

# COBTREE MANOR ESTATE CHARITY COMMITTEE MEETING

Date: Thursday 10 March 2022  
Time: 2.00 p.m.  
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Cox, Garten (Chairman), Kimmance, Perry (Vice-Chairman) and Springett

*The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.*

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<b><u>AGENDA</u></b>	<b><u>Page No.</u></b>
1. Apologies for Absence	
2. Notification of Substitute Members	
3. Urgent Items	
4. Notification of Visiting Members	
5. Disclosures by Members and Officers	
6. Disclosures of Lobbying	
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
8. Minutes of the meeting held on 25 January 2022	1 - 7
9. Presentation of Petitions (if any)	
10. Question and answer session for members of the public (if any)	
11. Questions from Members to the Chairman (if any)	
12. Cobtree Manor Estate Financial Position	8 - 15
13. Kent Life Contract Extension	16 - 20

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**Issued on Wednesday 2 March 2022**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

## **INFORMATION FOR THE PUBLIC**

In order to ask a question at this meeting in person or by remote means, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Tuesday 8 March 2022). You will need to provide the full text in writing.

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

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## MAIDSTONE BOROUGH COUNCIL

### COBTREE MANOR ESTATE CHARITY COMMITTEE

#### MINUTES OF THE MEETING HELD ON 25 JANUARY 2022

**Present:** Councillor Garten (Chairman) and  
Councillors Cox, Perry and Springett

47. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillor Kimmance.

48. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

49. URGENT ITEMS

There were no urgent items.

50. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

51. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

52. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

53. EXEMPT ITEMS

**RESOLVED:** That the Minutes (Part II) of the meeting held on 4 November 2021 be considered in public but the information contained therein should remain private.

54. MINUTES (PARTS I AND II) OF THE MEETING HELD ON 4 NOVEMBER 2021

**RESOLVED:** That the Minutes (Parts I and II) of the meeting held on 4 November 2021 be approved as a correct record and signed.

55. PRESENTATION OF PETITIONS

There were no petitions.

56. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

57. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

58. ACCOUNTS 2020/21

The Senior Finance Manager (Client) introduced his report setting out the Report and Financial Statements for the year ended 31 March 2021 for approval prior to submission to the Charity Commission by 31 January 2022.

The Senior Finance Manager (Client) advised the Committee that:

- The audit of the Report and Financial Statements was now complete, and an unmodified audit opinion would be issued.
- The audit had been undertaken by UHY Hacker Young, the Charity's external auditors.
- No major issues had arisen regarding the accounts following the audit. Some amendments were made to the draft accounts that were submitted for audit and there was also a small number of unadjusted misstatements. These were shown in the Audit Findings Report and had no impact upon the financial resources available to the Charity.
- There were references to 2019 in the Annual Report that needed to be removed and this would be done before the final version was submitted to the Charity Commission.
- The total funds of the Charity as shown on the Balance Sheet had decreased slightly from £4.40m to £4.38m, with the Statement of Financial Activities (SOFA) showing a net funds decrease of £58,688 for the year.
- On the Balance Sheet, the main movement was a reduction in the value of tangible assets of £0.16m. This was mainly due to the annual depreciation charge and was partially offset by an increase in the value of the Charifund investment. There was also an increase in the debtors and creditors balances due to monies owed by contractors and to the Borough Council respectively at the Balance Sheet date.
- On the SOFA, there was a small reduction in income received from investments, including the Will Trust Fund. There was also an increase in expenditure, mainly on repairs and maintenance, but this was partially offset by reductions in salaries and other fees and services. The additional repairs and maintenance spend included some significant one-off items such as the installation of new automatic gates and new play equipment and other play area repairs.

- The Audit Findings Report summarised the accounting adjustments agreed with the external auditors following the audit of the accounts. There was an adjustment to the Will Trust Fund income as the amount received was less than had been accrued for initially in the accounts and an adjustment to the loan interest due on the car park works. There were no new recommendations arising from the audit for 2020/21 and there were no outstanding issues from previous years.
- The purpose of the Letter of Representation for 2020/21 was to ask the Committee to confirm some statements relating to the audit and the information supplied to the external auditors during their audit.

