

Cobtree Manor Park financial delegations

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

Executive Summary

A report on the current financial delegations for officers at Cobtree Manor Park and the impact that the spending limits have on park operational matters

Purpose of Report

For the committee to make a decision on increasing the spending limits for officers relating to operational matters and emergency situations.

This report makes the following recommendations to this Committee:

1. That the officer spending limit is increased to £10,000 as per Maidstone Borough Council financial procedures and
2. That in emergency situations and in consultation with the committee chair the officer spending limit is increased to £15,000

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	18 March 2020

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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 corporate priorities for the council.	Mike Evans – Leisure Manager
Cross Cutting Objectives	The work of the charity links directly to its charitable objectives and the cross cutting objectives of the council.	Mike Evans – Leisure Manager
Risk Management	The risks of not implementing this recommendation are references in paragraphs 1.10 to 1.20, 4.3, 4.4 and 4.5	Mike Evans – Leisure Manager
Financial	The Committee will continue to receive regular financial performance updates and will be able to assess the impact of this decision going forward.	Paul Holland – Senior Finance Manager
Staffing	We will deliver the recommendations with our current staffing.	John Foster – Head of Regeneration and Economic Development
Legal	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 which will be undertaken by the Director of Finance and Business Improvement. Accepting this recommendation will align the committee’s procedures more closely to the Council’s constitution.	Jayne Bolas – Principal Solicitor
Privacy and Data Protection	There are no new implications as a result of this update report and recommendation.	Policy and Information Team
Equalities	No impact identified as a result of as a result of this update report and recommendation.	Policy & Information Manager

Public Health	The Cobtree Estate works towards improving the health of residents through its day-to-day operations.	Senior Public Health Officer
Crime and Disorder	Crime and disorder implications are managed day-to-day in line with council procedures and policies	Mike Evans – Leisure Manager
Procurement	On accepting the recommendations, the Council will then follow procurement exercises for all future spend. We will complete those exercises in line with financial procedure rules.	John Foster – Head of Regeneration and Economic Development & Section 151 Officer

2. INTRODUCTION AND BACKGROUND

- 1.1 Maidstone Borough Council, through Cobtree Manor Estate Charity Committee, is the corporate trustee of the charity known as Cobtree Manor Estate. Cobtree Manor Estate Charity Committee operates Cobtree in line with Maidstone Borough Council procedures and policies in all areas including employment, procurement, health and safety, and legal.
- 1.2 The Cobtree budgets are set annually and agreed by Cobtree Manor Estate Charity Committee. Cobtree Manor Park finances are managed by the Senior Finance Manager and day-to-day spending is overseen by the Leisure Manager.
- 1.3 The Cobtree Park Manager, the Leisure Manager and the Senior Finance Manager meet regularly to monitor and discuss the Cobtree Manor Park budgets.
- 1.4 Cobtree Manor Estate Charity Committee follows the majority of Maidstone Borough Council financial procedures, although there is one key difference and that difference is having an impact on the day-to-day operations of the park and on the ability of the park team to deliver the best possible service to customers.
- 1.5 The Leisure Manager sign off limit for budgetary spend at Cobtree is set at £5,000. For Maidstone Borough Council budgets, under Director discretion, the Leisure Manager would have a sign off limit of up between £25,000 and £50,000. The Head of Regeneration and Economic Development also has a sign off limit of £5,000 at Cobtree compared to a limit of up to £75,000 for Maidstone Borough Council budgets.
- 1.6 The constitution says that the Head of Regeneration and Economic Development has “responsibility for the management of the Cobtree Trust and Estate” but he must do this with a sign off limit of £5,000.

- 1.7 Mid-Kent Legal Officers have been investigating the background of Cobtree Manor Estate Charity Committee for the Service Level Agreement work that the Senior Finance Officer is leading on. Legal documentation relating to Cobtree has not been easy to find. Mid-Kent Legal officers rely on a 2006 memorandum written by Ian Trueman that explains the relationship between the Cobtree Manor Estate Charity Committee and Maidstone Borough Council. It explains that Full Council establishes policies for Cobtree Manor Estate Charity but it doesn't explain what those policies are.
- 1.8 To date, no documentation relating to how and why these financial limits were set for officers has been identified. The Leisure Manager has conducted his own searches and consulted with Democratic Services and the Head of Policy, Communications and Governance but he is yet to find any previous decisions or reports relating to the setting of these limits.
- 1.9 The current procedures may be convention, and not based on previous decisions. However Cobtree Manor Estate Charity Committee has made decisions on financial limits in the past. Sections 1.10 and 1.12 give detail of some previous decisions that Cobtree Manor Estate Charity Committee has taken to alter spending limits. This may suggest that the committee has the authority to set its financial delegations as it sees fit, providing it does not exceed the limits set by the Maidstone Borough Council constitution.
- 1.10 The minutes from the meeting in 20 November 2009 show that previous reports have requested Cobtree Manor Estate Charity Committee to authorise spending for items that cost £15 and £300. Searches of subsequent minutes have not revealed a report that sought to change that practice and give officers the current spend limit, but it is certainly true that today officers do not need to take requests to spend £300 which suggests at some point since 2009 this practice was altered.
- 1.11 The Senior Finance Manager believes committee discussed and approved the £5,000 limit "around 10 years ago". If that were the case, and that amount were index linked, today's limit would be £6,757 (using an average inflation of 3.1% per annum since 2010).
- 1.12 The 9 November 2011 meeting included a resolution "that officers be given delegated authority in consultation with the Chairman or the Leader of the Council to authorise unbudgeted expenditure up to the value of £3,000 in emergency situations subject to any such expenditure being reported to the next meeting of the Committee." This resolution shows that Cobtree Manor Estate Charity Committee has previously altered its financial procedures and limits to better suit the operational needs of the park.

