

COBTREE MANOR ESTATE CHARITY COMMITTEE MEETING

Date: Tuesday 18 April 2023
Time: 5.00 p.m.
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Burton, Cooper, Parfitt-Reid and S Webb

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.

<u>AGENDA</u>	<u>Page No.</u>
1. Apologies for Absence	
2. Urgent Items	
3. Notification of Visiting Members	
4. Disclosures by Members and Officers	
5. Disclosures of Lobbying	
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
7. Minutes of the meeting held on 25 January 2023	1 - 3
8. Presentation of Petitions (if any)	
9. Any Questions on Notice from Local Residents	
10. Any Questions on Notice from Members	
11. Cobtree Manor Estate Financial Position Report	4 - 10
12. Cobtree Manor Park Llama House	11 - 16
13. Cobtree Cafe	17 - 26

Issued on Thursday 6 April 2023

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

PART II

To move that the public be excluded for the items set out in Part II of the Agenda because of the likely disclosure of exempt information for the reason specified having applied the Public Interest Test.

	Head of Schedule 12A and Brief Description	
14. Exempt Appendices to Item 12 – Cobtree Manor Park Llama House	3 – Financial/Business Affairs	27 - 28
15. Exempt Appendices to Item 13 - Cobtree Café	3 – Financial/Business Affairs	29 - 31

INFORMATION FOR THE PUBLIC

In order to ask a question at this meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 14 April 2023). You will need to provide the full text in writing.

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 4 p.m. one clear working day before the meeting (i.e. by 4 p.m. on Friday 14 April 2023). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899** or email committee@maidstone.gov.uk.

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MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

MINUTES OF THE MEETING HELD ON 25 JANUARY 2023

Present:

Committee Members:	Councillor Burton (Chairman) and Councillors Cooper, Parfitt-Reid and S Webb
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30. APOLOGIES FOR ABSENCE

There were no apologies for absence.

31. URGENT ITEMS

The Chairman said that he had agreed to take the report of the Senior Finance Manager (Client) relating to the Accounts 2021/22 as an urgent item as the audited and approved accounts had to be submitted to the Charity Commission by 31 January 2023. He also intended to change the order of business to take the Accounts 2021/22 after agenda item 11 – Cobtree Manor Estate Financial Position Report.

32. NOTIFICATION OF VISITING MEMBERS

Councillor Knatchbull attended the meeting as an observer in her capacity as Chairman of the Cobtree Charity Trust Limited.

33. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

34. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

35. EXEMPT ITEMS

RESOLVED: That the items on the agenda be taken in public as proposed.

36. MINUTES OF THE MEETING HELD ON 23 NOVEMBER 2022

RESOLVED: That the Minutes of the meeting held on 23 November 2022 be approved as a correct record and signed.

37. PRESENTATION OF PETITIONS

There were no petitions.

38. ANY QUESTIONS ON NOTICE FROM LOCAL RESIDENTS

Question from Miss Lesley Spencer, President, Cobtree Manor Park Golf Club, to the Chairman of the Committee

Cobtree Manor Park Golf Club understands that the contract for the management of the course and its facilities is currently being re-tendered. I would like to ask how the Club can contribute to any consultation process?

The Chairman of the Committee responded to the question.

Miss Spencer asked the following supplementary question of the Chairman of the Committee:

The Club has a lot of property of its own in the Clubhouse – computer, printer, touchscreen, trophies and honours boards – and currently uses a small room off the main bar area for IT and paperwork. We have access to Wi-Fi and utilities and have an agreement with the current contractor for league competitions and an allocation of tee times for our Club competitions. Could representatives of the Club please be involved in any decision-making and handover discussions, should a new contractor be the successful bidder?

The Chairman of the Committee responded to the question.

To listen to the answers to these questions, please follow this link:

<https://www.youtube.com/watch?v=Obxw5QMhVKg&t=425s>

39. ANY QUESTIONS ON NOTICE FROM MEMBERS

There were no questions from Members to the Chairman.

40. COBTREE MANOR ESTATE FINANCIAL POSITION REPORT

RESOLVED:

1. That the financial position of the Cobtree Manor Estate as at 30 November 2022, as set out in the report of the Senior Finance Manager, be noted.
2. That the proposed budgets for 2023/24 are agreed.

See Record of Decision:

[Your Councillors - Maidstone Borough Council](#)

41. COBTREE MANOR ESTATE ANNUAL ACCOUNTS 2021/22

RESOLVED:

1. That the Report and Financial Statements for 2021/22 be approved and submitted to the Charity Commission.
2. That the Letter of Representation be approved.