In response to questions:

- The Leisure Manager advised the Committee that the fluctuation in the number of rounds played at the Cobtree Golf Course over the last twelve years, as referenced in the Annual Report, reflected trends within the sport nationally.
- The Senior Finance Manager (Client) undertook to seek clarification from the External Auditors regarding the effective date for revisions to key auditing standards referred to in the Audit Findings Report and circulate details to all Members of the Committee.

**RESOLVED:**

1. That subject to the removal of some references to 2019 in the Report, the Report and Financial Statements for 2020/21, attached as Appendix 1 to the report of the Senior Finance Manager (Client), be approved and submitted to the Charity Commission.
2. That the Letter of Representation, attached as Appendix 2 to the report of the Senior Finance Manager (Client), be approved.
3. That the contents of the Audit Findings Report, attached as Appendix 3 to the report of the Senior Finance Manager (Client), be noted.

59. COBTREE MANOR ESTATE FINANCIAL POSITION

The Senior Finance Manager (Client) introduced his report summarising the financial position of the Cobtree Manor Estate as at 31 December 2021. The report covered the Golf Course, Kent Life, the Manor Park and residential properties. The report also included details of the proposed budgets for 2022/23 and an update on Members' request that a review be undertaken of the investment of the Charity's permanent endowment with Charifund, including alternative investment options and the possible use of permanent endowment funds to repay the balance of the money borrowed from the Borough Council for the car park improvement works.

Financial Position

The Senior Finance Manager (Client) advised the Committee that:

- Following feedback from Members at the last meeting, the summary table had been redesigned to highlight more clearly whether variances were positive or negative.
- The position as at 31 December 2021 was a surplus of £23,167 for the year to date.
- Budgets had been reallocated to cover some of the previously reported overspends, but the overall budget had not changed with a surplus of £49,660 still forecast. The £20,000 budget for Covid recovery had now been reallocated to the Golf Course to be used for a feasibility study. The reallocations meant that at present there were no new significant budget variances.

It was suggested and agreed that in response to rising energy costs, consideration be given to the installation of renewables at the Cobtree Manor Estate.

### Budgets 2022/23

The Senior Finance Manager (Client) advised the Committee that:

- The general approach to setting the budgets for 2022/23 was to increase running costs by inflation (2%) where applicable; increase contract income in line with the agreed schedules; update insurance costs in line with estimated premium increases; and update recharges from the Borough Council following a review of the services provided.
- In overall terms the projected surplus from operational activities was budgeted to be £74,970 compared to £79,310 for 2021/22. After allowing for investment income and the car park construction cost repayments, the overall net surplus would be £45,320.

In response to questions by Members, the Senior Finance Manager (Client) said that he would look further into the reasons for the increase in premises insurance for Kent Life, including whether any claims had been made.

### Investment Options

The Senior Finance Manager (Client) advised the Committee that:

- At the last meeting, Members requested a review of the investment of the Charity's permanent endowment with Charifund, including alternative investment options.
- The current value of the investment with Charifund was £890,740, compared to the figure of £860,945 reported to the last meeting. The value of the investment in December 2019 was £930,938.
- Charifund was a specialist investment fund aimed specifically at the charity sector. The fund aimed to provide an annual yield above that

available from the FTSE All-Share Index; an income stream that increased every year; and a level of capital growth, net of the Ongoing Charge Figure, that is higher than inflation over any ten-year period, as measured by the UK Retail Prices Index. There was no guarantee that the fund would achieve its objectives and investors might not get back the original amount they invested.

- There were alternative funds that followed broadly similar principles and the Council's Treasury Management advisors had been asked to assist in identifying suitable alternatives.
- Consideration could be given to a fund with an ethical investment policy and a decision would be needed as to whether the permanent endowment should be split into two or more funds. A list of suitable alternative funds with performance data would be presented to the next meeting to enable a final decision to be made.

