

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE COBTREE MANOR ESTATE CHARITY COMMITTEE**

Decision Made: 25 January 2023

#### **Cobtree Estate Financial Management Arrangements**

##### **Issue for Decision**

To change the Cobtree Estate financial procedures and align them with the Council's financial procedure rules, as set out in the Constitution, and procurement guides.

##### **Decision Made**

1. That the Cobtree Estate financial procedures are changed from their current ones and aligned with the Council's financial procedure rules, as set out in the Constitution, and procurement guides.
2. That the specific financial limits previously agreed by the Cobtree Manor Estate Charity Committee no longer apply, but it be noted that all expenditure must be in accordance with agreed budgets.

##### **Reasons for Decision**

#### **INTRODUCTION AND BACKGROUND**

The Council, through Cobtree Manor Estate Charity Committee, is the corporate trustee of the Charity known as the Cobtree Manor Estate. Cobtree Manor Estate Charity (CMEC) Committee operates Cobtree in line with Council procedures and policies in all areas including employment, procurement, health and safety, and legal.

The Cobtree budgets are set annually and agreed by CMEC. Cobtree Manor Park finances are managed by the Senior Finance Manager and day-to-day spending is overseen by the Leisure Manager. The Cobtree Park Manager, the Leisure Manager and the Senior Finance Manager meet regularly to monitor and discuss the Cobtree Manor Park budgets.

CMEC follows the majority of the Council's financial procedures, although there is one key difference which 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.

The Officer approval limit for Cobtree spending is set at £5,000 without any Committee involvement. Purchases costing between £5,001 and £10,000, require an email report and authorisation request to the Chair and Vice-Chair. All purchases over £10,000 require a CMEC Committee report and decision and generate other consequences described below. These authorisation limits apply to all Officers regardless of seniority within the Council.

In the terms of reference for CMEC, this Committee has responsibility for all matters of the Charity, including how its financial procedures and authorisations are managed. Similar decisions have been made by this Committee in the past.

The Minutes from the meeting of 20 November 2009 show that the CMEC Committee was asked to authorise spending of £300 for the installation of a baby change unit and £15 for the purchase of some bait to monitor wildlife in the Park. The 9 November 2011 Committee 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." These instances show that this Committee has previously altered its financial procedures and spend limits to better suit the needs of the time.

The single purchase amount was increased to £5,000 at some point between 2011 and 2020. In March 2020 the ability to agree spend between £5,001 and £10,000 via email consultation with the Chair and Vice-Chair was added.

### **The Needs of Today**

Inflation means that over time these spend limits reduce in real terms. In the last 12 months this has been brought into sharper focus. More importantly, the disruptions to supply chains and the labour market make it imperative to get works and supplies ordered and booked in the quickest time possible.

Lead in times for play equipment start at 12 weeks and are often longer. Items of play equipment will often cost more than the £10,000 limit. Requiring a Committee decision for such purchases delays what is a vital repair to the play area, prolongs the impact to the visitor experience, and can result in paying a higher price with material prices changing month to month in some instances.

Repairs to infrastructure and properties across the Estate are subject to the same constraints and the same risks when not being able to accept a third-party quote in a timely manner. If repairs of this nature are not completed promptly this can lead to issues worsening and final costs increasing.

Bringing a report to the CMEC Committee to agree such expenditure requires including quotations from contractors. Because these need to be included as exempt information, the report needs to be on the Forward Plan for a clear 28 days. If a repair or issue occurs too close to the next CMEC meeting the calendar does not give a clear 28 days and additional delays occur or new meetings need to be planned to approve straight forward works and purchases. These additional delays bring with them the risks of prices increasing, risks of materials not being available and risks to the reputation of Cobtree.

In most cases the requests to CMEC are to approve spending that has already been allocated and approved in the annual budget. The quarterly reporting of the budget position provides governance oversight of forthcoming spending and budgetary management without the need to individually approve all purchases over £5,000.

Cobtree Manor Park is managed by the Council's Parks and Open Spaces team on behalf of CMEC, with delivery made against the Cobtree Manor Park Management

Plan. Annual budgets for the Cobtree Estate are structured to achieve the completion of this plan and monitored.

The Council purchasing policies and procedures that are used by the Parks and Open Spaces department for the management of Borough Council parks provide a sufficient balance between operational agility and governance oversight for the management of parks and could be used with similar effect for the management of the Cobtree Estate. Taking the example of play equipment again, a damaged slide in a Council-owned park can be assessed and ordered the same day, with authorisation given by the Parks and Open Spaces Manager. The same slide in Cobtree Manor Park, which will typically cost more than £10,000 with delivery and installation, requires the issue to be added to the Forward Plan, and a report to be taken to a meeting before the repair can be authorised.

Officers have a good track record of using best value to repair and replace play equipment in Council parks using the authorities given to them. The same authority applied to Cobtree Manor Park will ensure the same level of best value and service given to Cobtree visitors too.

### **Alternatives Considered and Why Rejected**


Under the current arrangements CMEC is burdened with report writing and publication for straight forward purchases of goods and supplies. Retaining the current arrangements will retain the bureaucratic approach to purchases, but more importantly it will retain a process that leads to delays, dissatisfaction in service and increased costs from suppliers because of a lack of being able to act decisively. This option was not supported by the Committee.

The Council's purchasing arrangements are used by the Parks and Open Spaces team in the management of all other Council parks in the Borough. Managers and Officers use their diligence and keep a keen eye on value for money to ensure that the parks are as good as they can be. By aligning the current financial arrangements with those of the Council, the CMEC Committee will set the annual Cobtree budgets and Officers will be able to use identical spend limits to those used with Council budgets to achieve efficient, expeditious and effective management of Cobtree Manor Park.

### **Background Papers**

None

I have read and approved the above decision for the reasons (including possible alternative options rejected) as set out above.

Signed:  \_\_\_\_\_  
Leader of the Council – Councillor David Burton

Full details of the report for the decision can be found at the following area of the [website](#).

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: **5pm 3 February 2023**