3. That the contents of the Audit Findings Report be noted.

See Record of Decision:

[Your Councillors - Maidstone Borough Council](#)

42. COBTREE ESTATE UPDATE

The Leisure Manager introduced his report providing an update on activities at the Cobtree Manor Estate highlighting trends in car park usage and income at the Manor Park and the position regarding repairs to the Llama House.

RESOLVED: That the update on activities at the Cobtree Manor Estate be noted.

43. COBTREE ESTATE FINANCIAL MANAGEMENT ARRANGEMENTS

RESOLVED:

1. That the Cobtree Estate financial procedures are changed from their current ones and aligned with the Council's financial procedure rules, as set out in the Constitution, and procurement guides.
2. That the specific financial limits previously agreed by the Cobtree Manor Estate Charity Committee no longer apply, but it be noted that all expenditure must be in accordance with agreed budgets.

See Record of Decision:

[Your Councillors - Maidstone Borough Council](#)

44. DURATION OF MEETING

5.00 p.m. to 5.25 p.m.

Agenda Item 11

**Cobtree Manor Estate
Committee**

18 April 2023

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.

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.

Timetable

Meeting	Date
Cobtree Manor Estate Committee	18 April 2023

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.	Leisure Manager
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.	Leisure Manager
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 Advisor, Corporate Governance - Mid Kent Legal Services
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Senior Information 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.	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.	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 and uncertainty around future contracts present a significant risk to the finances and operations of the estate, emphasising the 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 28th February 2023. **Appendix 1** provides a more detailed breakdown of the figures.

	Budget for Year 2022/23	Profiled Budget as at 28th February 2023	Actuals as at 28th February 2023	Variance: Underspend (-) Overspend (+)
Golf Course				
Expenditure	£48,860	£44,788	£59,414	£14,626
Income	-£139,350	-£104,553	-£104,209	£344
Net Expenditure (+)/Income (-)	-£90,490	-£59,764	-£44,795	£14,969
Manor Park				
Expenditure	£259,260	£238,108	£225,002	-£13,106
Income	-£189,080	-£139,462	-£142,937	-£3,475
Net Expenditure (+)/Income (-)	£70,180	£98,646	£82,065	-£16,581
Kent Life				
Expenditure	£29,890	£27,399	£21,155	-£6,244
Income	-£70,730	-£35,365	-£35,867	-£502
Net Expenditure (+)/Income (-)	-£40,840	-£7,966	-£14,712	-£6,746
Residential Properties				
Expenditure	£16,180	£14,832	£2,888	-£11,944
Income	-£30,000	-£27,500	-£22,467	£5,033
Net Expenditure (+)/Income (-)	-£13,820	-£12,668	-£19,579	-£6,911
Operational Total	-£74,970	£18,248	£2,979	-£15,269
Investment Income	-£40,000	-£36,667	-£46,868	-£10,201
Car Park Repayment	£69,650	£69,650	£69,647	-£3
Total for the Year	-£45,320	£51,231	£25,758	-£25,473
Net Expenditure (+)/Income (-)				

3.2 The current position shows a surplus of £25,473 for the year to date. There are no significant issues to report, but the following points should be noted:

- There has been spend of £17,855 for consultancy work relating to the procurement of the new golf course contract.
- Car parking income continues to be slightly down against the budgeted figure, but this is offset by additional income from the café and overall, the budgets for the Manor Park are underspent.

3.3 An updated cashflow projection is included as an appendix to the exempt report on the Cobtree Café elsewhere on this agenda.

4. AVAILABLE OPTIONS

4.1 Section 3 - for noting only.

5. PREFERRED OPTIONS AND REASONS FOR RECOMMENDATIONS

5.1 Section 3 - for noting only.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Officers will continue to monitor the financial position and take appropriate action where necessary.

7. REPORT APPENDICES

- Appendix 1: Financial Position
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8. BACKGROUND PAPERS

None.