#### Repayment of Car Park Loan

The Senior Finance Manager (Client) advised the Committee that:

- At the last meeting, Members requested that the option of using permanent endowment funds to repay the balance of the money borrowed from the Borough Council for the car park improvement works be investigated.
- The use of permanent endowment funds required the permission of the Charity Commission, and it might be necessary to repay funds withdrawn previously for the new play area and park enhancement works. This had not happened due to other financial pressures.
- Withdrawal of permanent endowment funds would reduce the level of investment income received. There were currently three years left to repay the cost of the car park works and the interest element of that was £9,364. The loss of investment income over the same period could be £28,362 which was greater than the interest due to the Council. However, despite the loss of investment income, having repaid the loan, more funds would be available for possible capital investment that would protect income streams.
- Alternative options included using the bank balance to pay off the loan or deferring a decision to retain flexibility when considering the funding arrangements for future capital projects.

Members indicated that their preference was to defer a decision at this stage.

#### **RESOLVED:**

1. That the financial position of the Cobtree Manor Estate as at 31 December 2021 be noted.

2. That in response to rising energy costs, consideration be given to the installation of renewables at the Cobtree Manor Estate.
3. That the proposed budgets for 2022/23, as set out in Appendix 2 to the report of the Senior Finance Manager (Client), be agreed.
4. That the Officers be requested to investigate alternative options for the investment of the Charity's permanent endowment, including funds with ethical investment policies and the possibility of splitting the endowment into two or more funds, and to report these back to a future meeting of the Committee to enable a final decision to be made.
5. That consideration of the options for repaying the balance of the money borrowed from the Borough Council for the car park improvement works be deferred to a future meeting.

#### 60. COBTREE ESTATE UPDATE

The Leisure Manager introduced his report providing an update on activities at the Cobtree Manor Estate since the last meeting of the Committee in November 2021. It was noted that:

##### Cobtree Manor Park

- Car park income at the end of quarter 3 stood at £89,315, which was a positive variance of around £11,000 against the revised budget.
- The winter lights trail in December 2021 had proved to be a great success for the Manor Park and the Borough. 24,934 people had visited the Glow event over 17 days, generating £9,987 in additional car park income. Feedback from the debrief meeting to be held with the events company could be reported to the Committee.
- The volunteer workforce would be in the Manor Park that day planting around 2,000 hedgerow saplings around some key borders and along sections of the bridleway. The opportunity to establish a new orchard at Kent Life was being investigated.

##### Cobtree Golf Course

- November 2021 had been a successful month at the Golf Course, more profitable than November 2019 which was pre-Covid. A drainage project to improve playing conditions on the 1<sup>st</sup>, 2<sup>nd</sup>, 9<sup>th</sup>, 12<sup>th</sup> and 18<sup>th</sup> holes had been completed.

##### Kent Life

- The site was now in its winter maintenance period and would re-open for the February half term.

- The Cobtree Shed Group had moved to its new base at Kent Life and was working with staff at the Manor Park to remove equipment from the Elephant House.

#### Cobtree Café

- Further repairs were required to the paths outside the toilets and would be undertaken soon.

Members congratulated the Officers and the events company on the success of the Glow event and asked for a debrief in due course, including investigation of other festive attractions such as a Father Christmas.

During the discussion, it was pointed out that the Chairman, Vice-Chairman and Officers had met with representatives of the Cobtree Charity Trust Limited the previous day. At that meeting, the Trustees had indicated that they were keen to pursue the possibility of relocating the carriages currently housed in the Carriage Museum to the Cobtree Manor Estate.

**RESOLVED:** That subject to the points raised in the discussion, the update on activities at the Cobtree Manor Estate since the last meeting of the Committee in November 2021 be noted.

#### 61. KENT LIFE ARTEFACTS

The Leisure Manager introduced his report outlining the options for cataloguing the Kent Life collection of artefacts. It was noted that the cost of creating a basic inventory could be more than £25,000.

**RESOLVED:** That consideration of this matter be deferred to seek legal advice regarding the Charity's obligations and responsibilities in relation to the Kent Life collection of artefacts, including the management, maintenance, conservation and possible disposal of artefacts.

#### 62. DURATION OF MEETING

2.10 p.m. to 3.15 p.m.

Note: This meeting was not webcast due to a technical fault.

# Agenda Item 12

## Cobtree Manor Estate Committee

10 March 2022

### Cobtree Manor Estate Financial Position

<b>Final Decision-Maker</b>	Cobtree Manor Estate Committee
<b>Lead Head of Service</b>	Director of Finance & 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 covering the activities at the golf course, Kent Life, the Manor Park and the residential properties.

