

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

**MINUTES OF THE MEETING HELD ON WEDNESDAY 1 AUGUST
2018**

Present: Councillor McLoughlin (Chairman), and
Councillors Daley, Mrs Gooch, Joy and Perry

Also Present: Mr Roger Hext, Chairman of Cobtree
Charity Trust Ltd

6. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cox.

7. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor Joy was substituting for Councillor Cox.

8. URGENT ITEMS

There were no urgent items.

9. CHANGE OF ORDER OF BUSINESS

The Chairman informed the Committee that he wished to change the order on the agenda as set out below:-

Agenda Item 13 – Cobtree Manor Park – Car Park Improvement

Agenda Item 15 – UKPN Increase Cost and Wayleave

Agenda Item 12 – Cobtree Manor Estate Financial Position

Agenda Item 14 – Cobtree Manor Estate Update Report

10. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

11. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

12. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

13. EXEMPT ITEMS

RESOLVED: That all items be taken in public as proposed.

14. MINUTES OF THE MEETING HELD ON 25 APRIL 2018

RESOLVED: That the minutes of the meeting held on 25 April 2018 be approved as a correct record and signed subject to:-

Minute 72 – Cobtree Manor Estate Budgets 2018/19 – the last paragraph should read: The Committee requested that a memorandum of **understanding** be produced between the Council and this Committee based upon the derivation of cross charges.

15. MINUTES OF THE MEETING HELD ON 22 MAY 2018

RESOLVED: That the minutes of the meeting held on 22 May 2018 be approved as a correct record and signed.

16. PRESENTATION OF PETITIONS

There were no petitions.

17. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

18. COBTREE MANOR PARK - CAR PARK IMPROVEMENT

Ms Hudd, the Head of Regeneration and Economic Development introduced her report on the Cobtree Manor Park – Car Park Improvement update.

The Committee were reminded that plans for the car park improvement works had originally been agreed in July 2017 and following a procurement exercise the Committee agreed in January 2018 to the appointment of a main contractor to undertake the car park improvement works and for the appointment of a Project Manager to oversee the works.

Ms Hudd advised that an independent Project Manager, Mr Nick Baster, from Logic PM was appointed to help bring the project forward. However, on reviewing the tender documents he highlighted that there was potential shortcomings with the design information that, if the scheme had progressed on the tendered basis, this could have led to the car park continuing to experience the issues that currently occur, such as being very wet in the winter months and very dry in the summer months.

It was noted that the required surveys had not been undertaken at the outset and these had now been commissioned via the project management consultant. The results suggested that new drainage and surface formation needed to be considered. This information was put to the successful contractor who advised that these additional works would necessitate additional materials and time which could potentially double the value of the contract.

In considering the report, the Committee requested that a report be brought back following the tendering process.

In response to questions from Members, Mr Baster advised:-

- That there had been shortcomings in the original design, principally no information on the weight bearing of the road and the general terrain of the car park.
- That a performance bond could be included in the new tender but this would have an additional cost associated with it.
- That soft market testing has revealed that the tender sum should come in relatively close to the original sum allowed.
- That the types of material to be used on the car park reflecting the setting of the park would be included in the tender document.
- The overflow car park would be a separate item in the tender document.

RESOLVED:

- 1) That the tender exercise be re-run for the Cobtree car park improvement works as a design and build contract which would see the design liability placed upon the contractor, relieving the Council of risk.
- 2) That an additional £10,000 budget be agreed to appoint an Employers Agent to manage the design and build tender process and the appointed contractor and for an additional £6,000 to be allocated for the Council's project management time.
- 3) That a further report be brought back to the Committee following the tendering process.

Voting: For: unanimous

19. UKPN INCREASE COST AND WAYLEAVE

Mr Laurence Tricker, the Programme Manager, presented his report which sought approval from the Committee to accept the new quotation from UK Power Networks (UKPN) and the increased costs for the installation of an electric power cable to the Cobtree Visitor Centre.

The Committee was informed that they had previously agreed to the installation of a new power cable by UKPN in January 2018. The quotation was only valid for 90 days and owing to the delay in commencing the contract with the external café operator the original quotation from UKPN was no longer valid. The new quotation obtained was £2,239 higher than the original one. UKPN had advised that the increase was due to the fact that it would be a different contractor and their fees had changed.

It was noted that the operator of the café had agreed to contribute to these costs over the period of their lease via an uplift of £2,900 in their annual rent which would be ongoing once the works had been completed.

In response to a question from a Member, Officers confirmed that the route for the cable would not go through the car park.

RESOLVED:

- 1) That the increased cost for the installation of the power cable of £2,239 be agreed.
- 2) That delegated authority be given to the Head of Mid Kent Legal Services to enter into contracts and any other necessary agreements for a new power supply to the Cobtree Visitor Centre based on the revised costs.

Voting: For: unanimous

20. **COBTREE MANOR ESTATE FINANCIAL POSITION**

Mr Paul Holland, the Senior Finance Manager (Client), presented a report to the Committee which set out the current financial position of the Estate as at 30 June 2018.

The Committee noted the following:-

Golf Course – There were no particular issues arising

Manor Park – There had been a small overspend due to some tree clearance works which had been required for highways compliance purposes and additional costs associated with the recent break-ins at the Café/Visitor Centre.

