

MAIDSTONE BOROUGH COUNCIL

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

Decision Made: 25 January 2023

Cobtree Manor Estate Financial Position Report

Issue for Decision

To note the financial position of the Cobtree Manor Estate as at 30 November 2022 and to approve the proposed draft budgets for 2023/24.

Decision Made

1. That the financial position of the Cobtree Manor Estate as at 30 November 2022, as set out in the report of the Senior Finance Manager, be noted.
2. That the proposed budgets for 2023/24 are agreed.

Reasons for Decision

INTRODUCTION AND BACKGROUND

The Committee has received its regular update report on the financial position of the Estate enabling it to see how the various areas of activity (Golf Course, Kent Life, Manor Park and residential properties) are performing. Covid-19 and uncertainty around future contracts present a significant risk to the finances and operations of the Estate, emphasising the need for robust management and monitoring of the budget.

CURRENT FINANCIAL POSITION

The table below summarises the financial position of the Estate as at 30 November 2022. Appendix 1 to the report provides a more detailed breakdown of the figures.

	Budget for Year 2022/23	Promised Budget as at 30 November 2022	Actuals as at 30 November 2022	Variance: Underspend (-) Overspend (+)
Golf Course				
Expenditure	£48,860	£32,573	£25,385	-£7,188
Income	-£139,350	-£69,715	-£64,946	£4,769
Net Expenditure (+)/Income (-)	-£90,490	-£37,142	-£39,561	-£2,419
Manor Park				
Expenditure	£259,260	£169,213	£163,293	-£5,920
Income	-£189,080	-£104,491	-£104,521	-£30
Net Expenditure (+)/Income (-)	£70,180	£64,722	£58,772	-£5,950
Kent Life				
Expenditure	£29,890	£19,927	£14,847	-£5,080
Income	-£70,730	-£35,365	-£35,867	-£502
Net Expenditure (+)/Income (-)	-£40,840	-£15,438	-£21,020	-£5,582
Residential Properties				
Expenditure	£16,180	£10,787	£1,903	-£8,884
Income	-£30,000	-£20,000	-£17,340	£2,660
Net Expenditure (+)/Income (-)	-£13,820	-£9,213	-£15,437	-£6,224
Operational Total	-£74,970	£2,929	-£17,246	-£20,175
Investment Income	-£40,000	-£26,667	-£26,293	£374
Car Park Repayment	£69,650	£69,650	£69,647	-£3
Total for the Year	-£45,320	£45,912	£26,108	-£19,804
Net Expenditure (+)/Income (-)				

The position as at 30 November 2022 shows a surplus of £19,804 and a surplus of £45,000 is projected by year-end which is a reflection of a return to a more normal trading activity following the challenges of the pandemic over the last few years. There are no significant issues to report, but the following points should be noted:

- There has been spend of £14,180 for consultancy work relating to the procurement of the new Golf Course contract.
- Car parking income is slightly down against the budgeted figure, but this is offset by additional turnover related income from the Café which has continued to trade strongly. Overall, the budgets for the Manor Park are slightly underspent.
- Mytime, the operator of the Golf Course, will be invoiced for £80,000 for rental payments due, with an initial £21,736 for performance based on trading in the early part of the financial year. Given the positive trading position so far this year it is hoped that another significant performance-based sum can be realised.

BUDGETS 2023/24

The proposed budgets for 2023/24 are shown at Appendix 2 to the report. To ensure some consistency the general approach to setting the budgets was as follows:

- Running costs have been increased by inflation (5%) where applicable.
- Contract income has been increased in line with the agreed schedules.
- Insurance costs have been updated in line with estimated premium increases, which are likely to be 15% due to an increase in premiums.
- The recharges from Maidstone Borough Council have been updated following a review of the services provided and a revised schedule is shown

at Appendix 3 to the report.

In overall terms the projected surplus from operational activities for 2023/24 is budgeted to be £35,210 compared to the budgeted surplus of £74,970 for 2022/23. After allowing for investment income and the repayment of the car park construction costs, the overall net surplus will be £5,560.

The main reason for the reduction in the surplus is the uncertainty around what the value of the new golf course contract will be. The budgeted income figure for 2022/23 is £139,110, but the budget for 2023/24 has been reduced to £100,000 as this allows for a break-even position to be achieved for the Estate.

AUDIT OF THE 2021/22 COBTREE ESTATE ACCOUNTS

This is covered in a separate report to the Committee which the Chairman agreed to take as an urgent item as the audited and approved accounts must be submitted to the Charity Commission by 31 January 2023.

Alternatives Considered and Why Rejected

The Committee could have asked for adjustments to be made to the draft budgets, but this was not considered appropriate as the estimates provided are based on the most up to date projections for the coming year and the budgets must be approved and formally adopted so that they are in place for 1 April 2023.

Background Papers

None

I have read and approved the above decision for the reasons (including possible alternative options rejected) as set out above.



Signed: _____
Leader of the Council – Councillor David Burton

Full details of the report for the decision can be found at the following area of the [website](#).

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: **5pm 3 February 2023**