There is also an update on the Committee's request to review the investments held.

#### 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 officers draw up draft investment objectives and investigate alternative investment options with a view to bringing these back to the Committee to make a final decision.

#### Timetable

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	10 March 2022

# 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.	Senior Finance Manager (Client)
<b>Staffing</b>	There are no additional implications arising from this report.	Leisure Manager
<b>Legal</b>	<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>	Contracts and Commissioning Team Leader, Mid Kent Legal Services
<b>Privacy and Data Protection</b>	There are no specific privacy or data protection issues to address.	Policy and Information Manager

<b>Equalities</b>	There are no additional implications arising from this report.	Equalities and Communities Officer
<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
<b>Biodiversity &amp; Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## 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. Covid-19 has presented 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 financial position of the Estate as at 31<sup>st</sup> January 2022. **Appendix 1** provides a more detailed breakdown of the figures.

### 3.1.1 Overall Summary Position:

#### SUMMARY TOTALS

	Revised Budget for Year 2021/22	Profiled Budget as at 31st January 2021	Actuals as at 31st January 2021	Variance: Underspend (-) Overspend (+)
<b>Golf Course</b>				
Expenditure	£70,930	£40,485	£36,615	-£3,870
Income	-£169,240	-£126,750	-£104,413	£22,337
Net Expenditure (+)/Income (-)	-£98,310	-£86,265	-£67,798	£18,467
<b>Manor Park</b>				
Expenditure	£262,590	£203,383	£202,256	-£1,127
Income	-£184,080	-£115,964	-£150,578	-£34,614
Net Expenditure (+)/Income (-)	£78,510	£87,419	£51,678	-£35,741
<b>Kent Life</b>				
Expenditure	£21,050	£17,542	£17,243	-£299
Income	-£73,600	-£36,800	-£36,800	£0
Net Expenditure (+)/Income (-)	-£52,550	-£19,258	-£19,557	-£299
<b>Residential Properties</b>				
Expenditure	£13,040	£10,867	£10,516	-£351
Income	-£20,000	-£16,667	-£16,223	£444
Net Expenditure (+)/Income (-)	-£6,960	-£5,800	-£5,707	£93
<b>Operational Total</b>	<b>-£79,310</b>	<b>-£23,904</b>	<b>-£41,384</b>	<b>-£17,480</b>
Investment Income	-£40,000	-£33,333	-£27,508	£5,825
Car Park Repayment	£69,650	£0	£0	£0
<b>Total for the Year</b>	<b>-£49,660</b>	<b>-£57,237</b>	<b>-£68,892</b>	<b>-£11,655</b>
Net Expenditure (+)/Income (-)				

3.2 The current position shows a surplus of £68,892 for the year to date. There are no significant issues to report, but the following points should be noted:

- There should be a slight increase on the forecast year-end surplus of £49,660, assuming there are no unanticipated major items of expenditure.
- Car parking income continues to be high, and a further £8,920 has now been received for parking charges from the organisers of the Christmas lights event.
- There has been one significant item of expenditure. This was £8,813 on play area parts that were needed to ensure that the equipment remains fit for ongoing use.

#### **4. INVESTMENT OPTIONS**

- 4.1 Members have requested that the investment of the permanent endowment with Charifund be reviewed and that options for investing all or some of the sum elsewhere be identified.
- 4.2 The current value of the investment with Charifund is £847,564, compared to the figure of £890,739 reported to the last Committee meeting. The value of the investment in December 2019 was £930,938. This fall is likely to be a reflection of the reaction of the financial markets to the ongoing situation in Ukraine.
- 4.3 The Council's treasury management advisors have said that whilst they don't specifically advise on charitable funds, they would be willing to provide some guidance once any potentially suitable funds have been identified. They did suggest that checks should be made to see if there are any limits or restraints on what types of investments can be made.
- 4.4 A review of the available documentation has been undertaken and there are no specific references to investments in any of those. As part of this exercise Members may wish to establish some more formal investment objectives, something that is suggested as good practice in the Charity Commission guidance on investments.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/857987/CC14\\_new.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857987/CC14_new.pdf)

- 4.5 The above document provides the following summary on setting objectives:

"In simple terms, a charity needs to be clear about what it wants to do, how it intends to do it and what the timescale for delivery will be. These considerations will govern how it decides what its investment objective will be. If a charity is permanently endowed, it will need to consider balancing capital growth and income return in order for the charity to meet its aims and its beneficiaries' current and future needs."

