

**Cobtree Manor Estate Financial Position**

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

The report also includes an updated cashflow projection for the Estate.

**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.
2. That the cashflow projection be noted.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	26 October 2022

# Cobtree Manor Estate Financial Position

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The operation of the Estate directly supports the objects of the Trust as set out when the Council became the Corporate Trustee	Director of Finance & Business Improvement
<b>Cross Cutting Objectives</b>	The operation of the Estate supports the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Director of Finance & Business Improvement
<b>Risk Management</b>	There is a potential reputational risk if the facilities are operated poorly. This is addressed in the annual risk management report.	Leisure Manager
<b>Financial</b>	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.	Senior Finance Manager (Client)
<b>Staffing</b>	There are no additional implications arising from this report.	Leisure Manager
<b>Legal</b>	<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
<b>Privacy and Data Protection</b>	There are no specific privacy or data protection issues to address.	Policy and Information Manager

<b>Equalities</b>	There are no additional implications arising from this report.	Equalities and Communities Officer
<b>Public Health</b>	There are no additional implications arising from this report.	Public Health Officer
<b>Crime and Disorder</b>	There are no additional implications arising from this report.	Director of Finance & Business Improvement
<b>Procurement</b>	There are no additional implications arising from this report.	Director of Finance & Business Improvement
<b>Biodiversity &amp; Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change. A pending decarbonisation study recommendations aims to support areas of the Cobtree Manor Estate to reduce costs from energy consumption, insulate, find low carbon heating solutions, and seek renewable energy options which will save costs in the longer term.	Biodiversity and Climate Change Manager

## 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 presented a significant risk to the finances and operations of the estate, emphasising the need for robust management and monitoring of the budget.

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## 3. CURRENT FINANCIAL POSITION

- 3.1 The table below summarises the financial position of the Estate as at 31<sup>st</sup> August 2022. It also includes the provisional outturn for 2021/22. **Appendix 1** provides a more detailed breakdown of the figures.

### 3.1.1 Overall Summary Position:

Provisional Outturn 2021/22		Budget for Year 2022/23	Profiled Budget as at 31st August 2022	Actuals as at 31st August 2022	Variance: Underspend (-) Overspend (+)
	<b>Golf Course</b>				
£56,175	Expenditure	£48,860	£20,358	£25,530	£5,172
-£168,826	Income	-£139,350	-£34,878	-£21,736	£13,142
-£112,651	Net Expenditure (+)/Income (-)	-£90,490	-£14,519	£3,794	£18,313
	<b>Manor Park</b>				
£297,583	Expenditure	£259,260	£83,658	£79,400	-£4,258
-£220,909	Income	-£189,080	-£64,029	-£62,430	£1,599
£76,674	Net Expenditure (+)/Income (-)	£70,180	£19,629	£16,970	-£2,659
	<b>Kent Life</b>				
£20,354	Expenditure	£29,890	£12,454	£10,321	-£2,133
-£73,600	Income	-£70,730	-£35,365	-£35,365	£0
-£53,246	Net Expenditure (+)/Income (-)	-£40,840	-£22,911	-£25,044	-£2,133
	<b>Residential Properties</b>				
£13,750	Expenditure	£16,180	£6,742	£1,007	-£5,735
-£19,971	Income	-£30,000	-£12,500	-£13,849	-£1,349
-£6,221	Net Expenditure (+)/Income (-)	-£13,820	-£5,758	-£12,842	-£7,084
-£95,444	<b>Operational Total</b>	-£74,970	-£23,559	-£17,122	£6,437
-£42,237	Investment Income	-£40,000	-£10,000	-£13,595	-£3,595
£69,645	Car Park Repayment	£69,650	£0	£0	£0
-£68,036	<b>Total for the Year</b>	-£45,320	-£33,559	-£30,717	£2,842
	Net Expenditure (+)/Income (-)				

3.2 The current position shows a small overspend of £2,842 for the year to date. There are no significant issues to report, but the following points should be noted:

- Mytime 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.
- The spend of £6,610 against golf course professional services is for advice from consultants in respect of the clubhouse.

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## 4. CASHFLOW PROJECTION

- 4.1 Attached at **Appendix 2** is an updated cashflow projection for the activities of the Estate covering the next 10 years.
- 4.2 The projection is based on currently approved budgets, with the future years being increased by 5% for inflation where applicable. For the golf course contract, a figure of £100,000 p.a. has been used as this is the sum needed to ensure a break-even position for the activities of the estate on an annual basis.
- 4.3 One of the main challenges going forward is funding future capital expenditure, the most significant one being the replacement of the existing play area, which is likely to cost in excess of £350,000. Works will also be needed to the Llama House and the concrete hardstanding outside the café

building.

- 4.4 At this stage there are no costings included in the projection for these works as funding will need to be identified. The new storage container can be funded from the existing bank balance. Officers will investigate what sources of funding may be available and report back to a future meeting with options for the Committee to consider.
  - 4.5 The projection assumes that car parking charges will stay as they are at present, but Members could choose to increase them in the future as a means of raising additional income to fund capital works within the Manor Park.
  - 4.6 There are a number of risks that need to be considered with the figures in the projection:
    - Inflation rises above the projected 5% and the economic situation continues to worsen.
    - Suitable funding cannot be identified for the major capital works that are needed, particularly the play area, which is the main attraction for visitors to the park.
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## **5. AVAILABLE OPTIONS**

- 5.1 Section 3 - for noting only.
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## **6. PREFERRED OPTIONS AND REASONS FOR RECOMMENDATIONS**

- 6.1 Section 3 - for noting only.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 Officers will continue to monitor the financial position and take appropriate action where necessary.
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## **8. REPORT APPENDICES**

- Appendix 1: Financial Position
- Appendix 2: Cashflow Projection

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9. **BACKGROUND PAPERS**

None.