

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 as at 30 September 2020 covering the activities at the golf course, Kent Life, the Manor Park and the Café/Visitor Centre.

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	5 November 2020

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>	Team Leader (Contracts and Commissioning), Mid Kent Legal Services
Privacy and Data	There are no specific privacy or data protection issues to address.	Anna Collier Policy and

Protection		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

- 1.1 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 30th September 2020. **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 September 2020	Actuals to end of September 2020	Forecast Outturn 2020/21
Golf Course	-£107,610	-£89,120	-£30,035	-£39,108	-£89,120
Manor Park	£103,830	£109,830	£62,015	£31,467	£90,220
Kent Life	-£42,920	-£24,390	-£2,930	-£6,688	-£24,390
Residential Properties	-£10,230	-£10,230	-£5,115	-£9,418	-£10,230
Operational Total	-£56,930	-£13,910	£23,935	-£23,747	-£33,520
Investment Income	-£45,000	-£45,000	-£22,500	-£20,180	-£40,000
Car Park Repayment	£69,650	£69,650	£0	£0	£69,950
Total for the Year	-£32,280	£10,740	£1,435	-£43,927	-£3,570

- 3.2 Members will be aware of the potentially serious financial issues that are being experienced by the operating contractors at the golf course, Kent Life and the café. A number of reliefs to contract payments were agreed and the approved budget for the year has been adjusted to reflect this. There is an update report on these reliefs elsewhere on the agenda.
- 3.3 Clearly this continues to be a fluid situation and the final outcome with regards to the contracts is still uncertain, particularly with respect to the golf course. In the meantime, officers are closely monitoring the financial position and restricting expenditure where possible to essential items only. Car park income has also continued to recover very strongly and is now exceeding the original target despite the closure of the park in the spring.
- 3.4 The profiled budget at the end of September shows an underspend of £44,000, primarily relating to the Manor Park. However, there remains a degree of uncertainty over the remainder of the year in a number of areas so the forecast continues to assume that there will be a small overspend at the end of the year.
- 3.5 The forecast does however assume that we will receive all the contract income that we are due. At present there is no outstanding income due from Kent Life. There are two outstanding invoices in respect of the café (one relating to 19/20). At the golf course an invoice has been sent for the remainder of the Q1 period, and officers have confirmed with Mytime that Q2 will also be invoiced if the Head of Finance's investigation of their annual finances concludes that no further relief is necessary. This work will be concluded shortly so the invoicing process was temporarily paused until that outcome was known.
- 3.6 Given the situation with contract income there are some concerns around the cashflow position, but the position is being closely monitored and discussions are ongoing with the Director of Finance & Business Improvement to ensure that there are sufficient resources in place to meet any ongoing commitments.
- 3.7 Members requested an updated capital programme be brought to this meeting for consideration. Given the uncertainty over the contract income from the golf course this has not been progressed as the sums involved are significant and at this stage any shortfall in income would have an adverse impact on any proposed schemes.
- 3.8 Members were also provided with a separate update on the Charifund investment, as requested. The value of the investment currently stands at £679,274, compared to the value of £930,938 in January. 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 as at 30th September 2020
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8. BACKGROUND PAPERS

None.