- 4.6 Should Members wish so some draft objectives can be drawn up for consideration and investment options that meet those objectives can be presented alongside those.

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#### **5. AVAILABLE OPTIONS**

- 5.1 Section 3 - for noting only.
  - 5.2 Section 4 - the Committee could decide not to adopt any investment objectives.
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## **6. PREFERRED OPTIONS AND REASONS FOR RECOMMENDATIONS**

6.1 Section 3 - for noting only.

6.2 Section 4 – investment objectives are drawn up as this is considered to be good practice for charities.

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## **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.

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## **8. REPORT APPENDICES**

- Appendix 1: Financial Position
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## **9. BACKGROUND PAPERS**

None.

Outturn 2020/21	Cobtree Manor Estate	Revised Budget 2021/22	Profiled Budget as at 31st January 2021	Actual as at 31st January 2021	Variance: Underspend (-) Overspend (+)
	<b>GOLF COURSE</b>				
£3,946	Repairs & Maintenance	£5,110	£4,258	£5,146	£888
£1,330	Premises Insurance	£2,200	£1,833	£1,833	-£0
£2,400	Professional Services	£20,000	£0	£519	£519
£0	General Expenses - VAT	£2,000	£1,333	£1,333	-£0
<b>£7,676</b>	<b>Controlled Running Costs</b>	<b>£29,310</b>	<b>£7,425</b>	<b>£8,831</b>	<b>£1,406</b>
<b>-£138,995</b>	Contract Income	<b>-£169,000</b>	<b>-£126,750</b>	<b>-£104,413</b>	£22,337
£0	Rent Income	-£240	£0	£0	£0
<b>-£138,995</b>	<b>Controlled Income</b>	<b>-£169,240</b>	<b>-£126,750</b>	<b>-£104,413</b>	<b>£22,337</b>
£14,210	MBC Staff Recharges	£12,620	£8,413	£8,413	-£0
<b>£14,210</b>	<b>Rechargeable Costs</b>	<b>£12,620</b>	<b>£8,413</b>	<b>£8,413</b>	<b>-£0</b>
<b>-£117,109</b>	<b>Cobtree Golf Course</b>	<b>-£127,310</b>	<b>-£110,912</b>	<b>-£87,169</b>	<b>£23,743</b>
£26,024	MBC 2/9ths share	£29,000	£24,647	£19,371	-£5,276
<b>-£91,085</b>	<b>CMET Total</b>	<b>-£98,310</b>	<b>-£86,265</b>	<b>-£67,798</b>	<b>£18,467</b>