	Approved Budget 2022/23	Profiled Budget as at 28th February 2023	Actual as at 28th February 2023	Variance at end of February 2023
Cobtree Manor Estate				
GOLF COURSE				
Repairs & Maintenance	£5,210	£4,776	£1,366	£3,410
Premises Insurance	£2,570	£2,356	£2,536	-£180
Professional Services	£0	£0	£17,855	-£17,855
General Expenses - VAT	£2,550	£2,338	£2,338	-£1
Controlled Running Costs	£10,330	£9,469	£24,095	-£14,626
Contract Income	-£139,110	-£104,333	-£104,209	-£124
Rent Income	-£240	-£220	£0	-£220
Controlled Income	-£139,350	-£104,553	-£104,209	-£344
MBC Staff Recharges	£12,530	£11,486	£11,486	-£0
Rechargeable Costs	£12,530	£11,486	£11,486	-£0
Cobtree Golf Course	-£116,490	-£83,598	-£68,628	-£14,970
MBC 2/9ths share	£26,000	£23,833	£23,833	£0
CMET Total	-£90,490	-£59,764	-£44,795	-£14,969

MANOR PARK				
Overtime	£4,000	£3,667	£0	£3,667
Employee Costs	£4,000	£3,667	£0	£3,667
Hard Landscaping	£15,300	£14,025	£10,967	£3,058
Gas	£2,040	£1,870	£1,870	£0
Electricity	£12,040	£11,037	£11,037	-£0
Water Metered	£1,220	£1,118	£1,359	-£241
Sewerage & Env Services	£1,120	£1,027	£1,027	-£0
Trade Refuse Collection (Internal)	£8,160	£7,480	£7,548	-£68
Premises Insurance	£2,320	£2,127	£2,127	-£0
Equipment Purchase	£0	£0	£0	£0
Equipment Hire	£540	£495	£0	£495
Vehicle Leasing & Running Costs	£2,600	£2,383	£0	£2,383
Vehicle Insurance	£810	£743	£0	£743
Cash Collection	£2,470	£2,264	£0	£2,264
Protective Clothes	£540	£495	£0	£495
Photocopying	£540	£495	£0	£495
General Expenses	£4,080	£3,740	£2,112	£1,628
General Expenses - VAT	£6,120	£5,610	£5,610	£0
Audit Fee	£5,440	£5,440	£5,905	-£465
Professional Services	£3,620	£3,318	£4,637	-£1,319
Direct Telephones	£210	£193	£0	£193
Mobile Telephones	£110	£101	£0	£101
General Insurances	£150	£138	£138	-£1
External Print & Graphics	£170	£156	£0	£156
Controlled Running Costs	£69,600	£64,253	£54,337	£9,916
Fees & Charges - Car Parking	-£110,000	-£103,296	-£93,326	-£9,970
Other Income - Cobtree Charity Trust Ltd	-£40,000	£0	£0	£0
Other Income	-£5,000	-£5,000	-£5,947	£947
Licences	-£80	£0	£0	£0
Rent Income (Café)	-£34,000	-£31,167	-£43,664	£12,497
Controlled Income	-£189,080	-£139,462	-£142,937	£3,475
MBC Staff Recharges	£53,060	£48,638	£48,638	£0
MBC Parks Management	£132,600	£121,550	£122,027	-£477
Rechargeable Costs	£185,660	£170,188	£170,665	-£477
Cobtree Manor Park	£70,180	£98,646	£82,065	£16,581

Cobtree Manor Estate	Approved Budget 2022/23	Profiled Budget as at 28th February 2023	Actual as at 28th February 2023	Variance at end of February 2023
KENT LIFE				
Repairs & Maintenance of Premises	£10,930	£10,019	£3,774	£6,245
Premises Insurance	£8,250	£7,563	£7,563	-£1
General Expenses - VAT	£1,530	£1,403	£1,403	-£1
Controlled Running Costs	£20,710	£18,984	£12,740	£6,244
Contract Income	-£70,730	-£35,365	-£35,867	£502
Controlled Income	-£70,730	-£35,365	-£35,867	£502
MBC Staff Recharges	£9,180	£8,415	£8,415	£0
Rechargeable Costs	£9,180	£8,415	£8,415	£0
Kent Life	-£40,840	-£7,966	-£14,712	£6,746
RESIDENTIAL PROPERTIES				
Repairs & Maintenance	£13,270	£12,164	£220	£11,944
Premises Insurance	£290	£266	£266	-£0
Controlled Running Costs	£13,560	£12,430	£486	£11,944
Rent Income	-£30,000	-£27,500	-£22,467	-£5,033
Controlled Income	-£30,000	-£27,500	-£22,467	-£5,033
MBC Staff Recharges	£2,620	£2,402	£2,402	-£0
Rechargeable Costs	£2,620	£2,402	£2,402	-£0
Residential Properties	-£13,820	-£12,668	-£19,579	£6,911
OVERALL TOTALS	-£74,970	£18,248	£2,979	£15,269
Investment Income	-£40,000	-£36,667	-£46,868	£10,201
Net surplus/(deficit) for operational & investment activities	-£114,970	-£18,419	-£43,889	£25,470
Repayment of car park construction costs	£69,650	£69,650	£69,647	£3
Net surplus/(deficit) after repayment	-£45,320	£51,231	£25,758	£25,473

