

**COBTREE MANOR ESTATE
CHARITY COMMITTEE**

20 July 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Staff Recharges Report

Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	Director of Finance & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager – Client Accountancy
Classification	Public
Wards affected	Boxley

This report makes the following recommendations to this Committee:

1. It is recommended that the Committee notes the current recharges and agrees to receive a further report detailing how they will be dealt with in the future.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all – Ensuring that there are good leisure and cultural attractions.

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	20 July 2017

Staff Recharges Report

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 At the last meeting of the Committee Members requested that a report outlining the current level of staff recharges from the Council be brought to this meeting.
 - 1.2 This report sets out details of the current recharges and the methodology used to calculate them. It also sets out a possible future approach to dealing with them.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Maidstone Borough Council provides support to the activities of the Trust in a number of different areas such as management of the Estate activities, finance, property services and grounds maintenance.
 - 2.2 As the accounts of the Trust are currently integrated into the Council's financial management system the costs of these services are charged to the Trust via the Council's internal recharging system.
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3. CURRENT RECHARGES

- 3.1 **Appendix A** sets out the estimated recharges from the Council to the Trust for 2017/18. These figures represent staff salaries (including employers National Insurance and pension contributions) along with an allocation of associated overheads such as office accommodation, telephones and computer charges. The charges will be reviewed in the Autumn as part of the Council's budget setting process, and they will be adjusted at the end of the year to reflect outturn figures.
 - 3.2 The time allocations are generally based around percentage allocations of staff time, although the finance allocation does take into account other factors such as number of invoices paid and insurance claims processed.
 - 3.3 The charge from Parks & Leisure to the Café/Visitor Centre includes the Council management fee of £20,780 as agreed by the Committee in December 2014. This represents the Council's charge for managing the estate and the staff directly employed by the Trust such as the Cobtree Manager and the staff at the café/visitor centre. The other charges from Parks & Leisure are for indirect additional activities such as contract management, preparation for and attendance at committee meetings and processing invoices for payment.
 - 3.4 The charge from Grounds Maintenance represents the operative(s) engaged in activities at the Manor Park on an ongoing basis.
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4. FUTURE RECHARGES

- 4.1 Members will be aware from the Financial Position Report elsewhere on this agenda that it is proposed that a separate financial management system be established for the accounts of the Trust. This would impact on the recharges as they would need to be taken out of the Council system and dealt with separately.
- 4.2 It is proposed that a further report be brought to the Committee once a clear way forward is established regarding the financial management system, but it is likely that the Council would recharge the Trust via invoices. This would present an opportunity for a review of the current recharges and the methodology used as it is acknowledged that it may not completely reflect the level of work done by the Council on behalf of the Trust. It may be appropriate to establish some form of Service Level Agreement going forward to ensure any recharges to the Trust are accurate and reflect the level of service provided by the Council.

5. AVAILABLE OPTIONS

- 5.1 Members will receive a further report setting out how recharges will be dealt with in future. There are no further options as Members need to be involved in this process as part of their responsibility as Corporate Trustees.

6. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 6.1 As outlined above a further report will be brought to the Committee at the appropriate time as this will keep Members informed and involved in the process.

7. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 7.1 The Committee had previously requested that this report be brought before them.

8. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 8.1 Officers will bring a further report to the Committee on this subject.

9. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	None	

Risk Management	If recharges are not accurate the Trust could incur additional costs which would impact upon the delivery of services on the Estate.	Senior Finance Manager - Client
Financial	It is important that the recharges from the Council to the Trust accurately reflect the level of service provided.	Senior Finance Manager - Client
Staffing	None	
Legal	None identified at this stage, however, as the committee making decisions about the management of the Cobtree Manor Estate Trust, which is a charity, the committee must act in the best interests of the charity.	Interim Deputy Head of Legal Partnership
Equality Impact Needs Assessment	None	
Environmental/Sustainable Development	None	
Community Safety	None	
Human Rights Act	None	
Procurement	None	
Asset Management	None	

10. REPORT APPENDICES

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

- **Appendix A:** Current Recharges

11. BACKGROUND PAPERS

None.