

**Cobtree Manor Estate Financial Position**

<b>Final Decision-Maker</b>	Cobtree Manor Estate Committee
<b>Lead Head of Service</b>	Director of Finance and 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 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**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	31 March 2021

# Cobtree Manor Estate Financial Position

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<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	Head of Regeneration & Economic Development
<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.	Head of Regeneration & Economic Development
<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. 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)
<b>Staffing</b>	There are no additional implications arising from this report.	Leisure Manager
<b>Legal</b>	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. 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  There are no further implications arising from this report.	Principal Solicitor (Corporate Governance), Mid Kent Legal Services
<b>Privacy and Data Protection</b>	There are no specific privacy or data protection issues to address.	Anna Collier Policy and Information Manager

<b>Equalities</b>	There are no additional implications arising from this report.	Anna Collier Policy and Information Manager
<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.	Head of Regeneration & Economic Development
<b>Procurement</b>	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.

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## 3. CURRENT FINANCIAL POSITION

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

### 3.1.1 Overall Summary Position:

#### SUMMARY TOTALS

	<b>Approved Budget for Year 2020/21</b>	<b>Revised Budget for Year 2020/21</b>	<b>Budget to end of February 2021</b>	<b>Actuals to end of February 2021</b>	<b>Forecast Outturn 2020/21</b>
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
<b>Operational Total</b>	<b>-£56,930</b>	<b>-£13,910</b>	<b>£37,694</b>	<b>-£46,463</b>	<b>-£57,000</b>
Investment Income	-£45,000	-£45,000	-£33,750	-£29,710	-£40,000
Car Park Repayment	£69,650	£69,650	£0	£0	£69,650
<b>Total for the Year</b>	<b>-£32,280</b>	<b>£10,740</b>	<b>£3,944</b>	<b>-£76,173</b>	<b>-£27,350</b>

- 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 28<sup>th</sup> February 2021
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## 8. **BACKGROUND PAPERS**

None.