

**MAIDSTONE BOROUGH COUNCIL**

**COBTREE MANOR ESTATE CHARITY COMMITTEE**

**MINUTES OF THE MEETING HELD ON 6 NOVEMBER 2019**

**Present:** Councillor McLoughlin (Chairman) and  
Councillors Cox, Daley, Mrs Gooch and Mrs Hinder

34. APOLOGIES FOR ABSENCE

There were no apologies for absence.

35. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

36. URGENT ITEMS

The Chairman said that, in his opinion, the oral update regarding the proposed Cobtree Railway should be taken as an urgent item because the information was not available when the agenda was published.

37. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

38. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

39. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying at this stage.

See Minute 47 below.

40. EXEMPT ITEMS

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

41. MINUTES OF THE MEETING HELD ON 11 JULY 2019

**RESOLVED:** That the Minutes of the meeting held on 11 July 2019 be approved as a correct record and signed.

42. PRESENTATION OF PETITIONS

There were no petitions.

43. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

44. APPOINTMENT OF EXTERNAL AUDITORS

The Senior Finance Manager (Client) introduced his report recommending that UHY Hacker Young be appointed as External Auditors to the Charity for a further two year term covering the financial years 2019/20 and 2020/21.

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

- Under the current statutory audit thresholds for Charities, there was no requirement for an external audit; an independent examination would suffice. However, the Committee had previously taken the decision that an external audit should be undertaken.
- External audit services were currently being provided by UHY Hacker Young who had been appointed for a two year term covering the financial years 2017/18 and 2018/19.
- The Borough Council's Contract Procedure Rules, which the Charity follows, specify that for contracts of a value of £10k or less, at least one written quote must be obtained. UHY Hacker Young had been asked to provide a quote and had submitted a figure of £5,410 plus VAT for 2019/20 and £5,545 plus VAT for 2020/21 which represented inflationary increases of around 2.5%.
- UHY Hacker Young had developed a good knowledge and understanding of the Charity and its financial arrangements and a good working relationship with Council Officers.

Members indicated that further information was required to enable them to make a decision regarding the appointment of External Auditors for 2019/20 and 2020/21.

**RESOLVED:** That consideration of the appointment of External Auditors be deferred until the next meeting of the Committee to enable the Officers to provide the following information:

- A breakdown of the quote submitted by UHY Hacker Young for providing external audit services for 2019/20 and 2020/21;
- Clarification from the Procurement Team as to whether three written quotes in advance are required; and
- The current statutory audit thresholds for Charities and whether an independent examination would be appropriate for the Charity.

#### 45. COBTREE MANOR ESTATE FINANCIAL POSITION

The Senior Finance Manager (Client) introduced his report summarising the financial position of the Cobtree Manor Estate as at 30 September 2019. The report covered the activities at the Golf Course, Kent Life, the Manor Park and the Café/Visitor Centre. The report also included updates on the Service Level Agreement, the car park loan agreement (repayment agreement) and the updated five year cash flow projection.

##### Financial Position

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

- The summary totals showed a positive variance of £5,409 for the Charity at the end of September 2019. The forecast for the year was for an operational surplus of £55,920, compared to a provisional surplus of £35,596 for 2018/19.
- There were no issues to report at this stage in respect of the Cobtree Golf Course and Kent Life.
- In overall terms, the Manor Park was operating within budget but there were some underlying issues:

The new Apprentice post was still vacant resulting in an under spend in employee costs.

Expenditure on electricity was under investigation. It appeared that a meter reading was taken resulting in previous bills being amended to reflect actual usage.

A significant sum had been spent on replacement play area equipment to ensure that there are sufficient spare parts in place for the summer. There had been a delay in implementing the new arrangements for locking the gates, resulting in an over spend in controlled running costs.

Car park income continued to be high and the profit share element of the café contract had generated more income than was forecast. These two income streams together with the under spend in employee costs meant that the issues outlined above were covered.

- In terms of residential properties, some works had been undertaken to Stream Cottages which meant that there was currently an over spend against the profiled budget, but assuming there was no further major expenditure the position should be corrected by the end of the year. The shortfall in rent income appeared to be a system issue.

During the discussion on the financial position of the Cobtree Manor Estate, it was suggested and agreed that the Officers should investigate the feasibility of installing solar panels on site to generate energy for the Estate.

### Service Level Agreement

The Senior Finance Manager (Client) said that the draft Service Level Agreement (SLA) presented to the last meeting of the Committee had been amended to take into account comments made by Members. It had been the intention to bring the final version of the SLA to this meeting but the Officers were continuing to review the document to ensure that it accurately reflects the complex nature of the relationship between the Charity and the various Council departments, particularly the roles of the Leisure Manager and the Cobtree Manager. It was the aim to report the SLA back to the Committee for approval in January 2020.

During the discussion on the SLA, Members indicated that a representative of the Borough Council's Legal Services Team should be in attendance when the final version of the document is reported back to the Committee for approval.

### Car Park Loan Agreement (Repayment Agreement)

The Senior Finance Manager (Client) said that the draft loan agreement that was presented to the last meeting of the Committee had been amended to take into account comments made by Members. It should be noted that the loan agreement was now referred to as a repayment agreement as there was no actual loan transaction. The Council had paid for the works and the Charity was now reimbursing the costs over five years.

During the discussion on the repayment agreement it was suggested and agreed that the document be approved and formally adopted subject to it being amended if necessary to reflect the correct name of the Charity.

