

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. Details for the proposed draft budgets for 2024/25 are also included.

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 proposed budgets for 2024/25 are agreed.

Timetable

Meeting	Date
Cobtree Manor Estate Committee	24 January 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.	Senior Finance Manager (Client)
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.	Senior Finance Manager (Client)
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>	Senior Legal Adviser
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council	Senior Information

	processes.	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.	Senior 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.	Senior Finance Manager (Client)

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 December 2023. **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 December 2023	Actuals as at 31st December 2023	Variance: Underspend (+) Overspend (-)
Golf Course				
Expenditure	£48,670	£36,503	£37,185	-£683
Income	-£100,240	-£75,180	-£88,777	£13,597
Net Expenditure (+)/Income (-)	-£51,570	-£38,678	-£51,592	£12,915
Manor Park				
Expenditure	£263,380	£193,253	£176,901	£16,352
Income	-£181,080	-£117,980	-£111,321	-£6,659
Net Expenditure (+)/Income (-)	£82,300	£75,273	£65,580	£9,693
Kent Life				
Expenditure	£19,690	£14,768	£11,018	£3,750
Income	-£73,130	-£36,565	-£36,567	£2
Net Expenditure (+)/Income (-)	-£53,440	-£21,798	-£25,549	£3,752
Residential Properties				
Expenditure	£17,320	£12,990	£10,264	£2,726
Income	-£30,000	-£22,500	-£21,543	-£957
Net Expenditure (+)/Income (-)	-£12,680	-£9,510	-£11,279	£1,769
Operational Total	-£35,390	£5,288	-£22,840	£28,128
Investment Income	-£40,000	-£30,000	-£24,945	-£5,055
Interest Paid	£0	£0	£0	£0
Car Park Repayment	£69,650	£0	£0	£0
Total for the Year	-£5,740	-£24,712	-£47,785	£23,073
Net Expenditure (+)/Income (-)				

3.2 The current position shows a surplus of £23,073 for the year to date. There are no significant issues to report, but the following points should be noted:

- The budget for 2023/24 remains as a forecast surplus of £5,740, but there have been some transfers made within and between the operational areas to reflect actual income and expenditure to date this year.
- There has been spend of £14,677 for consultancy work relating to the procurement of the new golf course contract.
- The new golf course contract is now in operation and the income figures now reflect that.
- Gas and electricity costs at for the café are to be largely recharged to the contractor, but the Estate will retain the charges for the toilets and the staff area. The exercise to calculate the recharges will be done shortly and invoices raised. This will largely eliminate this overspend.
- No invoices have been raised for toilet cleaning to date. Standards and the arrangements for cleaning are under review and invoices will be raised and paid when standards are more acceptable. This will then largely eliminate the underspend on this budget.

- As outlined in the Estate Update report elsewhere on this agenda, visitor numbers are down this year compared to 2022, and this is reflected in the shortfall in car parking income. This budget has been reviewed and has been reduced slightly, as it was previously increased when visitor numbers were higher during the pandemic.
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4. **BUDGETS 2024/25**

4.1 The proposed budgets for 2024/25 are shown at **Appendix 2**. To ensure some consistency the general approach to setting the budgets was as follows:

- Running costs have been increased by inflation (5%) where applicable.
- Contract income has been increased in line with the agreed schedules.
- Insurance costs have been updated in line with the estimated premium for 2024/25.
- The recharges from Maidstone Borough Council have been updated following a review of the services provided and a revised schedule is shown at **Appendix 3**.

4.2 For 2024/25 a small deficit of £6,850 is projected, compared to the surplus of £5,740 that is forecast for the current year. This is in line with previous cashflow forecasts and reflects the reduction in golf course income for the first full year of operation for the new contractor.

4.3 Now the new golf course and café contracts are in place an updated cashflow forecast will be brought to the next meeting of the committee.

4.4 During the review of budgets for 2024/25 it was identified that a number of budgets were no longer required, so these have been removed and this has partially offset the anticipated reduction in golf course income.

5. **AVAILABLE OPTIONS**

5.1 Section 3 - for noting only.

5.2 Section 4 - the Committee could ask for adjustments to be made to the draft budgets.

6. **PREFERRED OPTIONS AND REASONS FOR RECOMMENDATIONS**

6.1 Section 3 - for noting only.

6.2 Section 4 – that the budget is approved and formally adopted so that it is in place for 1st April 2024.

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.

8. REPORT APPENDICES

- Appendix 1: Financial Position
 - Appendix 2: Draft Budget 2024/25
 - Appendix 3: Draft Maidstone BC Staff Recharges 2024/25
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9. BACKGROUND PAPERS

None.