

**MAIDSTONE BOROUGH COUNCIL**

**RECORD OF DECISION OF THE COBTREE MANOR ESTATE CHARITY  
COMMITTEE**

Decision Made: 11 January 2012

**DEALING WITH FUTURE SURPLUSES**

**Issue for Decision**

To consider how to deal with future surpluses generated by the operational activities at the Cobtree Estate.

**Decision Made**

That the annual surplus be invested with Charifund until the final options for funding the Master Plan are confirmed.

**Reasons for Decision**

The long term loan to the Council has been repaid in full and the Charity will now receive the full benefit of the annual surplus generated by the activities of the Estate. For the current financial year this is estimated to be £61,100, and for 2012/13 this is estimated to be £79,320.

The funding options for the Master Plan are still being evaluated, but will involve the use of this surplus in some form. The annual surplus figure for 2011/12 will be confirmed in April 2012, and this sum will be due to the Charity from the Council under the current accounting arrangements.

The Charity currently has £1.3m invested with Charifund, a specialist charity investment fund administered by M&G Securities Ltd.

It is proposed that the surplus for 2011/12 be invested with Charifund. There is no minimum deposit and funds can be withdrawn at any time, to be repaid within four working days. The investment will also generate additional income for the Charity while it is in the fund.

Once the funding arrangements for the Master Plan are confirmed then a more long term procedure for dealing with the annual surplus can be put in place.

## **Alternatives Considered and Why Rejected**

The surplus could be deposited with the Borough Council, as is the practice with the sale proceeds from the disposal of properties. However the investment in Charifund for 2010/11 generated a return of 5.15% on the capital sum invested and it is unlikely the Borough Council could offer a similarly competitive rate.

## **Background Papers**

None.

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>20 January 2012.</b>
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