

Cobtree Manor Estate Financial Position

Final Decision-Maker	Cobtree Manor Estate Committee
Lead Head of Service	Director of Finance & 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 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 recommendations to this Committee:

1. That the current financial position be noted.

Timetable

Meeting	Date
Cobtree Manor Estate Committee	8 July 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 relation 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>	Contracts and Commissioning Team Leader, Mid Kent Legal Services

Privacy and Data Protection	There are no specific privacy or data protection issues to address.	Policy and Information Manager
Equalities	There are no additional implications arising from this report.	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. Covid-19 has presented 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 provisional outturn for 2020/21 and the approved budget for 2021/22. **Appendix 1** provides a more detailed breakdown of the figures.

3.1.1 Overall Summary Position:

SUMMARY TOTALS

	Approved Budget for Year 2020/21	Actuals for the Year 2020/21	Variance	Approved Budget for Year 2021/22
Golf Course	-£89,120	-£91,084	£1,964	-£116,730
Manor Park	£109,830	£60,164	£49,666	£94,740
Kent Life	-£24,390	-£31,781	£7,391	-£47,410
Residential Properties	-£10,230	-£15,534	£5,304	-£9,910
Operational Total	-£13,910	-£78,236	£64,326	-£79,310
Investment Income	-£45,000	-£36,157	-£8,843	-£40,000
Car Park Repayment	£69,650	£34,823	£34,827	£69,650
Total for the Year	£10,740	-£79,570	£90,310	-£49,660

- 3.2 The provisional outturn for 2020/21 shows the Estate made an overall surplus of £79,570, against a projected deficit of £10,740. There are three main reasons for this:
- a) Car park income was higher than had been forecast, despite the closure of the park during the year due to Covid-19.
 - b) There were staff vacancies during the year.
 - c) Only half of the projected repayment for the car park works was made (this is explained in more detail in the following paragraphs).
- 3.3 It should be noted that the figures assume that full payment will be made of the sums due for the contracts at the golf course and Kent Life (less the agreed reliefs). The contractor for Kent Life has now settled all outstanding sums. However, at the time of writing the report there was a sum outstanding of £82,681 for the golf course. Previous reports to the committee have outlined the background to the contract issues with the golf course, and at this stage it is still expected that the outstanding sum will be paid. If there are any further developments these will be reported verbally to the meeting.
- 3.4 Due to the uncertainty over contract payments there were concerns over the cashflow position, so it was agreed with the Director of Finance & Business Improvement that payments for the car park works could be deferred to alleviate any possible problems. Half the sum due for 20/21 was paid and if the contract payments resume with the outstanding sums being settled then it will be possible to repay the remaining amounts due along with the sum due for 21/22.
- 3.5 The latest cashflow projection was presented to the last meeting of the committee. If all the contract issues are resolved a further update will be brought to the September meeting. At the time of writing the report there are no issues with the cashflow.
- 3.6 The budget for 2021/22 was agreed at the meeting of the committee on 26th January 2021. The budget reflects the new management arrangements for the park and the Covid Recovery Fund, which has been established to provide for any Covid-related costs that may be incurred that had not otherwise been budgeted for.
- 3.7 The projection is for a surplus of £49,660 at the end of the financial year.
- 3.8 Members have also requested an ongoing update on the Charifund investment. The value of the investment continues to recover and currently stands at £866,198, compared to the value of £820,915 in March. However, this is still 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.

5. **PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

5.1 Section 3 is for noting only.

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.

7. **REPORT APPENDICES**

- Appendix 1: Financial Position
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8. **BACKGROUND PAPERS**

None.