### Updated Five Year Cash Flow Projection

The Senior Finance Manager (Client) said that the five year cash flow projection had been updated to reflect proposed future capital expenditure. As and when the works were required further details and updated costs would be reported to the Committee for formal approval. It should be noted that beyond the five years set out in the projection, the existing play area would need to be either replaced or substantially refurbished, and this was likely to have significant cost implications.

During the discussion on the updated five year cash flow projection, the Senior Finance Manager (Client) undertook to look into how depreciation of the capital cost of the play area equipment is accounted for.

### **RESOLVED:**

1. That the financial position of the Cobtree Manor Estate as at 30 September 2019 be noted.
2. That the progress to date with the Service Level Agreement between the Borough Council and the Charity be noted.

3. That subject to the document being amended if necessary to reflect the correct name of the Charity, the repayment agreement between the Borough Council and the Charity in relation to the car park works, attached as Appendix 2 to the report of the Senior Finance Manager (Client), be agreed and formally adopted.
4. That the updated five year cash flow projection, attached as Appendix 3 to the report of the Senior Finance Manager (Client), be noted.
5. That the Officers be requested to investigate the feasibility of installing solar panels on site to generate energy for the Estate.

#### 46. COBTREE MANOR ESTATE UPDATE REPORT

The Cobtree Manager presented her report providing an update on activities at the Cobtree Manor Estate during the period July-November 2019. The report included details of:

- Maintenance works, staffing issues, events, community activities and visitor numbers at Cobtree Manor Park;
- The progress being made by Mytime Active with regard to the Golf Course development works;
- The shortlisting of Kent Life for the Visit Kent Award for Best Large Attraction; and
- Options identified by Planning Solutions to overcome problems being experienced with sewage removal from the Kent Life site.

In response to questions about visitor numbers at the Cobtree Manor Park, the Cobtree Manager advised the Committee that the vehicle counter had been functioning but with erratic results. Despite analysis with the manufacturer's assistance there were too many anomalous figures to rely on the vehicle data as accurate and car park income was now being used to gauge visitor numbers. It was suggested and agreed that the Officers be requested to look at alternative ways to record visitor numbers at the Manor Park.

With regard to events, and, in particular, the zoo memory day, it was suggested and agreed that the possibility of having QR code panels to enhance visitor experience should be looked into.

During the discussion on this item, the Officers undertook to take the opportunity to celebrate the success of Kent Life which had been shortlisted for the Visit Kent Award for Best Large Attraction.

#### **RESOLVED:**

1. That the update on activities at the Cobtree Manor Estate during the period July-November 2019 be noted.

2. That the Officers be requested to look at alternative ways to record visitor numbers at the Cobtree Manor Park.
3. That the Officers be requested to look into the possibility of having QR code panels to enhance visitor experience.

47. COBTREE YOUNG FARMERS AND THE FORSTAL FIELD

Councillors Daley and Mrs Gooch stated that they had been lobbied.

The Cobtree Manager presented her report setting out details of a request by the Cobtree Young Farmers' Club for a ten year lease and management agreement to enable it to secure funding through a Heritage Lottery funded project and commence conservation grazing on part of Forstal Field. It was noted that:

- Discussions had been held with the manager of the Old Chalk New Downs Heritage Lottery funded project who had offered guidance and support by way of a total land management package. This would provide ecological and land management expertise in the form of an ecological survey and the production of a land management plan for conservation grazing on the site. Funding would also be provided for fencing, gates, extending the water supply and security measures. In addition, work place training and environmental education would be made available to the Cobtree Young Farmers' Club in areas such as hedge laying, scrub management and reptile surveying. Funding was dependent on the Club securing a ten year agreement for managing the land.
- The field was currently subject to a short-term tenancy granted to a local agricultural contractor who had farmed the field for two seasons but had not returned in subsequent years. Despite repeated attempts to establish the contractor's intentions for the land, there had been no response.

In response to a question, the Cobtree Manager confirmed that the Cobtree Young Farmers' Club was aware of the proposals for a railway at the Cobtree Manor Estate and that it was considered that with good quality fencing and rotational grazing both projects could be accommodated.

**RESOLVED:**

1. That subject to the issues associated with the existing short-term tenancy being resolved, a lease and management agreement be approved to enable the Cobtree Young Farmers' Club to secure funding through a Heritage Lottery funded project and commence conservation grazing on part of Forstal Field.
2. That the Head of Mid-Kent Legal Services be given authority to seek the formal consent of the Cobtree Charity Trust Limited and all other involved parties, to complete all necessary legal steps, and to draft

and complete the lease and management agreement to the Cobtree Young Farmers' Club in accordance with the Heads of Terms attached as Appendix 1 to the report of the Cobtree Manager.

48. PROPOSED COBTREE RAILWAY

The Chairman provided an update on the proposals for a Cobtree Railway including revised funding arrangements.

The Chairman explained that he had been informed by the Cobtree Charity Trust Limited that whilst the Trust would continue to make a financial contribution towards the cost of the project, it had decided not to take part in the future development, management and operation of the project. Further discussions were required with the Director of Finance and Business Improvement and the Head of Regeneration and Economic Development and Planning Solutions, the operators of Kent Life, regarding the funding and operational arrangements.

It was suggested that the views of KCC Highways should be sought at the earliest opportunity regarding the viability of the project; in particular, the feasibility of the railway running under the road.

**RESOLVED:** That a report be submitted to the next meeting of the Committee on the funding and viability issues associated with the proposed Cobtree Railway project.

Note: Councillor Cox left the meeting during the discussion on this item (4.00 p.m.).

Councillor Daley indicated that he did not support the proposed Cobtree Railway project.

49. DURATION OF MEETING

2.30 p.m. to 4.15 p.m.