

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

**MINUTES (PART I) OF THE REMOTE MEETING HELD ON
10 SEPTEMBER 2020**

Present: Councillors Cox (Chairman), English, Mrs Gooch,
Perry and Springett

99. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Daley and Springett. In the event, Councillor Springett joined the meeting at 2.20 p.m. during consideration of the report of the Senior Finance Manager (Client) relating to the Cobtree Manor Estate Financial Position.

100. CHAIRMAN

In the absence of a Chairman at the start of the meeting, the Vice-Chairman took the Chair for agenda items 1-3.

101. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor English was substituting for Councillor Daley.

102. ELECTION OF CHAIRMAN

RESOLVED: That Councillor Cox be elected as Chairman of the Committee for the remainder of the Municipal Year.

103. URGENT ITEMS

There were no urgent items.

104. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

105. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

106. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

107. EXEMPT ITEMS

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

108. MINUTES OF THE MEETING HELD ON 11 JUNE 2020

RESOLVED: That the Minutes of the meeting held on 11 June 2020 be approved as a correct record and signed.

109. PRESENTATION OF PETITIONS

There were no petitions.

110. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

111. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

112. 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 July 2020. The report covered the performance of the Golf Course, Kent Life, Cobtree Manor Park and residential properties and highlighted the need for robust management and monitoring of the budget in response to the significant risks to the finances and operations of the Estate presented by the ongoing COVID-19 situation.

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

- The forecast assumed that the Charity would receive all of the contract income due this year less the reliefs granted to the Cobtree contractors at the last meeting. However, to date, no payments had been received from any of the contractors. If the Charity were to receive all of that income, it would be looking at a breakeven position at the end of the year in respect of the running costs of the Estate taking into account the investment income and the repayment of the car park loan to the Council.
- There had been a strong recovery in car park income which was now back to the level that the Charity would normally expect at this time of year. In addition, expenditure at Cobtree Manor Park was being restricted where possible to essential items only and further savings had been made by leaving the apprentice post vacant and by reducing the working patterns of one of the Ranger posts at their request for work life balance reasons.

- Given the impact of the COVID-19 situation on the financial markets, there had been an initial reduction in the returns on the Charity's investment in Charifund. The investment was valued at £930,938 as at 31 December 2019 but fell to a value of £670,148 as at 31 March 2020. However, by 25 August 2020 the value of the investment had increased to £704,018 and the recovery was continuing.
- At the meeting of the Committee held on 18 March 2020, agreement had been given to the purchase of a park utility vehicle. The Charity had not yet taken delivery of the vehicle, but the Officers, in looking at ways to improve the cash flow situation, were considering the option of selling it.

During the discussion, Members noted that a utility vehicle was a key piece of equipment. It enabled the Park Rangers to access all areas of the Park quickly, to transport tools and materials with them, and to complete tasks efficiently and effectively. They indicated that the utility vehicle should not be sold at this stage and that the situation be reviewed in a year's time.

In response to questions, the Senior Finance Manager (Client) undertook to:

- (a) Submit an updated version of the Charity's Capital Programme to the next meeting of the Committee; and
- (b) Report back on the rate of return on the investment in Charifund, a specialist investment fund for Charities, and the reasons for the fall in value of the Charity's investment in the fund, to enable Members to consider whether an alternative fund might be more appropriate to meet the Charity's needs.

RESOLVED:

1. That the financial position of the Cobtree Manor Estate as at 31 July 2020, as set out in the report of the Senior Finance Manager (Client), and as updated at the meeting, be noted.
2. That the utility vehicle should not be sold at this stage and that the situation be reviewed in a year's time.

113. CAR PARK REPAYMENT AGREEMENT

The Senior Finance Manager (Client) introduced his report asking the Committee to formally agree the terms of the repayment agreement in relation to the car park improvement works at Cobtree Manor Park. It was noted that:

- When the Committee agreed the major improvement works to the car park at Cobtree Manor Park, it was also agreed that the cost (£323k) would be met by the Borough Council and then the Charity would reimburse this sum over a period of five years including interest at 3%

(Public Works Loan Board rate of 2% plus 1%) as per an agreed repayment schedule. The works were completed in April 2019.

- The Mid-Kent Legal Services Team had drafted a formal repayment agreement but in reviewing the documentation had indicated that a formal resolution of the Committee accepting the terms of the agreement was required. The Director of Finance and Business Improvement had also now formally accepted the terms of the agreement on behalf of the Council.

In response to a question by a Member, the Senior Finance Manager (Client) confirmed that the repayment agreement would be signed by the Chairman of the Committee on behalf of the Charity.

