

MAIDSTONE BOROUGH COUNCIL

**RECORD OF DECISION OF THE COBTREE MANOR ESTATE CHARITY
COMMITTEE**

Decision Made: 14 March 2012

**IMPLEMENTATION OF THE MASTER PLAN FOR COBTREE MANOR
PARK**

Issue for Decision

To consider the project plan set out within the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer ("the project plan") for the implementation of the proposed enhancements to Cobtree Manor Park as outlined within the report dated June 2010 prepared by Adam S. Bailey Garden Design and updated in March 2012 ("the Master Plan").

Decision Made

1. That it be agreed to formally withdraw the previous resolution of the Cobtree Manor Estate Charity Committee to the Charity Commission and replace that resolution with the resolution set out below.
2. That the following be approved:
 - (i) For Officers to approach the Charity Commission using either the Cobtree Manor Estate Charity's statutory powers under Section 75A of the Charities Act 1993 as amended by the Charities Act 2006, or other appropriate powers seeking the release of £1,065,000.00 of the permanent endowment in the following terms:

That the Committee acting as the trustee to the registered charity known as Cobtree Manor Estate (no. 283617) resolves to release from its permanent endowment funds to implement, in three phases, the enhancements to Cobtree Manor Park outlined in the report dated June 2010, as updated in March 2012, prepared by Adam S. Bailey Garden Design ("the Master Plan"); such implementation being in full compliance with the objects of the charity and seen in its best interests in order to encourage greater use of Cobtree Manor Estate by the general public.
 - (ii) Should the Charity Commission give its approval for the releasing of part of the permanent endowment as outlined in (i) above to expend those moneys (i.e. £1,065,000.00) on completing phases 1, 2 and 3 of the Master Plan.
3. That the Master Plan attached at Appendix D to the joint report of the Assistant Director of Environment and Regulatory Services and the

Cobtree Officer; this plan being an update of the original plan prepared by Adam S. Bailey as approved by the Committee at its meeting on July 7th 2010 be approved.

4. That the repayment programme recommended by the Senior Accountant attached at Appendix A to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer be approved and that officers are authorised to approach the Charity Commission seeking its approval for the implementation of that repayment programme.
5. That the project plan attached at Appendix B to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer and the implementation of the design details set out within the Master Plan by three separate phases be approved;

Phase 1 – Installation of the first phase of the play area.

Phase 2 – Other Works such as: The picnic area, the hard path network and nature trail paths, way finding posts and maps, viewing platform and pond clearance, car park resurfacing and edging, woodland management and park tree works, boundary planting, new arboretum trees, car park replanting, improved boundary fencing around the estate bridle path, trim trail, outdoor seating and bins, sculptures, bridal path rerouting and resurfacing, Llama house renovation, and the final phase of the play area.

Phase 3 – The building of the visitor centre and café.

6. That the location, as set out at Appendix E of the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer, and the design of the play area, be approved and that the Head of Legal Services be authorised to enter into a contract for the construction of the first phase of the play area (phase 1) once release of the permanent endowment funding has been agreed by the Charity Commission.
7. That the Officers' decision, to bring to a later meeting of the Committee, reports seeking approval for the following be endorsed:
 1. The detailed design of the phase 2 works including the second phase of the play area and entering into a contract or contracts for these phase 2 works.
 2. The final design of the visitor centre and café.

Reasons for Decision

The Committee has previously endorsed the Master Plan dated June 2010 of which Appendix D to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer is an updated version, for the future enhancement of the Cobtree Manor Park. It was resolved (in July 2010) that:

- (i) The Master Plan be endorsed as the "guiding principles" document for the future development of the Cobtree Manor Park;
- (ii) The play equipment should remain the highest priority element of the scheme; and
- (iii) The officers report with a future project plan, including design specifications, phasing and funding proposals.

Following the failure of the project to achieve funding through the Heritage Lottery Fund all funding will now need to be sourced as recommended by the Senior Accountant.

Charity Commission Approval

The Committee has previously resolved to approach the Charity Commission for its approval to use up to £500,000.00 of the permanent endowment.

It is recommended that the Committee agrees to the formal withdrawal of this existing resolution (the Charity Commission has already informally been advised of this) and its replacement with a new resolution seeking approval to use £1,065,000.00 of the permanent endowment in order to fund all 3 phases of the project plan. This approach to be coupled with details of the repayment programme identified by the Senior Accountant as set out at Appendix A to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer.

Funding recommendations

The implementation of the Master Plan as detailed elsewhere in this report will cost an estimated £1,065,000.00. There are three options available to fund the works:

- Use of the permanent endowment;
- An external loan from a financial institution;
- A loan from Maidstone Borough Council.

It is recommended that the permanent endowment is used for funding. The Charity Commission have indicated in principle that the endowment funds could probably be used, but with the condition that there is a plan in place to replenish the endowment fund to its current level over a period of time.

The advantage of using the endowment monies is that the required funds can be drawn down as they are required, and the replenishment of the funds can be scheduled to accommodate the ongoing annual cashflow requirements of Cobtree Estate. The disadvantage of using these funds is that there will be a loss of investment income when the funds are initially drawn down, although as the fund is replenished investment income should rise accordingly.

