

MAIDSTONE BOROUGH COUNCIL
COBTREE MANOR ESTATE COMMITTEE

3RD OCTOBER 2014

REPORT OF THE HEAD OF FINANCE & RESOURCES

Report prepared by: Paul Holland (Senior Accountant)

1 FINANCIAL POSITION 2014/15

1.1 Issue for Decision

1.1.1 To consider the current financial position of the Golf Course and Manor Park as at 31st August 2014.

1.2 Recommendation of the Head of Finance & Resources

1.2.1 That the current financial position as at 31st August 2014 is noted.

1.3 Reasons for Recommendation

1.3.1 Attached at **APPENDIX A** is the current financial position, including the projected outturn as at 31st August 2014. If any significant financial issues arise during September these will be reported verbally to the meeting.

1.3.2 The report also includes details of capital expenditure and total investments held.

1.4 Current Financial Position

1.4.1 The Golf Course was projected to continue to produce a healthy net surplus for 2014/15; however the projected deficit on the Manor Park means that only a small overall net surplus was forecast. There will also be some additional costs incurred in respect of the Kent Life attraction, but it is anticipated that there will be sufficient income to cover these costs.

1.4.2 As shown at **Appendix A** the Golf Course is currently performing on budget; however the Manor Park is showing an adverse variance against the budgeted figures. This is a consequence of additional grounds maintenance costs and staffing costs that are being incurred due to the high usage of the Park and the consequential need for increased resources to maintain it to a desirable level.

1.4.3 Officers will investigate ways of controlling costs to ensure the situation is managed as much as possible, however it is likely that there will be a small net deficit on the operations of the Estate at the end of the financial

year. There are sufficient resources from previously accumulated surpluses to cover a deficit, so there will not be any implications for on-going operations or the Master Plan.

- 1.4.4 As outlined at the last meeting of the Committee with the on-going implementation of the master plan the opportunity exists for developing additional income streams to cover these extra costs, particularly around the new Visitor Centre and Café and charging for car parking. The Golf Course contract is also due for renewal in January 2015, and officers are in discussions with the current contractors over an extension whilst a full procurement exercise is undertaken.

1.5 Investments

- 1.5.1 The market value of the investments held with Charifund has continued to rise following the dip in value in the recent past. Total withdrawals of £506,000 to fund the master plan have now been made, which is reflected in the values shown below. The current value is shown in the table below.

	£
Total investments made up to 31st March 2014	784,000
Balance Sheet (Market) Value 31st March 2014	1,163,867
Market Value as at 16 th September 2014	1,174,548

1.6 Capital Expenditure

- 1.6.1 The budget for the Master Plan was agreed at £1.065m, to be funded by drawing down from the endowment funds invested with Charifund. However additional funding of £0.3m from Cobtree Charity Trust Ltd for the visitor centre has now been agreed, which will reduce the need to withdraw funds from Charifund.
- 1.6.2 To date there has been expenditure of £678,618 on Phase 1 works in respect of the play area, car park and other associated works, and funding to the value of £506,000 has been drawn down from the endowment fund to cover the expenditure, with the balance being funded from previous operational surpluses generated from the Estate activities. Expenditure to date on the Visitor Centre is £15,156.

1.7 Alternative Actions and Why Not Recommended

- 1.7.1 The Committee could choose not to receive updates during the year on the financial position, but this would not be consistent with good financial management.

1.8 Impact on the Charity's Objectives

- 1.8.1 The net surplus on the activities of the Golf Course and the Manor Park are to be used to further the long term aims and objectives of the Trust, particularly the agreed Master Plan for the development of the Manor

Park.

1.9 Risk Management

1.9.1 Good financial management allows more informed decisions to be made regarding the ongoing activities of the Trust.

1.10 Other Implications

Financial	<input checked="" type="checkbox"/>
Staffing	<input type="checkbox"/>
Legal	<input type="checkbox"/>
Social Inclusion	<input type="checkbox"/>
Environmental/Sustainable Development	<input type="checkbox"/>
Community Safety	<input type="checkbox"/>
Human Rights Act	<input type="checkbox"/>
Procurement	<input type="checkbox"/>
Asset Management	<input type="checkbox"/>

1.11 Financial Implications

Financial Implications are detailed in the report above.

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes ☐ No ☒

If yes, when did it appear in the Forward Plan? _____

Is this an Urgent Key Decision? Yes ☐ No ☒

Reason for Urgency

Not applicable