

**Request to Cobtree Charity Trust**

<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 raising the issue of short-term financial management and seeking Committee's views on possible courses of action.

**Purpose of Report**

For Cobtree Manor Estate Charity Committee to decide what action it wishes to take in terms of advanced planning for a situation where its Covid-19 financial pressures increase.

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

1. That a letter is sent from the Chair of Cobtree Manor Estate Charity Committee to the Chair of the Cobtree Charity Trust and the subject of the CMEC financial position is raised with Cobtree Charity Trust.
2. That a letter is sent to the Council's Director of Finance and Business Improvement and the subject of the CMEC financial position is raised with the Council

**Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Charity Committee	10 September 2020

# Request to Cobtree Charity Trust

## 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.	Mike Evans – 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.	Mike Evans – Leisure Manager
<b>Risk Management</b>	Risk management implications in this report are covered in paragraph 5	Mike Evans – Leisure Manager
<b>Financial</b>	Financial implications from this update are managed day-to-day in line with Council procedures and policies.	Section 151 Officer & Finance Team
<b>Staffing</b>	Staffing implications are managed day-to-day in line with Council procedures and policies.	John Foster – Head of Regeneration and Economic Development
<b>Legal</b>	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. There are no specific legal implications at present.	Corporate Governance Team Leader
<b>Privacy and Data Protection</b>	There are no new implications as a result of this update report and recommendation.	Policy and Information Manager
<b>Equalities</b>	No impact identified as a result of this update report and recommendation.	Policy & Information Manager
<b>Public Health</b>	The Cobtree Estate works towards improving the health of residents through its day-to-day operations	Paul Clarke- Senior Public Health Officer

<b>Crime and Disorder</b>	Crime and disorder implications are managed day-to-day in line with Council procedures and policies	Mike Evans – Leisure Manager
<b>Procurement</b>	Procurement implications are managed day-to-day in line with Council procedures and policies	John Foster – Head of Regeneration and Economic Development

## 2. INTRODUCTION AND BACKGROUND

- 1.1 The Senior Finance Manager's *Cobtree Manor Estate Financial Position Report* for this meeting outlines the current financial situation faced by Cobtree Manor Estate Charity Committee. The Leisure Manager's *Cobtree Estate Update Report* also includes some information on the current situation at paragraph 2.8 and 2.9
- 1.2 The operators on site at Cobtree acknowledge their debts and financial commitments but the pandemic situation has led to payment terms not being met. This has impacted on Cobtree Manor Estate Charity and the Senior Finance Manager, Leisure Manager and Head of Regeneration and Economic Development are monitoring the cashflow situation of CMEC to ensure that the Covid-19 pressures it is facing are within manageable limits.
- 1.3 The situation is manageable, however if the operators continue to fail to clear their debts then CMEC will be left with some difficult decisions. It is prudent to review these pressures ahead of the situation becoming unmanageable so that options and plans can be developed in good time.
- 1.4 Through usual business practices officers will continue to pursue the operators' debts. As stated in paragraph 2.8 of the *Cobtree Estate Update Report* the operators are incentivised to clear their debts promptly to qualify for the relief amounts that were agreed by this Committee on 11 June 2020. Where that is not incentive enough, and if required, the debts will be escalated to the legal stage, however officers are mindful that in the current recovery stage from the UK lockdown that option will need to be carefully considered.
- 1.5 The Covid-19 pandemic is causing lots of organisations to look at how they operate and review their business practices. This report is presented to CMEC to enable it to discuss innovative solutions to the Covid-19 pressures it is facing and to explore the options that might be available to it.

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## 3. AVAILABLE OPTIONS

### 3.1 Do nothing

CMEC could choose to take no action and use regular business practices to manage its way through this situation. This option would include no risk

management mitigations and could leave CMEC's financial position vulnerable. **This option is not recommended.**

### 3.2 **Discuss the issue with Cobtree Charity Trust**

Cobtree Charity Trust (CCT), as the parent trust and freeholder for the land, has an interest in the affairs and the financial stability of CMEC. Cobtree Charity Trust will be keen to understand the subject in more detail and may wish to offer assistance. The Chair of CMEC can write to the Chair of CCT to raise the subject with the trust and its trustees. **This option is recommended.**

### 3.3 **Discuss the issue with Maidstone Borough Council's Director of Finance and Business Improvement**

Maidstone Borough Council, as corporate trustee of Cobtree Manor Estate Charity, has an interest in the affairs and the financial stability of CMEC. The Council will be keen to understand the subject in more detail and may wish to offer assistance. The Chair of CMEC can write to the Director of Finance and Business Improvement to raise the subject with him. **This option is recommended.**

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

- 4.1 The preferred options communicate the current situation with interested parties so that they are aware of the increased level of risk at the current time.
  - 4.2 The Covid-19 pandemic is presenting organisations of all sizes with challenges they have never faced before and navigating a path through them requires new ways of working to be explored and increased communication.
  - 4.3 Discussing these topics with interested partners will do this and will enable the parties to consider solutions that may not be immediately obvious. The increased communication also keeps partner organisations informed, which is important in an ever-changing period.
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## **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. That consideration is shown in this report at paragraph 3.1. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the policy.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 No consultation has taken place.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 Once agreed, the Chair of CMEC can write to the interested partners, inform them of the pressures that are being felt because of Covid-19, and seek to discuss innovative courses of action.
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## **8. REPORT APPENDICES**

- None
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## **9. BACKGROUND PAPERS**

- None