

MAIDSTONE BOROUGH COUNCIL
COBTREE MANOR ESTATE COMMITTEE

17TH DECEMBER 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, the Manor Park and Kent Life as at 31st October 2014.

1.2 Recommendation of the Head of Finance & Resources

1.2.1 That the current financial position as at 31st October 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 October 2014. If any significant financial issues arise during November 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 is projected to continue to produce a healthy net surplus for 2014/15; however the projected deficit on the Manor Park will mean that there will be an overall net operational deficit on the Estate activities, so it is important that costs are closely monitored to ensure that the level of this deficit is controlled and kept to a minimum. The additional costs have been incurred most significantly in respect of grounds maintenance, this being a consequence of the increased visitor numbers and the desire to make the park an attractive place to visit. It should be noted that these costs should now reduce as we head into the Autumn/Winter period.

1.4.2 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, Café and car parking. The Golf Course contract was also due for renewal in January 2015, and officers negotiated with the current contractors for an extension to

autumn 2016 whilst a full tender opportunity is developed. The possible financial consequences of this are discussed elsewhere on this agenda.

1.5 Investments

- 1.5.1 The market value of the investments held with Charifund has continued to rise following the fall 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
Total investments made up to 3 rd December 2014	784,000
Market Value as at 3 rd December 2014	1,163,996

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 £678,918 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 £22,384. An additional £124,238 has been spent on dilapidation repairs at the Kent Life attraction, the majority of the funding for which came as part of the agreement that saw the attraction come back under the control of the Committee.

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 Any net surplus generated by the activities of the Golf Course, the Manor Park and Kent Life 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.

<u>NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED</u>			
Is this a Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, when did it appear in the Forward Plan? _____			
Is this an Urgent Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
<u>Reason for Urgency</u>			
Not applicable			