

MAIDSTONE BOROUGH COUNCIL
COBTREE MANOR ESTATE COMMITTEE

20TH NOVEMBER 2009

REPORT OF THE HEAD OF FINANCE

Report prepared by: Paul Holland (Senior Accountant)

1 FINANCIAL POSITION 2009/10

1.1 Issue for Decision

1.1.1 To consider the current financial position of the Golf Course and Manor Park as at 30th September 2009.

1.2 Recommendation of the Head of Finance

1.2.1 That the current financial position as at 30th September 2009 is noted.

1.3 Reasons for Recommendation

1.3.1 Attached at **APPENDIX A** is the current financial position as at 30th September 2009.

1.3.2 The budget figures in the estimate column reflect the Estimates that were presented to full Council, which now include the financial impact of the new contract arrangements for the Golf Course.

1.3.3 The statement also includes details of capital expenditure and the projected loan repayment position to 30th September 2009, at **APPENDIX B**.

1.4 Cobtree Golf Course – Employee Costs

1.4.1 Appendix A shows unfunded employee costs of £38,356. These relate for the costs of staff who are currently employed by the Council, but who are due to transfer to MyTime. Due to an issue relating to pension contributions this transfer has not yet to take place, and the costs are therefore being charged to the golf course. However, these costs are being recharged to MyTime, as can be seen by the increased figure shown against income, so there is no actual cost to the Trust. Because of uncertainty over the cost and length of time of this situation there have been no budgets established.

1.5 Cobtree Manor Park – Additional Costs

1.5.1 Since the 2009/10 budget for the Manor Park was initially established there have been a number of additional costs identified and added to that budget. As previously advised the running costs of the toilet block have been now been transferred from the Council to the Trust at an estimated cost of £11,200 for 2009/10. In addition Trustees have approved a number of requests for expenditure - £9,500 for the Cobtree Master Plan, £12,550 for the Cobtree Site Survey, £2,600 for an electric vehicle for the Park Ranger, and £1,800 for temporary resurfacing works as part of the installation of the new gates.

1.5.2 Along with some minor budget adjustments these have increased the budget for 2009/10 by £40,000. This will consequently reduce the amount of the loan repaid by the Trust at the end of the financial year. Trustees have previously been advised that the loan should be repaid during 2010/11, however there is now the possibility that this may slip into early 2011/12, depending on the financial circumstances over the next 18 months.

1.6 Alternative Actions and Why Not Recommended

1.6.1 The Committee could not receive updates during the year on the financial position, but this would not be consistent with good financial management.

1.7 Impact on the Charity’s Objectives

1.7.1 The net surplus on the activities of the Golf Course and Manor Park is utilised to repay the Long-Term loan to the Council. Details of the current loan position are shown at **APPENDIX B**.

1.8 Risk Management

1.8.1 Good financial management allows more informed decisions to be made regarding the ongoing activities of the Trust.

1.9 Other Implications

Financial	<input checked="" type="checkbox"/>
Staffing	<input type="checkbox"/>
Legal	<input type="checkbox"/>
Social Inclusion	<input type="checkbox"/>
Environmental/Sustainable Development	<input type="checkbox"/>
Community Safety	<input type="checkbox"/>
Human Rights Act	<input type="checkbox"/>
Procurement	<input type="checkbox"/>
Asset Management	<input type="checkbox"/>

1.10 Financial Implications

Financial Implications are detailed in the report above.

<u>NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED</u>			
Is this a Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, when did it appear in the Forward Plan? _____			
Is this an Urgent Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
<u>Reason for Urgency</u>			
Not applicable			