**COBTREE MANOR ESTATE
CHARITY COMMITTEE**

18 April 2023

Cobtree Manor Park Llama House

Timetable	
Meeting	Date
Cobtree Manor Estate Charity Committee	18 April 2023

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	Mark Green, Director of Finance, Resources and Business Improvement
Lead Officer and Report Author	Mike Evans, Leisure Manager
Classification	<p>Public report with exempt appendix</p> <p>Exempt Appendix Appendix 1: Summary of quotations Appendix 2: Cashflow forecast</p> <p>The appendices contain exempt information as classified in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).</p> <p>The public interest in maintaining this exemption outweighs the public interest in its disclosure. The cost of this work will be included in future financial reports brought to this committee.</p>
Wards affected	Boxley

Executive Summary

Decisions are required on capital expenditure to fix the roof of the llama house in Cobtree Manor Park.

Purpose of Report

Decision

This report makes the following recommendations to the Cobtree Manor Estate Charity Committee:

1. That approval be given for capital expenditure to be incurred in line with the cashflow forecast for the works to the llama house roof.
2. That quotation G from contractor 4 is accepted and delegated authority is given to the Director of Finances, Resources and Business Improvement to instruct contractor 4 to complete the works to the llama house roof.

Cobtree Manor Park Llama House

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The work of the charity links directly to its charitable objectives and the Strategic Plan objectives for the council.	Leisure Manager
Cross Cutting Objectives	The work of the charity links directly to its charitable objectives and the cross-cutting objectives of the council.	Leisure Manager
Risk Management	Risk implications are outlined in section 5.	Leisure Manager
Financial	Accepting the recommendations will require new spending which has been identified in the cashflow forecast.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Director of Finance, Resources and Business Improvement
Legal	Acting on the recommendations is within the Council's powers and fulfilling its duties as corporate trustee of the charity.	Team Leader Contracts and Commissioning MKLS
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Information Governance Team
Equalities	The recommendations will ensure a continuation of service and therefore will not require an equalities impact assessment.	Equalities & Communities Officer
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals	Leisure Manager
Crime and Disorder	Crime and disorder considerations will be managed as per parks and open spaces policies and procedures.	Leisure Manager

Procurement	On accepting the recommendations, the Council will then follow procurement exercises. We will complete those exercises in line with financial procedure rules.	Director of Finance, Resources and Business Improvement
Biodiversity and 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.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The llama house in Cobtree Manor Park is a historic building that has been used for farming in the past and was also part of Maidstone Zoo, when that existed on the land. Following the closure of the zoo the building was used for sheltering llamas.
- 2.2 Today the structure is in a quiet part of the park and with its picnic benches positioned underneath it provides shelter to park users. It is an open-fronted structure that is approximately 15m long, 3m deep and 3m high. It is a stone building with a roof of timber supports and Kent peg tiles.
- 2.3 The structure has some damage and wear and tear to the roof and work needs to be completed on it to make it safe and usable for park visitors and to preserve it as an asset to the park.
- 2.4 Contractors have visited the llama house and made assessments and their quotations are provided at exempt appendix 1.

3. AVAILABLE OPTIONS

3.1 Not repair the roof

If the roof is not repaired the llama house structure cannot be made available to park visitors because of the risk of debris falling from the roof. There will be costs associated with removing it from use for the long term and a risk of park visitors disregarding safety measures and accessing it anyway. Its status as a historic feature within the park will be put at long-term risk. **This option is not recommended.**

3.2 Partially repair the roof

Partial repairs will remove the most immediate risks but future works will be required and the costs for completing these will increase between now and commissioning future works. A watching brief will need to be kept on the roof and its degradation will need to be monitored so that it can be taken out of action to protect park visitors if needs be. **This option is not recommended.**

3.3 **Fully repair the roof**

Repairs to the roof will ensure that its integrity is retained and the structure can continue to be used safely without any risks or ongoing cost concerns.

This is the recommended option.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Repairing the roof is the preferred option, for the reasons described in paragraphs 2.3 and 3.3.