An estimated cashflow projection, along with details of the proposed use and replenishment of the endowment funds is attached at Appendix A to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer. At this stage these figures are indicative, as the final costs of the plan are subject to confirmation once the relevant contracts have been finalised. It should also be noted that the return on investments, both from the permanent endowment and the annual investment income from Cobtree Charity Trust Ltd are subject to the prevailing economic climate and the impact this may have on investment returns. The projection also assumes that the golf course contract will continue to produce a similar return, but this cannot be guaranteed in the longer term.

For these reasons and because of the possibility of unforeseen items of major expenditure arising the annual sum for replenishment will be subject to adjustment. This is also an advantage of using the endowment monies for funding, as the flexibility to vary the annual sum does exist provided the Charity Commission agree to such flexibility being incorporated into the repayment programme. The cashflow projection shows a period of 15 years, with the initial level of repayment lower to reflect the impact of the loss of investment income in the early years. It is intended that details of the replenishment of the fund will be reported as part of the regular financial monitoring reports that the Committee receive. Although the cashflow projection does not show the fund being replenished to its current level it does demonstrate to the Charity Commission that the endowment funds can be replenished over time, subject to a number of assumptions and risks as identified above.

Project Plan

Attached at Appendix B to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer is an outline project implementation plan which indicates the timescales within which it is anticipated the various enhancement proposals could be completed once adequate funding has been approved. Phases are as follows (subject to Charity Commission approval):

- Phase 1, Play area, March 2011 – July 2012
- Phase 2, Parks works, June 2012 – February 2013
- Phase 3, Visitor Centre/Café works, March 2012 – May 2013

Attached at Appendix C to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer is a breakdown of each phase and the tasks and allocated funding, each element has an additional 10% contingency funding allocated.

- Phase 1, Play area, £170,000 (£153,000 and £17,000 contingency).
- Phase 2, Parks works and second phase of the play area £482,500 (£434,250 and £48,250 contingency).

- Phase 3, Visitor Centre/Café works, £384,500 (£346,050 and £38,450 contingency).
- Additional costs £28,000 (£25,200 and £2,800 contingency).

Project Phasing

It is recommended that the project is implemented in three phases.

Phase 1, Play area

The play area design at the revised value of £170,000 (£153,000 and £17,000 contingency) was tendered for and the preferred design identified, and now needs to be finally approved by the Committee because it:

- Provides an unusual bespoke destination play area.
- Caters for children across a wide variety of ages.
- Will provide an attraction to draw visitors to the park.

Revised drawings of the play area design will be made available at the meeting for the Committee to inspect. The location of the play area, as indicated on the map marked at Appendix E to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer, will also need to be approved.

There is the potential to further improve this design by working with the winning company. Any alterations will be brought to the attention of the Committee for approval prior to the commencement of the second phase of the play area installation. This will be undertaken as part of Phase 2 of the Master Plan works. A total of £180,000 (£162,000 and £18,000 contingency) has been budgeted for these additional improvements.

The play area works are scheduled for March 2011 - July 2012 (subject to Charity Commission approval).

Phase 2, Other works

Remaining Parks works from the master plan and second phase of the play area totalling £482,500 (£434,250 and £48,250 contingency).

Works to include;

The picnic area, the hard path network and nature trail paths, way finding posts and maps, viewing platform and pond clearance, car park resurfacing and edging, woodland management and park tree works, boundary planting, new arboretum trees, car park replanting, improved boundary fencing around the estate bridal path, trim trail, outdoor seating and bins, sculptures, bridle path rerouting and resurfacing, Llama house renovation and the second phase of the play area installation.

The final designs and specifications for materials, and outlines for these works will be brought to the Committee for approval prior to the commencement of works.

It is recommended that these remaining works are tendered for separately and carried out following the completion of the play area in accordance with the project plan after prior approval of the Committee, as set out at Appendix B to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer.

Depending on the decision of the Charity Commission and the procurement process these works are scheduled for June 2012 – February 2013.

Phase 3, Visitor Centre and Café

The budget for the Visitor Centre and Café is £384,500 (£346,050 and £38,450 contingency). Final designs and specifications for the building will be brought to the Committee for its approval prior to any contract being tendered for.

It is recommended that the Visitor Centre and Café is tendered separately and works are commenced following the completion of the other works in phase 2, as identified above, and according to the project plan as set out at Appendix B to the joint report of the Assistant Director of Environment and Regulatory Services and the Cobtree Officer.

The Visitor Centre/Café is an important hub for the park and will also provide interactive information boards, cycle stands, interpretational signage and renovation of the elephant house.

Depending on the Charity Commission and the procurement process the Visitor Centre/Café works are scheduled for March 2012 – May 2013.

Alternatives considered and why rejected

The alternative course of action is to not implement the agreed Master Plan. This is not recommended as the Committee has already endorsed the original version of the Master Plan as outlining the best programme for the future development of Cobtree Manor Estate.

A second alternative is that the project is delayed and Heritage Lottery Fund grant funding re-applied for. This is not recommended as there is still only a limited chance of success due to the high competition for funding, and this would delay the project for another year. As a funding source has been identified it is recommended that the advice of the Senior Accountant is followed.

The plan could be funded via an external loan or a loan from the Borough Council. However, this would mean a commitment to regular fixed repayments, which could potentially have cashflow implications depending on how the economic climate develops in future years, and if a major item of unforeseen expenditure were to occur. The use of the endowment funds

is a more flexible approach to funding that can take into account the impact of the economic climate, on the basis the Charity Commission agrees to the basic approach recommended in this report.

Background Papers

Cobtree Manor Park Master Plan – update March 2012

<p>Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 22 March 2012</p>