RESOLVED: That the terms of the repayment agreement in relation to the car park improvement works at Cobtree Manor Park, as set out in paragraph 2.1 of the report of the Senior Finance Manager (Client), be formally agreed.

114. COBTREE ESTATE UPDATE REPORT

The Leisure Manager presented his report providing an update on activities at the Cobtree Manor Estate since the last meeting of the Committee in June 2020. It was noted that:

- Cobtree Manor Park had been very busy since it reopened to vehicles in May 2020. Car park income was recovering and was expected to be fully recovered compared to pre-COVID-19 levels by the end of this financial year.
- The Golf Course continued to be busy and the Officers were working with MyTime Active, the contractor, to ensure a sustainable long-term operation post-COVID-19. MyTime Active had requested a two year rental holiday which the Charity would not be able to agree to because of the impact it would have on its own cash flow. Discussions were continuing with MyTime Active and further updates would be reported to the Committee.
- Visitor numbers at Kent Life continued to be high and a number of autumn events were planned.
- The Elephant House was currently out of use because of health and safety and building regulations concerns. The tenant was keen to address these issues, but the Charity was unable to pre-pay for any works on behalf of the tenant due to the current financial situation.
- The Cobtree Café was continuing to work on a take-away basis and trade was recovering. Discussions would take place with the contractor about how the Café would operate during the autumn/winter months taking into account recent changes to the COVID-19 restrictions in relation to social gatherings.

- The amended contracts and other ancillary documents required as a result of the Committee's decisions in respect of COVID-19 related contractual relief had been prepared and it was now necessary to ensure that the Charity receives all of the contract income due in order that its position is protected at all times from cash flow issues.
- The Cobtree Young Farmers had established the paddocks on Forstal Field with high quality fencing surrounding the entire site. Animal shelters and running water had also been installed to support the operation and the land was now being farmed with sheep and cattle.

In response to questions by Members, the Leisure Manager advised the Committee that:

- The Golf Course development works, which included the refurbishment and extension of the existing clubhouse rather than a new build as originally proposed, were required as part of the contract with MyTime Active. The works were due to commence in the spring but had been delayed due to COVID-19. MyTime had indicated that they would struggle to carry out the works at this time and discussions were continuing. It was proposed to carry out the works to the Golf Course itself in two stages with nine holes open during each stage. This would be a temporary arrangement and a full eighteen-hole course would be available on completion of the works.
- DAGT, the operator of the Cobtree Café, had not yet signed the agreement required to activate the contractual relief agreed by the Committee at its last meeting and had not paid any money owed. The operator had asked for further rental reductions mainly due to the fact that the rent had gone up (the rent goes up automatically every year) and had cited the difficulties being experienced as a result of COVID-19. The Officers had put forward payment plans but were struggling to engage with the operator. The audited accounts were due at the end of September.

Members were concerned that no payments had been received from the Cobtree Café operator and that the operator had failed to engage with the Officers to seek to resolve the outstanding issues. Wishing to consider the options available to the Charity in private, the Committee:

RESOLVED: That the public be excluded from the meeting for the following item of business 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

Cobtree Café

3 – Financial/Business Affairs

Having discussed this matter in private, and given instructions to the Officers as to how to proceed, including inviting the Cobtree Café operator

to attend a meeting with the Officers and the Chairman and Vice-Chairman of the Committee as soon as possible to discuss the situation, the Committee:

RESOLVED: That the public be re-admitted to the meeting.

FURTHER RESOLVED: That the update on activities at the Cobtree Manor Estate since the last meeting of the Committee in June 2020 be noted and that the Cobtree Young Farmers be thanked for their work in introducing conservation grazing at Forstal Field.

115. COBTREE CAR PARK TERMS AND CONDITIONS

The Leisure Manager introduced his report setting out details of the terms and conditions in operation at the Cobtree Manor Park car park and making recommendations for their improvement. It was noted that:

- The car park at Cobtree Manor Park attracts around 50,000 paid vehicle visits a year. It has 185 parking spaces and 10 disabled parking spaces. It has a budgeted income of £90,000 per year from daily parking fees and £9,500 from its 190 annual parking permit holders. Visitors pay £2 to park for the whole day and an annual permit to park all day everyday costs £50.
- In the last twelve months Park staff had observed an increasing number of permit holders using the car park as a commuter car park or as the car park of choice for workers in one of the nearby businesses. These users had valid permits and were not parking illegally or outside of the terms of conditions, but in peak times their vehicles did take up parking spaces that could be used by visitors to the Park and this was having an impact on the car park revenue stream.
- The Officers had been looking at solutions to this problem that would deter over-occupation of parking spaces without affecting people's use of the Park and their enjoyment of their visits, and the following actions were recommended:

Alter the existing Traffic Regulation Order to introduce a maximum stay of six hours in the car park and include a new all-day rate for people wanting to stay all day; and

Alter the annual permit holder terms and conditions to limit permit holders to 1 x six hour stay per day; and

Ensure the Traffic Regulation Order continues to include provision for the prohibition of overnight parking; and

Alter the Traffic Regulation Order to introduce a requirement for motorcycle riders to also pay to park their vehicles.