4.2 Quotations from contractors are included in exempt appendix 1 and the recommendations in this report are that quotation G from contractor 4 is accepted and they are instructed to complete the work as soon as possible.

5. RISK

5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 No consultation has taken place on this matter.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 Following a decision on these recommendations, contractors will be instructed and works will be completed.

8. REPORT APPENDICES

- Exempt Appendix 1: Summary of quotations
 - Exempt Appendix 2: Cashflow forecast
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9. BACKGROUND PAPERS

- None

**COBTREE MANOR ESTATE
CHARITY COMMITTEE**

18 April 2023

Cobtree Café

Timetable	
Meeting	Date
Cobtree Manor Estate Charity Committee	18 April 2023

Will this be a Key Decision?	Yes
Urgency	Not Applicable
Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Mike Evans, Leisure Manager
Classification	<p>Public report with exempt appendices</p> <p>Exempt Appendices</p> <p>Exempt Appendix 2: Summary of proposals for Cobtree Manor Park Café</p> <p>Exempt Appendix 3: Comparison of revenues and costs between the current tenancy and the proposed tenancy</p> <p>Exempt Appendix 4: Capital cashflow forecast</p> <p>These appendices contain exempt information as classified in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).</p> <p>The public interest in maintaining this exemption outweighs the public interest in its disclosure as release of the information may adversely affect</p>

	the charity's financial position commercially and be detrimental to value for money.
Wards affected	Boxley

Executive Summary

Following the Committee's decision to market the lease for Cobtree Manor Park Café in October 2022, an extensive marketing and applications process has been undertaken and decisions are now required to award the lease to the preferred applicant.

Granting the lease requires additional decisions to be made to streamline premises occupations and facilities management as part of integrating a new tenant into the park alongside Council staff. Legal will also need to negotiate the lease and deal with the title due diligence to ensure there are no restrictions on the title preventing this lease as well consideration as to whether open spaces notices are required.

Purpose of Report

Decision

This report makes the following recommendations to the Cobtree Manor Estate Charity Committee:

1. That the lease of Cobtree Manor Park Café is granted to applicant 3.
2. That the leased and retained areas of the café premises are amended as per the plan at appendix 1.
3. That the capital sum identified in the cashflow forecast at exempt appendix 4 is made available for new or upgraded staffing arrangements in the park.
4. That delegated authority is given to the Director of Finance, Resources and Business Improvement to agree the final lease with applicant 3.
5. That delegated authority is given to the Head of Mid-Kent Legal Services to enter into such lease documents and complete any relevant statutory notices in order to complete the lease process.

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The work of the charity links directly to its charitable objectives and the Strategic Plan objectives for the council.	Leisure Manager
Cross Cutting Objectives	The work of the charity links directly to its charitable objectives and the cross-cutting objectives of the council.	Leisure Manager
Risk Management	Risk implications are outlined in section 5.	Leisure Manager
Financial	Accepting the recommendations in this report will improve the charity's annual revenue accounts. Doing so will require capital expenditure and this will be managed in line with the Trust's procedures.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Director of Finance, Resources and Business Improvement
Legal	Acting on the recommendations is within the Council's powers as set out under the Local Government Act 1972 section 123(2), which requires that the disposal by way of a lease exceeding seven years or more must not be for a consideration or value which is less than the best that can reasonably be obtained in the open market.	Team Leader, Property & Regeneration (MKLS)
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Information Governance Team
Equalities	The recommendations will ensure a continuation of service and therefore will not require an equalities impact assessment.	Equalities & Communities Officer

Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Leisure Manager
Crime and Disorder	The recommendations will require consideration to be given to measures to deter and detect crime and disorder.	Leisure Manager
Procurement	On accepting the recommendations, the Council will follow purchasing processes and we will complete those exercises in line with procurement rules and regulations.	Director of Finance, Resources and Business Improvement
Biodiversity and Climate Change	The new café tenant will bring improved environmental and sustainability credentials to the park. This aligns with the reducing waste and the energy used to process waste action of the Biodiversity and Climate Change Action Plan	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 In October 2022 the Cobtree Manor Estate Charity Committee (CMEC) resolved that:

- The lease of Cobtree Manor Park Café is placed on the market and offers are invited from prospective tenant operators.
- The leased and retained areas of the café premises are reviewed to achieve optimum financial returns and operational suitability at Cobtree Manor Park.
- Delegated authority is given to the Director of Finance and Business Improvement to agree Heads of Terms with the preferred new tenant to achieve the optimum annual financial return and operational situation for Cobtree Manor Park Café.
- Agents are appointed to act on behalf of the Charity, engage the market, source prospective tenants and assist in selecting the most suitable tenant for the park and their quotation of £9,500 payable on successful completion is approved.