	MANOR PARK				
£68,958	Salaries	£0		£0	£0
£392	Overtime	£1,000	£667	£0	-£667
£5,924	Employers NI	£0		£0	£0
£12,184	Employers Superannuation	£0		£0	£0
£770	Employee Insurances	£0		£0	£0
<b>£88,228</b>	<b>Employee Costs</b>	<b>£1,000</b>	<b>£667</b>	<b>£0</b>	<b>-£667</b>
£43,371	Hard Landscaping	£30,000	£25,000	£26,249	£1,249
£1,411	Gas	£2,000	£1,667	£1,216	-£451
£7,367	Electricity	£13,200	£11,000	£9,962	-£1,038
£0	Water Metered	£750	£625	£986	£361
£0	Sewerage & Env Services	£240	£200	£0	-£200
£8,009	Trade Refuse Collection (Internal)	£8,000	£6,667	£7,402	£735
£1,830	Premises Insurance	£1,970	£1,642	£1,642	£0
£25,303	Equipment Purchase	£3,300	£2,750	£12,556	£9,806
£0	Equipment Hire	£250	£208	£0	-£208
£5,517	Vehicle Leasing & Running Costs	£1,000	£833	£0	-£833
£0	Vehicle Insurance	£810	£675	£0	-£675
£0	Cash Collection	£2,420	£2,017	£2,017	£0
£0	Protective Clothes	£1,530	£1,275	£763	-£512
£193	Photocopying	£250	£208	£0	-£208
£1,441	General Expenses	£1,000	£833	£64	-£769
£5,048	General Expenses - VAT	£5,000	£4,167	£4,167	£0
£5,410	Audit Fee	£5,330	£0	£0	£0
£14,693	Professional Services Security	£500	£417	£0	-£417
£4,126	Professional Services Consultancy	£2,000	£1,667	£1,245	-£422
£0	Direct Telephones	£210	£175	£0	-£175
£29	Mobile Telephones	£110	£92	£0	-£92
£0	General Insurances	£150	£125	£125	£0
£0	External Print & Graphics	£170	£142	£0	-£142
<b>£123,747</b>	<b>Controlled Running Costs</b>	<b>£80,190</b>	<b>£62,383</b>	<b>£68,394</b>	<b>£6,011</b>
<b>-£137,404</b>	Fees & Charges - Car Parking	<b>-£105,000</b>	<b>-£87,631</b>	<b>-£98,989</b>	<b>-£11,358</b>
<b>-£39,358</b>	Other Income - Cobtree Charity Trust Ltd	<b>-£40,000</b>	£0	£3,269	£3,269
<b>-£5,342</b>	Other Income	<b>-£5,000</b>	£0	<b>-£8,920</b>	<b>-£8,920</b>
£0	Licences	-£80	£0	£0	£0
<b>-£34,556</b>	Rent Income (Café)	<b>-£34,000</b>	<b>-£28,333</b>	<b>-£45,938</b>	<b>-£17,605</b>
<b>-£216,660</b>	<b>Controlled Income</b>	<b>-£184,080</b>	<b>-£115,964</b>	<b>-£150,578</b>	<b>-£34,614</b>
£48,560	MBC Staff Recharges	£51,400	£42,833	£42,833	-£0
£0	MBC Parks Management	£130,000	£97,500	£91,029	-£6,471
<b>£48,560</b>	<b>Rechargeable Costs</b>	<b>£181,400</b>	<b>£140,333</b>	<b>£133,862</b>	<b>-£6,471</b>
<b>£43,875</b>	<b>Cobtree Manor Park</b>	<b>£78,510</b>	<b>£87,419</b>	<b>£51,678</b>	<b>-£35,741</b>