In response to a question, the Leisure Manager confirmed that an annual season ticket to park in the car park at Cobtree Manor Park costs £50 and 190 season tickets had been sold.

Members were mindful that most visitors to Cobtree Manor Park would not notice any difference in the parking regulations. Most visitors would still pay a standard price of £2 for the duration of their visit or the duration of their visit would be covered by their annual permit. The impact on those affected would be communicated and managed over a period of approximately six months.

RESOLVED:

1. That the Traffic Regulation Order in force in the car park at Cobtree Manor Park be altered to introduce a maximum stay of six hours in the car park and to include a new all-day rate for people wanting to stay all day.
2. That the annual permit holder terms and conditions be altered to limit permit holders to 1 x six hour stay per day.
3. That the Traffic Regulation Order should continue to include provision for the prohibition of overnight parking.
4. That the Traffic Regulation Order be altered to introduce a requirement for motorcycle riders to also pay to park their vehicles.

116. EMERGENCY PLAY AREA IMPROVEMENTS AT COBTREE MANOR PARK

The Leisure Manager introduced his report updating the Committee on urgent repairs needed to play equipment at Cobtree Manor Park. It was noted that:

- The play equipment at Cobtree Manor Park was installed between 2008 and 2012. Provision had been made in the Capital Programme for the equipment to be replaced in 2020/2021 or 2021/2022 depending on the level of wear and tear which was being monitored by the Park staff. The monitoring regime had identified defective play equipment at the start of 2020 and repair work costing £16,781 plus VAT had been carried out. Unfortunately, more play area repairs were now needed. Some items of equipment were no longer safe to use and had been taken out of operation.
- It was recommended that a budget of £20,000 be approved for the repairs to the play area equipment as to leave the equipment out of operation would have a negative impact on visitor numbers and car park income. The budget, if approved, would be spent on the items that give the maximum repair/maximum value for money in combination with the shortest lead-in time.
- The Officers would prepare an updated cashflow projection for the Committee showing how the play equipment repairs budget can be offset in other areas.

During the discussion, it was explained that the play equipment repairs budget did not represent capital expenditure and that the Park staff did not have the specialist skills and training to carry out the work.

The Committee agreed that the play equipment repairs should be carried out as soon as possible and that the repairs budget should be increased to include VAT.

RESOLVED:

1. That a budget of £20,000 plus VAT be approved for repairs to play equipment at Cobtree Manor Park.
2. That the Head of Regeneration and Economic Development be given delegated authority to manage the play equipment repairs budget in consultation with the Chairman of the Cobtree Manor Estate Charity Committee.
3. That an updated cashflow projection be prepared for the Cobtree Manor Estate Charity Committee showing how the play equipment repairs budget can be offset in other areas.

117. REQUEST TO COBTREE CHARITY TRUST

The Leisure Manager introduced his report raising the issue of the short-term financial management of the Cobtree Manor Estate at a time of uncertainty due to the COVID-19 pandemic and suggesting that approaches be made to the Cobtree Charity Trust Limited as the parent Trust and freeholder of the land and the Borough Council as Corporate Trustee of the Charity known as the Cobtree Manor Estate to discuss potential solutions and how they might assist.

It was noted that if the Cobtree operators continued to fail to make their payments, the Charity known as the Cobtree Manor Estate would be left with some difficult decisions and it would be prudent to review these pressures so that options and plans can be developed in good time.

During the discussion, Members agreed that talking to interested partners was the correct approach at this time. The Leisure Manager undertook to look at the introduction of adult exercise equipment/facilities at the Cobtree Manor Estate subject to there being no adverse impact on its quiet character.

RESOLVED:

1. That a letter be sent from the Chairman of the Cobtree Manor Estate Charity Committee to the Chairman of the Cobtree Charity Trust Limited raising the issue of the financial position of the Charity known as the Cobtree Manor Estate.
2. That a letter be sent from the Chairman of the Cobtree Manor Estate Charity Committee to the Borough Council's Director of Finance and

Business Improvement raising the issue of the financial position of the Charity known as the Cobtree Manor Estate.

118. DURATION OF MEETING

2.00 p.m. to 3.30 p.m.