

**COBTREE MANOR ESTATE
CHARITY COMMITTEE**

26 July 2023

Cobtree Golf Course

Timetable	
Meeting	Date
Cobtree Manor Estate Charity Committee	26 July 2023

Will this be a Key Decision?	Yes
Urgency	Not Applicable
Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	Katie Exon, Head of Property and Leisure
Lead Officer and Report Author	Mike Evans, Leisure Contracts Manager
Classification	<p>Public report with exempt appendix</p> <p>Exempt Appendix 1: Cobtree Golf Course Proposals and Interviews Summary</p> <p>This appendix contains 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.</p>
Wards affected	All

Executive Summary

Following the Committee's decision in November 2022 to market the lease for Cobtree Manor Park Golf Course, an extensive marketing and applications process has been

undertaken and decisions are now required to award the lease to the preferred applicant.

Purpose of Report

Decision

This report makes the following recommendation to the Committee

1. That Heads of Terms for the lease of Cobtree Manor Park Golf Course including the clubhouse building, ancillary buildings and facilities are exchanged with applicant 2 in order to begin the due diligence work required.
2. That, subject to satisfactory completion of the due diligence work, the lease of Cobtree Manor Park Golf Course including the clubhouse building, ancillary buildings and facilities is granted to applicant 2.
3. That delegated authority is given to the Director of Finance, Resources and Business Improvement in conjunction with the Chairman and Vice Chairman to agree the final lease with applicant 2.
4. 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 and similar statutory documentation in order to complete the lease process.

Cobtree Golf Course

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 have a negative impact on the charity's annual revenue accounts, which was expected to be the case based on the assessment of the market forecast in 2022. However, the recommendations in this report will bring investment into assets and protect the long-term future of the golf course. The charity will manage the reduced rental income accordingly and take steps to mitigate the impact.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Head of Property and Leisure
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	The recommendations will require consideration to be given to measures to deter and detect crime and disorder.	Head of Property and Leisure
Biodiversity and Climate Change	Ensuring the golf course makes a positive impact on the biodiversity of the borough and on the council's net zero carbon commitment was a strategic objective of this project. Applicant 2 addresses these criteria satisfactorily.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 In November 2022 the Cobtree Manor Estate Charity Committee (CMEC) considered a report on the lease and contract at Cobtree Manor Park Golf Course. At that meeting, it was resolved that the lease of the golf course would be advertised to prospective new tenants.

2.2 Through agents, the property has been advertised and proposals have been invited and received. In the proposals the council sought a tenant that:

- Has the requisite skills and experience to provide an enjoyable golf course for members and visitors all year round;
- Can provide more opportunities for an increased number of people to spend time at Cobtree Manor Park Golf Course, for a wider range of leisure, recreation, and/or business activities; and
- Will make a positive contribution towards to the Council's carbon zero commitments via investment into infrastructure and improved biodiversity across the golf course via expert greenkeeping and land management.

2.3 In their proposals applicants were asked to describe how they meet these criteria and outline their rental and development proposals for the site and its buildings. Proposals were assessed against these criteria and the

implications of their proposals were analysed. Interviews were held with some applicants at which they presented their proposals and plans and responded to questions.

- 2.4 Following the interviews a preferred applicant has been identified. A summary of this process is available at exempt appendix 1.
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3. AVAILABLE OPTIONS

3.1 Do nothing

In this circumstance the do nothing option would involve reversing decisions taken in 2021 and 2022 and reverting to the current lease and the associated viability issues that were previously identified. This route is possible but it is not advised. **This option is not recommended.**

3.2 Grant a lease to applicant 2

As outlined in the exempt appendix, applicant 2 is the preferred applicant for reasons of quality and cost. Applicant 2 presents the best long-term option for the golf course tenancy and has a strong track record of delivery. **This option is the recommended option.**

3.3 Grant a lease to another applicant

As seen in the exempt appendix, no other applicant scored as well as applicant 2 at interview nor in the business proposal. **This option is not recommended.**

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 For the reasons outlined in the exempt appendix, applicant 2 is best-placed to deliver against the strategic objectives of the golf course letting that are outlined in paragraph 2.2
- 4.2 This option will provide a sustainable financial rental return from the golf course for CMEC, and will ensure the continued operation of the course for its members and visiting golfers, which is in line with the Cobtree Estate's charitable objectives.
- 4.3 The annual rent from applicant 2 is below the rent that has been previously achieved at Cobtree Golf Course. The previous rent was above market averages and predicated on a new clubhouse with divergent income streams, that did not manifest. The committee has previously been advised of the likelihood of decreased future rents at Cobtree Manor Park Golf Course and the annual rent from applicant 2 has now been projected in exempt appendix 2. Exempt appendix 1 also shows the minimum capital investment that applicant 2 commits to investing into the charity's assets and how that will increase the value of its golf course.
- 4.4 Despite the reduced annual rent, which the charity will need to factor into its annual revenue accounts, the total package of rent and investment will protect and improve the charity's assets and ensure the continued success

of its golf course which provides valuable leisure and health benefits to residents.

5. RISK

- 5.1 The greatest risk associated with the recommendations in this report are the negative impact to the annual finances of the charity. These are described in paragraphs 4.4 and 4.5. The charity has opportunities to increase income in other areas of operation across the Cobtree Estate and reports on these opportunities and options can be brought to future committee meetings.
- 5.2 The risks associated with this proposal, including the risk outlined at paragraph 5.1 and 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.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The council's appointed agents have been providing advice at each stage based on their knowledge and expertise in the sector.
- 6.2 In line with the committee's wishes expressed in November 2022, the golf club committee representatives were invited to take part in the interviews with applicants and shared their observations and feedback to the panel.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Following a decision on these recommendations, we will exchange heads of terms with applicant 2 and complete further due diligence work. Mid-Kent Legal Services will be instructed to draft the lease document for the golf course and associated buildings and facilities and will work on behalf of the charity to complete the lease process and relevant statutory notices and declarations.
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8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Exempt Appendix 1: Cobtree Golf Course Proposals and Interviews Summary
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9. BACKGROUND PAPERS

Cobtree Golf Course Report, (Part II) considered by the Committee at its 23 November 2022 Meeting.