The park's operational needs

- 1.13 In June 2019 there was an emergency committee meeting to approve spending for the emergency repair of a roof at Kent Life at a cost of just over £5,000. In January 2019 there was a last-minute report to the committee for the Play Barn works at Kent Life, which were at a final total cost of £8,543.48. On both occasions the Maidstone Borough Council Property Team followed procurement rules and the best price and solution

were obtained for the works. Also on both occasions the completion of works were delayed by the need to take a report to Cobtree Manor Estate Charity Committee and the Leisure Manager's efforts, instead of being focused on completing the works, were focused on compiling the report and obtaining the required sign off from colleagues.

1.14 In November 2019 the capital programme was agreed. That programme includes £9,000 for a new golf buggy. The Cobtree Park Manager has found a suitable vehicle that can be purchased for a nett price of £7,260. This purchase of a nearly new vehicle is reliant on being able to make a timely authorisation and the park risks losing out on this sale because officers do not have a sufficient operational spend limit.

1.15 Not having a utility vehicle that can access all areas of the park is classed as an emergency situation, but the 2011 decision (referenced in paragraph 1.12) only enables officers to approve non-budgetary spend of £3,000 in emergency situations.

Emergency situations

1.16 Cobtree Manor Park continues to attract more visitors, who come to enjoy the park and the play equipment. The park's reputation as a family destination is growing and key to that is the availability of play equipment.

1.17 Individual items of play equipment all cost above £5,000 to purchase. The play items are at an age now where spending money on repairs is not the best use of resources. The capital programme reflects the need to invest in play equipment with £50,000 identified across the next three financial years. Officers want to use Cobtree Manor Estate Charity Committee's resources as efficiently and prudently as possible and would prefer to re-invest than repair older items. The current financial procedures do not easily allow for that.

1.18 If a piece of play equipment were to break on 19 March 2020, and that item was irreparable or a repair was not best value for money, officers would not be able to replace it and bring it back in to action until after the next Cobtree Manor Estate Charity Committee meeting which, assuming no emergency meeting were arranged, is likely to be in the second week of June 2020. This is a period of 12 weeks that would cover three weeks of school holiday time and three bank holiday weekends. Officers would not be able to deliver the best service to park visitors and are risking the reputational damage that this would attract.

1.19 This situation not only applies to play equipment but could also apply to the property or other assets, such as the building shutters or gates.

1.20 In 2019/2020 Officers have managed the budgets well and Cobtree Manor Park is set to achieve a surplus. Officers show good diligence with the charity's money. This will not change with an increased transactional limit. It will increase the efficiency of the park operations and ultimately lead to future savings.

3. AVAILABLE OPTIONS

Not increase the financial limit

- 3.1 Committee could choose to leave the financial limits as they are and only allow officers to continue to spend up to £5,000 in one transaction. This item will not remove the risks already identified and will not enable Cobtree Manor Park to capitalise on its operational potential. **This option is not recommended.**

Increase the financial limit for officers to £10,000 per transaction

- 3.2 This increase is needed to enable officers to best manage the budgetary spend in the park and respond to day-to-day repairs, activities and improvements across the park and estate. This amount is in line with the previously agreed capital spend items and means those items can be purchased at the appropriate time and deliver best use of budgets without negatively impacting on the park visitors' experiences. **This option is recommended.**

Increase the financial limit in emergency situations to £15,000 per transaction in consultation with the committee chair

- 3.3 This mechanism, only to be used in the rarest of circumstances, will build in more resilience and keep fundamental park services and infrastructure in good repair and available to park visitors. **This option is recommended.**

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 This report has two recommendations. The first is to increase the operational spending limit for officers from £5,000 per transaction to £10,000 per transaction.
- 4.2 The second recommendation in this report is to increase the emergency unbudgeted spend limit from £3,000 per item to £15,000 per item and for the Head of Regeneration and Economic Development to consult with the Committee Chair in such circumstances.
- 4.3 The reasons for these recommendations are explained in paragraphs 1.10 to 1.20. The recommendations commit Cobtree Manor Estate Charity Committee to spending no additional funds beyond what it has already agreed in its capital and revenue budgets. The recommendations are proposed to enable officers to be more responsive in times of need and more proactive in times of investing in play assets.
- 4.4 Procurement policies and procedures governing the correct and proper use of public and charity money will still apply to officers. That will not change as a consequence of increasing the financial limit to £10,000 per transaction.

- 4.5 Enabling officers to manage the park more effectively will increase the visitor experience and the park's reputation.
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5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Charity Trust does not act as recommended, have been considered in line with the Council's Risk Management Framework. They are included in this report in paragraphs 1.10 to 1.20, 4.3, 4.4 and 4.5. 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 regarding this matter has taken place
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Should committee agree to these recommendations the Senior Finance Manager, the Leisure Manager and the Cobtree Park Manager will work on implementing this change and then monitor and manage it on an ongoing basis.
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8. REPORT APPENDICES

- None
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9. BACKGROUND PAPERS

- None