This report is now brought to the charity committee upon completion of the lettings process to proceed with the granting of the lease, and agreeing associated changes to the leased and retained areas at the Cobtree Manor Park Café to bring the best possible solutions and outcomes for the park users and the charity.

2.2 The marketing of the café lease included advertising in trade publications, more than 38,000 email alerts, and sending more than 5,400 direct advertisements to 467 relevant parties. This attracted 14 expressions of

interest, which led to eight viewings and four proposals being submitted. The four parties submitting proposals were all invited to present them at interview. The four parties all accepted CMEC's heads of terms.

- 2.3 Two proposals were deemed suitable for the lease in terms of the quality of catering and the suitability of their business plan. These were applicant 1 and applicant 3. Of these, applicant 3 is deemed the stronger applicant and it is recommended that the lease is granted to applicant 3, subject to contract, proof of funding, references and agreed fit out. Details of the applicants and their proposals are included at exempt appendix 2.

Leased and retained spaces

- 2.4 For optimal operations of the café and the public park, the let and retained spaces have been reviewed as per the committee's decision in October 2022.
- 2.5 CMEC previously let the public park toilets to the café tenant, giving the café staff control over when the public toilets opened and closed each day. This arrangement was less than ideal for park users, particularly during the pandemic, and it also proves demanding for catering staff. It is proposed that CMEC retains control over the public toilets and manages them via the Council's cleaning regime that services the other parks in the borough. This gives CMEC greater control over the toilet opening hours and standards of cleanliness.
- 2.6 Previously, CMEC retained the corner room of the café building as the park manager's office. The park manager now works via a remote device and does not need a full-time office in the park. The space will make an ideal kiosk point of sale for the café, that can be used on busy summer days to supplement the café and on quiet, rainy winter days instead of opening the whole café.
- 2.7 Currently the corner office is being used as temporary staff welfare space for the park ranger and occasional grounds maintenance staff because the stand-alone container used for storage and staff welfare is defunct. It is no longer weather-proof and water ingress has taken the electrics out of action. It has no heating and in the winter water can freeze on the floor inside making it slippery and unsafe. Rust to the container will soon render the storage half of the container unusable as well. In addition to its unsuitability, the container is also a blot on the landscape of Cobtree Manor Park.
- 2.8 To facilitate the kiosk opportunity, achieve maximum rental income for the café, and provide the best possible service to park customers CMEC should look at alternative staff welfare provision. A new stand-alone storage and welfare unit will be more in-keeping with the look and the feel of the park and make it a more attractive place to visit. Alternatively, despite its age and the issues described in paragraph 2.7, the existing facility may be suitable for a full reconditioning, which may be a better value for money option.

- 2.9 The current and proposed leased and retained spaces are shown in the plans at appendix 1. The comparison of annual revenue budgets for the current tenancy and the proposed new tenancy are shown in exempt appendix 3.
-

3. AVAILABLE OPTIONS

- 3.1 CMEC is required to formalise three decisions:

- Decision one was set in motion in October 2022 as part of the lettings process. It now requires ratification before a new lease can be granted.
- Decision two is necessitated by decision one. Staff welfare facilities will be required elsewhere in the park.
- Decision three is the decision to grant the lease to the preferred applicant, subject to title due diligence and contracts.

Decision one

- 3.2 **Retain the leased areas as per the current park arrangements**

The current arrangements do not suit CMEC and do not suit a café tenant. The park manager's office is an under-used space and has more value as retail space than it does as staff welfare space. The toilets are a key facility for all park users and the current arrangements entrust the management of those to a catering company, and CMEC relies on that company managing those toilets for all who visit the park. This arrangement does not maximise the value of its premises and does not maximise the strengths of the parties involved. **This option is not recommended.**

- 3.3 **Proceed with the leased and retained areas as proposed in the plans in appendix 1**

The park manager's office is larger than it needs to be for staff welfare and its location on the corner of the building means it would make an ideal point-of-sale kiosk. It would be easily-accessible for parents and children, and the length of the queue at the kiosk can be assessed before people decide to leave the play area for purchases. Enabling a café tenant to develop an offering in this way will maximise rental returns to CMEC. This was expected to be the case when embarking on the café letting, and all applicants expressed a desire to use the corner office in this way. The public toilets at Cobtree Manor Park are a key facility and to ensure customer satisfaction CMEC should ensure they are managed in conjunction with other council parks in the borough. **This is the recommended option.**

Decision two

- 3.4 Proceeding with new leased and retained areas requires suitable alternative accommodation for the park ranger and occasional grounds maintenance staff being available elsewhere in the park. Providing facilities in the park for staff, besides being a legal requirement, increases the efficiency of their work and ensures CMEC obtains maximum value for money from its staffing

budgets. Welfare facilities can be provided from an existing building or from purpose-built, stand-alone facilities.

