

Cobtree Manor Estate Financial Position

Final Decision-Maker	Cobtree Manor Estate Committee
Lead Head of Service	Director of Finance, Resources & 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	27 March 2024

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	Director of Finance, Resources & Business Improvement
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.	Director of Finance, Resources & Business Improvement
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.	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>	Deputy Head of Legal
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Senior Information Governance Officer

Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities and Communities Officer
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.	Director of Finance, Resources & Business Improvement
Procurement	There are no additional implications arising from this report.	Director of Finance, Resources & Business Improvement
Biodiversity & Climate Change	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. As these are charitable funds there is a need for robust management and monitoring of the budget.

3. CURRENT FINANCIAL POSITION

- 3.1 The table below summarises the financial position of the Estate as at 31st January 2024. **Appendix 1** provides a more detailed breakdown of the figures.

3.1.1 Overall Summary Position:

	Revised Budget for Year 2023/24	Profiled Revised Budget as at 31st January 2024	Actuals as at 31st January 2024	Variance: Underspend (+) Overspend (-)
Golf Course				
Expenditure	£43,990	£36,658	£35,791	£867
Income	-£100,240	-£85,200	-£89,554	£4,354
Net Expenditure (+)/Income (-)	-£56,250	-£48,542	-£53,763	£5,221
Manor Park				
Expenditure	£270,950	£225,700	£204,229	£21,471
Income	-£181,080	-£123,037	-£124,408	£1,371
Net Expenditure (+)/Income (-)	£89,870	£102,663	£79,821	£22,842
Kent Life				
Expenditure	£17,410	£14,508	£10,342	£4,166
Income	-£73,130	-£36,565	-£36,567	£2
Net Expenditure (+)/Income (-)	-£55,720	-£22,057	-£26,225	£4,168
Residential Properties				
Expenditure	£16,600	£13,833	£12,696	£1,137
Income	-£30,000	-£25,000	-£25,000	£0
Net Expenditure (+)/Income (-)	-£13,400	-£11,167	-£12,304	£1,137
Operational Total	-£35,500	£20,898	-£12,471	£33,369
Investment Income	-£41,500	-£31,125	-£52,885	£21,760
Interest Paid	£0	£0	£0	£0
Car Park Repayment	£69,650	£0	£0	£0
Total for the Year	-£7,350	-£10,227	-£65,356	£55,129
Net Expenditure (+)/Income (-)				

3.2 The current position shows a surplus of £55,129 for the year to date. There are no significant issues to report, but the following points should be noted:

- As previously reported, gas and electricity costs at for the café are to be largely recharged to the contractor. The exercise to calculate the recharges will be done shortly and invoices raised. This will largely eliminate this overspend.
- Cleaning responsibilities for the toilets have been taken on by the café tenant who has given the toilets a full redecoration and attends to them regularly throughout the day. The cost to CMEC of this approach is less than using external cleaners and standards are noticeably higher.
- Income from the new café contract is higher than budgeted for, and there has been no need to date to draw on the additional budget set-aside for the Parks Management agreement with the Council, which means there is quite a significant underspend on the Manor Park budget.
- Investment income and bank interest has also been higher than anticipated, so assuming there are no unexpected significant issues between now and the end of March there should be a healthy surplus on the activities of the estate at the end of the year.

4. STAFF RECHARGES

- 4.1 A question was raised at the last meeting of the committee as to the hourly rate used in the staff recharges from the Council to the Estate for Democratic Services. I have checked the calculation and I am satisfied that the rate is appropriate. The rate is based on the average salary plus overheads for the Democratic Services Officer posts, who would normally facilitate and attend the meetings.
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5. AVAILABLE OPTIONS

- 5.1 Sections 3 and 4 - for noting only.
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6. PREFERRED OPTIONS AND REASONS FOR RECOMMENDATIONS

- 6.1 Section 3 and 4 - 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
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9. BACKGROUND PAPERS

None.