other Implications:

Financial: Declining revenue stream as identified in the Report

Recommendation: Members to note the report.

Reason for Recommendation: To ensure that Members are kept informed of progress in respect of management and development of the various markets. To ensure that maintenance liabilities are being addressed and that funds held in

reserves can be applied to fund maintenance if required.

Appendices: 1) Confidential Appendix Ensors draft accounts for the previous financial year.
2) Ensors Management Report if supplied and may be verbally presented at the meeting

Background Papers: None

Officer Contact:

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Report

1. Background

1.1 Dorchester Market is a Charter Market. Dorset Council owns the Dorchester Market site and has granted a lease dated 1st October 1978 for 99 years to Trustees of the Dorset Council and Dorchester Town Council and entered into an associated Market Agreement that details the management arrangements that are today overseen by this Committee.

2. Dorchester Market – Ensors

Background

2.1 Trustees of the Dorset Council and Dorchester Town Council have leased the site of Dorchester Market to T Ensor and Son Ltd (Ensors) and currently Ensors hold a lease from 2001 for a term expiring in 2026. Ensors have rights to hold a market on Wednesdays and a Car Boot Sale on Sundays every week of the year and on any other days as may be agreed. Ensors undertake the management of the market and are required to provide periodic financial reports. Market Tolls are set by agreement with the Council.

2.2 Market Revenues have been falling for many years owing to the changing pattern of retailing, internet purchasing, and general trends of markets failing to meet the requirements of younger shoppers.

2.3 When the lease was granted in 2001 the rent reserved under the lease was £194,000pa. By 2016 it had fallen to £115,598 and now it is only £77,500 as explained hereafter.

- 2.4 Ensors have provided their draft accounts for the year up to 31st March 2019. This reveals a continuation of the fall in revenue of market stalls from £147,000 in 2017/18 to £136,870 in 2018/19.
- 2.5 For the year up to 31st March 2019 the gross income from Car Boot Tolls has dropped from £50,000 to £46,000.
- 2.6 The overall net income from both these markets has dropped from £102,000 to £97,000.
- 2.7 The proportion of the Market Income paid to the Markets Panel amounted to £82,251 for 2017/18 and the draft accounts now show a drop to £77,500 for 2018/19.
- 2.8 Ensors have reported declining revenues for many years and the Panel has reviewed means to improve performance. Previously officers have commissioned a report from NABMA in respect of the market operations, a Dorchester Market Survey to assess the public's view of the market and have presented a discussion paper called a Vision for Dorchester Market. These have proposed operational improvements and site maintenance works have been approved to support the market. Since the last report various repairs have been addressed as detailed below.
- 2.9 The works to the asbestos sheet roofing are complete. New CCTV has been installed with 9 cameras giving complete coverage of the exterior of the buildings recording 24/7 and saving recordings for 30 days. Signs notifying the CCTV surveillance will be sited shortly. The system will be operational once internal management arrangements are in place. A new main gate has been installed and security managed locking regime is in place. A further gate off Weymouth Avenue has been replaced and when open is locked in place.
- 2.10 The North Linneys have been partially fenced off and works to undertake basic repairs to the roof undertaken.
- 2.11 Last year Ensors took on the electricity charges and were concerned at the level of consumption. Officers could not readily reconcile these costs because of the site complexity. So Ensors agreed to meet all costs until 5th April 2019 and thereafter the costs have reverted to the Council while officers arrange for sub metering of supplies.

3. Cornhill Market

- 3.1 Dorchester Cornhill Market Limited manages the trading pitches marked out at Cornhill under licence from the Council.
- 3.2 This market was originally managed by the Council and subsequently by a co-operative for the market traders. More recently Dorchester Cornhill Market Limited has been granted a licence so that they undertake all the day to day management and the Council simply receives an annual fee of £25,974. The

rent increases in line with the Retail Price Index. Recent instructions from the Markets Panel were to re-issue the lease for a term of three years and terms have been agreed and the matter is with our legal team to conclude.

- 3.3 Rent payments are being received on a regular basis and the agreed profit share from the previous arrangement has now been paid in full.

4. The Dorset Farmers Market

- 4.1 The Dorset Farmers Market continues to operate between Nappers Mite and W H Smith and the legal team are close to concluding the licence to Dorset Farmer's Markets Limited at a initial annual fee of £2,400pa subject to annual reconciliation. This fee is based on an assumed average 10 stalls per month at a toll of £20 each.

5. Cornmarket

- 5.1 The tenants Gary Batt and Guy Schwinge t/a Duke's Auctioneers continue to hold over under the terms of their expired lease.
- 5.2 This situation has continued for several years and is kept under review. Officers believe that the rent passing is potentially less than market rental value. The existing lease imposes external maintenance liabilities on the Council as landlord. This year these were addressed by completion of a programme of works that have brought the building to a good standard of external repair and redecoration.