Outturn 2020/21	Cobtree Manor Estate	Revised Budget 2021/22	Profiled Budget as at 31st January 2021	Actual as at 31st January 2021	Variance: Underspend (- ) Overspend (+)
	<b>KENT LIFE</b>				
£5,258	Repairs & Maintenance of Premises	£4,000	£3,333	£3,035	-£298
£6,980	Premises Insurance	£6,930	£5,775	£5,775	£0
£0	General Expenses - VAT	£1,000	£833	£833	-£0
<b>£12,238</b>	<b>Controlled Running Costs</b>	<b>£11,930</b>	<b>£9,942</b>	<b>£9,643</b>	<b>-£299</b>
<b>-£53,660</b>	Contract Income	<b>-£73,600</b>	<b>-£36,800</b>	<b>-£36,800</b>	£0
<b>-£53,660</b>	<b>Controlled Income</b>	<b>-£73,600</b>	<b>-£36,800</b>	<b>-£36,800</b>	<b>£0</b>
£9,640	MBC Staff Recharges	£9,120	£7,600	£7,600	£0
<b>£9,640</b>	<b>Rechargeable Costs</b>	<b>£9,120</b>	<b>£7,600</b>	<b>£7,600</b>	<b>£0</b>
<b>-£31,781</b>	<b>Kent Life</b>	<b>-£52,550</b>	<b>-£19,258</b>	<b>-£19,557</b>	<b>-£299</b>
	<b>RESIDENTIAL PROPERTIES</b>				
£854	Repairs & Maintenance	£5,000	£4,167	£3,230	-£937
£1,935	Professional Services	£0	£0	£1,311	£1,311
	Electricity	£0	£0	£50	£50
	Non-Domestic Rates	£5,000	£4,167	£3,391	-£776
£460	Premises Insurance	£500	£417	£417	£0
<b>£3,249</b>	<b>Controlled Running Costs</b>	<b>£10,500</b>	<b>£8,750</b>	<b>£8,399</b>	<b>-£351</b>
<b>-£21,193</b>	Rent Income	<b>-£20,000</b>	<b>-£16,667</b>	<b>-£16,223</b>	£444
<b>-£21,193</b>	<b>Controlled Income</b>	<b>-£20,000</b>	<b>-£16,667</b>	<b>-£16,223</b>	<b>£444</b>
£2,410	MBC Staff Recharges	£2,540	£2,117	£2,117	£0
<b>£2,410</b>	<b>Rechargeable Costs</b>	<b>£2,540</b>	<b>£2,117</b>	<b>£2,117</b>	<b>£0</b>
<b>-£15,534</b>	<b>Residential Properties</b>	<b>-£6,960</b>	<b>-£5,800</b>	<b>-£5,707</b>	<b>£93</b>
<b>-£94,526</b>	<b>OVERALL TOTALS</b>	<b>-£79,310</b>	<b>-£23,904</b>	<b>-£41,384</b>	<b>-£17,480</b>
<b>-£36,157</b>	Investment Income	<b>-£40,000</b>	<b>-£33,333</b>	<b>-£27,508</b>	£5,825
<b>-£130,683</b>	<b>Net (surplus)/deficit for operational &amp; investment activities</b>	<b>-£119,310</b>	<b>-£57,237</b>	<b>-£68,892</b>	<b>-£11,655</b>
£34,823	Repayment of car park construction costs	£69,650	£0	£0	£0
<b>-£95,860</b>	<b>Net (surplus)/deficit after repayment</b>	<b>-£49,660</b>	<b>-£57,237</b>	<b>-£68,892</b>	<b>-£11,655</b>

# Agenda Item 13

**Cobtree Manor Estate Charity  
Committee**

**10 March 2022**

## **Kent Life Contract Extension**

<b>Final Decision-Maker</b>	Cobtree Manor Estate Charity Committee
<b>Lead Head of Service</b>	John Foster, Head of Regeneration and Economic Development
<b>Lead Officer and Report Author</b>	Mike Evans, Leisure Manager
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

### **Executive Summary**

A report on an extension of the Kent Life operations contract with Planning Solutions.

### **Purpose of Report**

Decision

### **This report makes the following recommendations to this Committee:**

1. That delegated authority is given to the Head of Regeneration and Economic Development in liaison with the Head of Mid-Kent Legal Partnership (interim) for the purpose of extending the Kent Life operations contract, and completing any other necessary ancillary documents, with Planning Solutions by the pre-determined five-year extension period.

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Charity Committee	10 March 2022

# Kent Life Contract Extension

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The work of the charity links directly to its charitable objectives and the corporate priorities for the council.	Leisure Manager
<b>Cross-Cutting Objectives</b>	The work of the charity links directly to its charitable objectives and the cross-cutting objectives of the council.	Leisure Manager
<b>Risk Management</b>	The risks of following and not following the recommendations in this report are included in section 5. The recommendation provides the best level of risk management response and there is further risk mitigation included within the recommendation as referenced in paragraph 5.3.	Leisure Manager
<b>Financial</b>	The recommendations will increase the asset value of the Cobtree estate.	Senior Finance Manager (Client)
<b>Staffing</b>	Staffing implications are managed day-to-day in line with council procedures and policies.	Head of Regeneration and Economic Development
<b>Legal</b>	CMEC can extend the contract in line with the current contract conditions.	Team Leader, Contracts and Commissioning
<b>Privacy and Data Protection</b>	There are no new implications as a result of this report and recommendation.	Policy and Information Manager
<b>Equalities</b>	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities & Communities Officer
<b>Public Health</b>	The Cobtree Estate works towards improving the health of our communities and residents through its day-to-day operations.	Leisure Manager
<b>Crime and Disorder</b>	Crime and disorder implications are managed day-to-day in line with council procedures and policies.	Leisure Manager

<b>Procurement</b>	Procurement implications are managed day-to-day in line with council procedures and policies.	Head of Regeneration and Economic Development
<b>Biodiversity and Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Leisure Manager