Kent Life – Following the change to the payment profile for the annual management fee, two instalments would be paid in arrears in September and April.

Café/Visitor Centre – There had been an overspend in the staffing budget prior to the handover to DAGT. This had been due to a shortage of staff and paying overtime had been the only solution to enable the facility to remain open. There had been a number of additional repairs and maintenance costs associated with the recent break-ins.

However, it was noted that some of the costs could be recovered as part of the insurance claims that are in progress for these incidents.

Mytime Settlement – An adjustment would be made to the budget following the sum written off which would have an adverse impact on the resources available to the Trust.

In response to questions from Members, Officers advised that:-

- The Trust should be able to recover some if not all of the overspend from the insurance claim for the break-ins.
- That the grounds work tended to be loaded at the beginning of the year and there were no additional works planned.

VAT – Mr Holland confirmed that VAT rules state that rental contracts are classed as exempt for VAT purposes. However, any VAT charged on associated supplies of goods and services that are directly attributable to the activities of the estate cannot be reclaimed by the Trust. Although VAT can be reclaimed on the car park and the Café/Visitor Centre.

Recharges - The Committee expressed concern about the amount of recharges that were attributed to the Trust and in response Ms Dawn Hudd, the Head of Regeneration and Economic Development, felt that some of these would diminish as there were only two members of staff now directly employed by the Council.

The Chairman advised that the Audit, Governance and Standards Committee had already requested that a Members Briefing session be held before the November meeting of that Committee to discuss the whole element of recharges across the Council.

Financial Management System – The Committee noted that following the External Auditors' recommendation that the Trust should have a separate financial management system, the Sage accounting package was identified as being the most suitable. A dedicated resource within the finance team to progress implementation had been identified and a project plan drawn up.

However, it was noted that the previous costs quoted by Agresso had revealed that the cost of that system may be less expensive than previously advised. Mr Holland advised that a revised costing was being pursued and should it be comparable to the cost of a Sage system then a further report would be brought back to the Committee.

However, the Committee agreed that the costs should be emailed to Committee Members to avoid any delay in the implementation of the system.

Cashflow Projection – It was noted that future income was far more certain with the contracts in place for the Golf Course, Kent Life and the Café/Visitor Centre, with a potential operational surplus of approximately £100,000.

Mr Holland also advised that the cost of the car park resurfacing works could cause a cash flow issue in the short term. However, following discussions with the Director of Finance and Business Improvement, it had been agreed that the Council would be prepared to defer any sums due to the Council as part of the arrangement with the Trust to ensure that there

would be sufficient resources available to meet ongoing obligations. This would mean that the sum could be spread over 3 or 4 years.

In response to a question from a Member, Ms Hudd advised that the provision of a small solar farm on the estate would not necessarily assist the Trust as advantageous feed-in tariffs were no longer available.

RESOLVED:

- 1) That the current financial position be noted.
- 2) That the progress to date with the separate financial management system be noted.
- 3) That the situation with the VAT status of the Trust be noted.
- 4) That the updated cashflow projection be noted.

21. COBTREE MANOR ESTATE UPDATE REPORT

The Committee considered the report of Ms Elizabeth Buckingham, the Cobtree Manager.

Ms Buckingham highlighted the activities of the Cobtree Manor Park during the period April to July 2018.

In response to questions from Members, Officers advised that:-

- Ms Buckingham had been liaising with the Council's ICT Section to recover the previous data for visitor numbers.
- That a meeting would be set up with Ward Members, adjacent Ward Members and Members and Substitute Members of this Committee to meet with Mytime before they submitted their planning application for the Golf Course.
- That an upgraded CCTV unit would be installed together with anti-ram raid bollards for the Café/Visitor Centre.
- That an estimate of vehicles entering the car park would be made due to the data being lost.

Cobtree Railway – A discussion ensued on the future viability of a railway running between Cobtree and Kent Life.

Mr Hext, Chairman of the Cobtree Charity Trust Ltd was present and advised that the Trustees were willing to commit a sum of £800,000 towards the project's fruition but required the commitment of the Council to take the project forward and for Kent Life to take the lead role in operating the railway.

It was noted that an initial business plan had been commissioned but there was still a lot of work to be done.

The Chairman advised that the Cobtree Manor Estate Trust Committee (CMET) were committed to the project and would do all it could to help facilitate it but did not have the resources to put a lot of money into it themselves.

An action plan was drawn up:-

- That the Chairman of CMET would write to Mr Stickland of Planning Solutions to see whether Kent Life would be willing to commit to investing in and operating the railway and then meet with the relevant interested parties.
- That CMET would undertake to look at funding a Project Manager should Kent Life be willing to progress the project.
- That CMET would consider putting in £100,000 towards the project.
- That the Cobtree Trustees review the costings associated with the business plan and supply new costs.

Ms Hudd advised that a full specification would need to be produced, a number of surveys would need to be undertaken and various expert consultants engaged to inform the business plan.

RESOLVED:

- 1) That the Chairman would write to Planning Solutions with a view to getting a response to the proposed business plan and the Trust would review the Business Plan.
- 2) That the Committee would be prepared to fund a Project Manager should the project be progressed.

Voting: For: unanimous

22. DURATION OF MEETING

2 p.m. to 4 p.m.