3.5 Provide staff welfare facilities in the Elephant House

The Elephant House is a historic building in the park. It has been surveyed for its suitability to staff welfare, but it requires too many adaptations to be a workable solution. It is also too big a building for a staff welfare and storage facility and would result in a lot of wasted space. It would also remove the opportunity of the Elephant House being developed for other community or leisure interests in the future. **This option is not recommended.**

3.6 Provide new or upgraded stand-alone staff welfare and storage facilities

Additional capital expenditure to provide improved staff welfare and storage facilities has been identified in exempt appendix 4. The sum in exempt appendix 4 has been identified based on indicative quotes for a suitable unit and associated project costs. The Interim Strategic Property Consultant is supporting and advising this workstream. The identified expenditure will provide suitable facilities for parks staff, outside of the corner office, that enable the commercial opportunities of the café building to be realised. The revenues and costs associated with the new café tenancy shown in exempt appendix 2 demonstrate the return on this investment. **This is the recommended option.**

Decision three

3.7 As part of setting the direction for the café letting, in October 2022 the CMEC Committee decided against bringing the café operation in house. Therefore, the decision now is to either grant the lease to the preferred applicant or to another applicant.

3.8 Grant a lease to applicant 1

Paragraph 2.2 describes the reach of the advertising for the lettings process that ran from September 2022 to March 2023. It identified four final proposals that were submitted for presentation and interview. Two applicants are deemed capable of taking on the lease, namely applicant 1 and applicant 3. Applicant 1 has demonstrated they are capable of running the café at Cobtree, but their bid comes with a smaller amount of capital investment and a greater amount of risk, hence them not being the preferred bidder. **Applicant 1 is not recommended on this occasion.**

3.9 Grant a lease to applicant 3

Applicant 3 has demonstrated in their business plan and at interview that they are the most suitable applicant for the lease. They carry less risk than applicant 1 and they are able and prepared to invest more capital into the premises to kickstart the business. **This is the recommended option.**

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The reasons for the recommendations have been outlined in sections 2 and 3. In summary, the new leased and retained areas will maximise the operations of the café building at Cobtree Manor Park which in turn will improve the quality on offer to park users. The recommendations will bring improved service standards to the park and its users and over time will protect CMEC finances.
- 4.2 The details of applicant 3's bid include a capital investment sum that will improve the café premises and the service to park users. The terms of applicant 3's bid will be written into the lease document and become binding terms. The details in exempt appendix 3 comparing the new tenancy and the current tenancy show a change in utilities costs to the charity. This change in costs relates to a change in responsibilities for utilities costs and represents a saving to the charity. The length of the lease being offered to the new tenant also enables the responsibility for the repair and maintenance of the building to become a lease obligation of the tenant.
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5. RISK

- 5.1 The risks associated with this proposal related to the uncertainties and challenges in the leisure and hospitality sector in 2022 and 2023. By being agile in our approach we have presented an attractive proposition to the market which has enabled us to deliver the most beneficial terms possible.
- 5.2 CMEC's heads of terms are favourable in terms of removing unbudgeted future risks from its risk register.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 No public consultation has taken place on this matter, but advice from leisure and hospitality agents was in agreement with the approach that we have adopted.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Following a decision on these recommendations, CMEC will complete all the required due diligence and exchange contracts with applicant 3.
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8. REPORT APPENDICES

- Appendix 1: Proposed demised plan of the Cobtree Manor Park Café building
- Exempt Appendix 2: Summary of proposals for Cobtree Manor Park Café