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Kent Life, formerly the Museum of Kent Life, is leased to and managed by Planning Solutions. The contract of operation began on 1 December 2015. It has a term of 10 years and includes an option to extend that term by five years to make it a 15-year contract.
- 2.2 The contract is into its seventh year. The operator has managed the site successfully with financial and service targets being achieved. Post-covid, performance continues to return to expected levels.
- 2.3 Planning Solutions wishes to make significant capital investment into the site to create a new restaurant in the store room next to Dotty's tea rooms.
- 2.4 The investment will be used to create a restaurant on site. As well as hot meals and drinks the restaurant will also include a grocery area where local food and produce can be sold. This will increase the offering to customers and also enable more evening functions to be delivered in house. The restaurant will provide additional catering options to Kent Life visitors and will complement the neighbouring tea rooms offering.
- 2.5 The Dotty's kitchen will be able to support the restaurant operation and the tea rooms. This project will create the seating and servery area for a restaurant, which will link to the existing Dotty's kitchen.
- 2.6 To recoup profits from a sizeable investment and justify it being made, Planning Solutions requires a longer remaining term. The current remaining term is three years and nine months, which is not sufficiently long enough to justify the investment being made.
- 2.7 The restaurant will be themed around Kent rural life and some of the items and artefacts in the store will be used to bring the restaurant to life.
- 2.8 Planning Solutions runs restaurants in some of its other tourism, leisure and hospitality venues and has the expertise within its business to deliver this project successfully. It has links to local food producers who will be able to provide items for inclusion in the menu and also for sale on site. The investment will increase the visitor experience at Kent Life and improve the asset value of Kent Life and the Cobtree estate.

## **Contract provisions**

- 2.9 The Kent Life operations contract and lease include a provision for a five-year extension, which can be triggered at any point providing there is more than 12 months left before the expiry date. CMEC has the authority in the contract to award this extension and at that point a new head lease will be negotiated and agreed between CMEC and Planning Solutions.
- 2.10 The provision is for an extension of five years only. There is no provision for an extension of a different amount of time.
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## **3. AVAILABLE OPTIONS**

### **3.1 Do not extend the contract**

CMEC can choose to not extend the contract. The termination date will remain as 30 November 2025 and at that point a new tender process will be required to identify the next operator of Kent Life.

**This option is not recommended.**

### **3.2 Extend the contract**

CMEC can choose to extend the contract by five years and create a new termination date of 30 November 2030. This option will enable Planning Solutions to make significant investment into the venue, which will be of benefit to customers until the termination date and beyond the termination date.

**This is the recommended option.**

### **3.3 Extend the contract at a point in the future**

In order to bring immediate benefits to the customers of Kent Life it is recommended that the extension is completed now and not in the future. If the extension is delayed too long there will become a point where there is not a return on investment for the operator and it ceases to be a viable project for them.

**This option is not recommended.**

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## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The preferred option is to choose to extend the Kent Life operations contract now. It will bring immediate benefits to the site and to the customers, and it brings the greatest possibility of a return on the investment.
- 4.2 The creation of a restaurant on site increases the value, appeal and marketability of the Kent Life attraction for future operators, so there are long-term business benefits for CMEC too as well as for Planning Solutions.

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## **5. RISK**

- 5.1 If the contract is not extended the site and the visitor attraction do not benefit from external investment. The inverse of paragraphs 4.1 and 4.2 will be true and there is a risk that future impacts also materialise, for example CMEC finds it problematic to attract future operators to manage the site at the required rent.
- 5.2 If the contract is not extended at this time and the return on investment period decreases further the project may become unviable and the investment into the Cobtree estate may be lost.
- 5.3 There is a risk that a contract extension is awarded to the operator and it fails to make the investment. This can be prevented by making the investment a condition of the extension.

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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 No consultation has been undertaken on this item.

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 With agreement from CMEC, Mid-Kent Legal Services will be instructed to prepare the necessary contract notice and the Head of Regeneration and Economic Development will negotiate lease terms with the operator.

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## **8. REPORT APPENDICES**

- None

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## **9. BACKGROUND PAPERS**

- None