

Cobtree Manor Estate Financial Position

Final Decision-Maker	Cobtree Manor Estate Committee
Lead Head of Service	Director of Finance and Business Improvement – Mark Green
Lead Officer and Report Author	Paul Holland, Senior Finance Manager (Client)
Classification	Public
Wards affected	Boxley

Executive Summary

The report summarises the current financial position of the Estate as at 28 February 2021 covering the activities at the golf course, Kent Life, the Manor Park and the residential properties.

Purpose of Report

To update the Committee on the current financial position and any other relevant matters that may impact the financial position of the Trust.

This report makes the following recommendation to this Committee:

1. That the current financial position be noted.

Timetable

Meeting	Date
Cobtree Manor Estate Committee	31 March 2021

Cobtree Manor Estate Financial Position

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The operation of the Estate directly supports the objects of the Trust as set out when the Council became the Corporate Trustee	Head of Regeneration & Economic Development
Cross Cutting Objectives	The operation of the Estate supports the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Head of Regeneration & Economic Development
Risk Management	There is a potential reputational risk if the facilities are operated poorly. This is addressed in the annual risk management report.	Leisure Manager
Financial	There is a financial risk to the Trust if the operations cost more than predicted or fail to generate sufficient income to cover the costs of running the estate. This risk is currently heightened by the impact of the ongoing Covid-19 situation on the operations of the estate, particularly in relations to the various contractors.	Senior Finance Manager (Client)
Staffing	There are no additional implications arising from this report.	Leisure Manager
Legal	<p>Under the Council's Constitution the Committee as Corporate Trustee is responsible for all matters relating to the Charity with the exception of daily management.</p> <p>Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. This update report assists in meeting those requirements</p> <p>There are no further implications arising from this report.</p>	Principal Solicitor (Corporate Governance), Mid Kent Legal Services
Privacy and Data Protection	There are no specific privacy or data protection issues to address.	Anna Collier Policy and Information Manager

Equalities	There are no additional implications arising from this report.	Anna Collier Policy and Information Manager
Public Health	There are no additional implications arising from this report.	Public Health Officer
Crime and Disorder	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
Procurement	There are no additional implications arising from this report.	Head of Regeneration & Economic Development

2. INTRODUCTION AND BACKGROUND

2.1 This is a regular update report on the financial position of the Estate, which enables the Committee to see how the various areas of activity are performing. The current Covid-19 situation is presenting a significant risk to the finances and operations of the estate, emphasising the need for robust management and monitoring of the budget.

3. CURRENT FINANCIAL POSITION

3.1 The table below summarises the position as at 28th February 2021. **Appendix 1** provides a more detailed breakdown of the figures.

3.1.1 Overall Summary Position:

SUMMARY TOTALS

	Approved Budget for Year 2020/21	Revised Budget for Year 2020/21	Budget to end of February 2021	Actuals to end of February 2021	Forecast Outturn 2020/21
Golf Course	-£107,610	-£89,120	-£93,634	-£99,170	-£90,000
Manor Park	£103,830	£109,830	£130,632	£61,503	£70,000
Kent Life	-£42,920	-£24,390	£10,074	£4,024	-£25,000
Residential Properties	-£10,230	-£10,230	-£9,378	-£12,820	-£12,000
Operational Total	-£56,930	-£13,910	£37,694	-£46,463	-£57,000
Investment Income	-£45,000	-£45,000	-£33,750	-£29,710	-£40,000
Car Park Repayment	£69,650	£69,650	£0	£0	£69,650
Total for the Year	-£32,280	£10,740	£3,944	-£76,173	-£27,350

- 3.2 The figures above include the value of invoices sent to the contractors who provide services on the estate (less the agreed reliefs). This assumes they will be paid but of course as Members should be aware there are some ongoing issues related to the closures due to Covid-19 earlier this year, which means a number of invoices still remain unpaid.
- 3.3 Discussions with contractors to resolve these issues are ongoing, and an update on the current position is set out in a report elsewhere on this agenda. In the meantime, officers continue to monitor the financial position and are restricting expenditure where possible to essential items only. Car park income has continued to recover very strongly and is now exceeding the original target despite the closure of the park in the spring.
- 3.4 Other than the contract situation there are no other significant issues with the budget. The profiled budget at the end of February shows a surplus of £46,463 on the operational activities, with a forecast year-end operational surplus of £57,000. After taking into account investment income and the car park loan repayment the forecast outturn surplus will be £27,350, compared to a budget deficit of £10,740. However, it should be noted that these figures assume that all outstanding contract payments are received.
- 3.5 Given the situation with contract income there have been some concerns around the cashflow position, and the position continues to be closely monitored to ensure that there are sufficient resources in place to meet ongoing commitments. There is a separate report on the cashflow position elsewhere on this agenda.
- 3.6 Members have also requested an ongoing update on the Charifund investment. The value of the investment has recovered strongly and currently stands at £820,915, compared to the value of £769,426 in January. However, this is still somewhat lower than the value of £930,938 in January 2020. Updates will continue to be provided to future meetings as part of this report.
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4. AVAILABLE OPTIONS

- 4.1 Section 3 is for noting only.
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5. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 5.1 Section 3 is for noting only.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Officers will continue to monitor the financial position and take appropriate action where necessary.
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7. **REPORT APPENDICES**

- Appendix 1: Financial Position as at 28th February 2021
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8. **BACKGROUND PAPERS**

None.