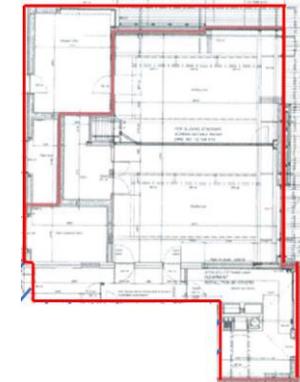
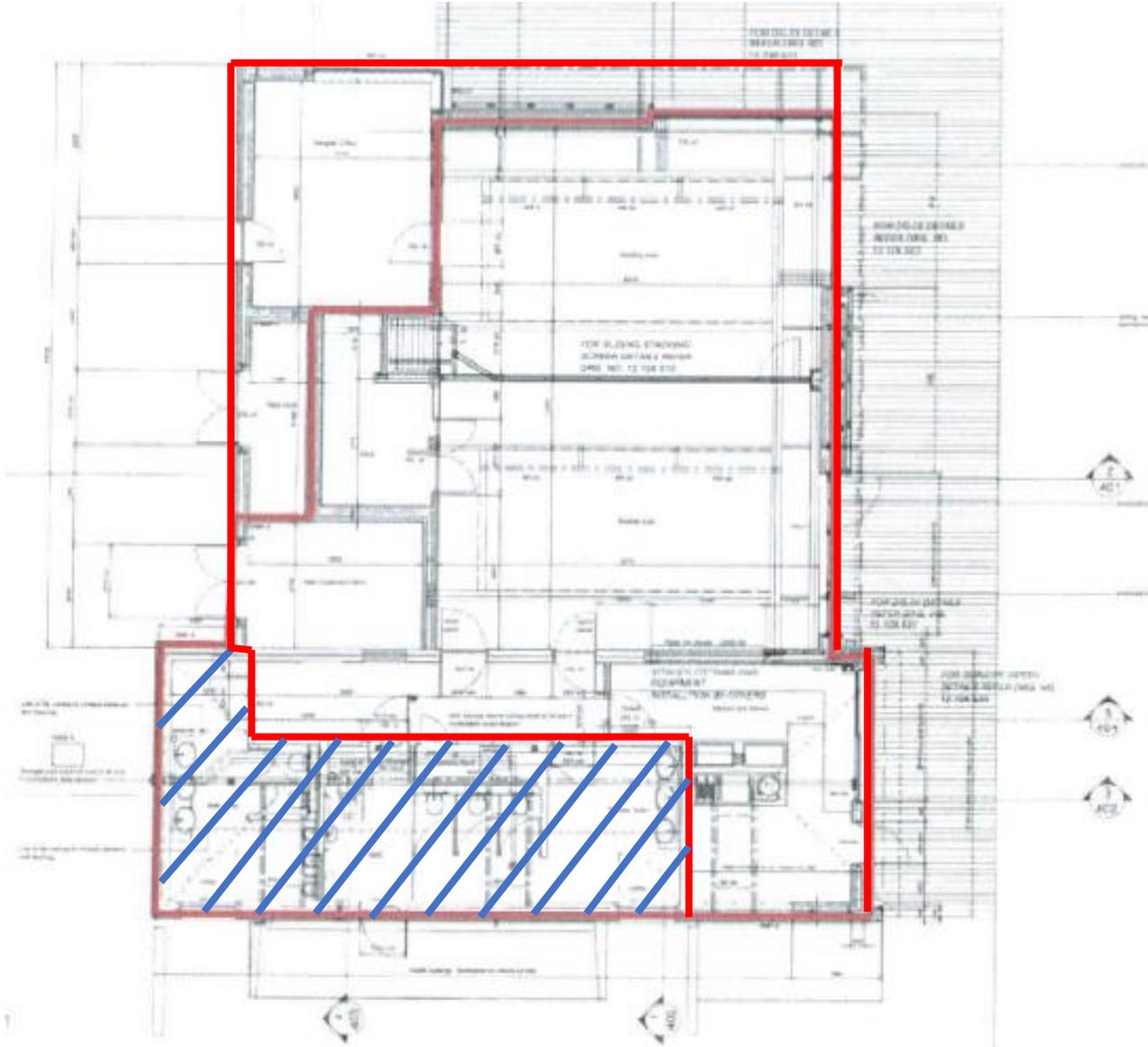
- Exempt Appendix 3: Comparison of revenues and costs between the current tenancy and the proposed tenancy
 - Exempt Appendix 4: Capital cashflow forecast
-

9. BACKGROUND PAPERS

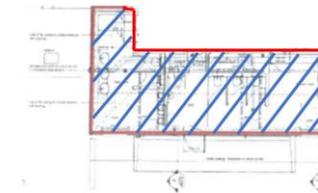
- None

Appendix 1: Proposed demised plan of the Cobtree Manor Park Café building

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Café demise to be let to new tenant incl. corner office



Public toilet demise to be retained by CMEC

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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