

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

MINUTES OF THE MEETING HELD ON THURSDAY 11 JULY 2019

Present: Councillor McLoughlin (Chairman) and
Councillors Cox, Mrs Gooch and Mrs Hinder

Also Present: Mr M Eady and Mr S McGee (MyTime Active)

19. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillor Daley.

20. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

21. URGENT ITEMS

During consideration of the report of the Senior Finance Manager (Client) summarising the current financial position of the Cobtree Manor Estate, the Chairman said that, in his opinion, the oral update report of the Cobtree Manager on activities at the Estate during the period April-July 2019 should be taken as an urgent item in view of the length of time until the next meeting.

22. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

23. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

24. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

25. EXEMPT ITEMS

RESOLVED: That the item on Part II of the agenda and the slides in the presentation to be given by representatives of MyTime Active, the Golf Course contractor, which contain exempt information be considered in public, but the information contained therein should remain private. However, if Members wish to discuss the information contained in the

exempt Appendix and the slides, or to ask questions, it will be necessary to move into private session.

26. MINUTES OF THE MEETING HELD ON 11 JUNE 2019

RESOLVED: That the Minutes of the meeting held on 11 June 2019 be approved as a correct record and signed.

The Leisure Manager advised the Committee that further quotations had been obtained for repairs to the roof of the Cuddle Corner building at Kent Life. One of the quotations was much lower than the original quotation and, subject to the completion of the necessary contract documentation, it was anticipated that the repairs to the roof would be undertaken in August 2019. The Kent Life maintenance team had removed the trees and bushes around the building and had also removed vegetation on or near the other Kent Life buildings.

27. PRESENTATION OF PETITIONS

There were no petitions.

28. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

29. LAND AND BUILDING AT COBTREE MANOR ESTATE

The Corporate Property Manager presented her report seeking the Committee's agreement to the assignment of a lease of land and building at Cobtree Manor Estate.

The Corporate Property Manager advised the Committee that in 1993 the Council granted a lease of land and building at the Cobtree Manor Estate to Travis Perkins (Properties) Ltd. The lease was for 999 years less 3 days and the rent was a peppercorn because Travis Perkins paid a premium for the lease in 1993 of £93,750. Travis Perkins had now established a new inter-group company to hold its property and had requested that the lease be assigned to the new company, TP Property Company Limited.

It was noted that granting the assignment would allow the lease to continue under its existing terms to the same tenant with the only variation being to the company name. It would also prevent the possibility of the Council being in breach of its obligations as a landlord because under the terms of the lease a request of this nature cannot be unreasonably withheld.

RESOLVED:

1. That a licence to assign be granted to Travis Perkins (Properties) Ltd and the licence be backdated to allow for the delay in reporting the matter to the Committee.

2. That Mid-Kent Legal Services be asked to prepare the relevant legal documents and complete the transaction.

30. 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 May 2019. The report covered the activities at the Golf Course, Kent Life, the Manor Park and the Café/Visitor Centre. The report also included updates on the proposed Service Level Agreement between the Borough Council and the Charity, the car park loan agreement and the new financial management system.

Financial Position

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

- The new financial management system went live on 1 July 2019. This was slightly later than anticipated due to the Council's year-end accounts close-down being more complicated than in previous years. As a consequence, the quarter one figures were still in the Borough Council's financial management system, but they would be transferred across to Sage so that the whole year would be in the new system going forward. Future reports would show a separate heading for the residential properties and the residual budgets for the Café/Visitor Centre would be incorporated into the Manor Park budget.
- The summary totals showed a positive variance of £10,403 for the Charity at the end of May 2019. The forecast for the year was for an operational surplus of £55,920, compared to a provisional surplus of £35,596 for 2018/19.
- There were no issues to report at this stage in respect of the Golf Course. The invoice for the first quarter of 2019/20 had been paid by MyTime.
- Income from the car park at Cobtree Manor Park continued to be high. The new Apprentice post was still vacant resulting in an underspend in employee costs. There was a small overspend in controlled running costs as the new arrangements for locking the gates were not yet fully in place and the services of the security firm would continue to be used until September 2019.
- There were no issues to report at this stage in respect of Kent Life.

With regard to the Café/Visitor Centre, the Leisure Manager advised the Committee that responsibility for running the facility had passed to DAGT Ltd in April 2018 and discussions were ongoing with the company regarding invoices for staffing costs. Whilst there had been some progress, there were outstanding invoices and action was being considered to recover the monies owed to the Borough Council and the Charity. It was suggested and agreed that a letter be drafted to be sent

from the Chairman of the Committee to the company seeking early payment of the monies owed to the Charity.

In response to questions, the Senior Finance Manager (Client) explained that rent income of £5,300 at the Golf Course related to the siting of a mobile phone mast. The variance in rent income for the residential properties at Cobtree Manor Park was due to them having two rent free weeks at the start of the financial year. The variance in other income - staff recharges at the Café/Visitor Centre related to the outstanding invoices for staffing costs. The variance in other income - profit share at the Café/Visitor Centre was because the first quarter had not yet been invoiced.

Service Level Agreement

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

- The draft version of the Service Level Agreement (SLA) attached as Appendix 2 to the report had been drawn up by the Borough Council's Legal Services team using a standard template. It had not been formally considered by the Borough Council so the contents should not be taken as representing a formal Council position on any of the matters contained within the draft. Amendments were required to more properly reflect the nature of the relationship between the Charity and the Borough Council.
- The intention at this stage was to give the Committee an early opportunity to consider the issues to be addressed by the SLA and make comments. Subject to the Committee's comments and any other issues that might be raised, it was the aim to report the SLA back to the Committee for approval in the autumn.
- The schedule of recharges had also been updated with a view to minimising the VAT liability going forward.

During the discussion on the SLA, it was agreed that the document should be checked to avoid inconsistencies in terminology such as *the* Service Provider.

Loan Agreement – Car Park Resurfacing Works

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

- The final cost of the works was £320,643 (£289,803 for the works and £30,840 for other project management costs. As previously agreed, the cost of these works would be funded by a loan from the Borough Council and a draft loan agreement was attached as Appendix 3 to the report together with a repayment schedule. Subject to the Committee's comments and any other issues that might be raised, it was the aim to report the loan agreement back to the Committee for approval in the autumn.

- The cashflow projection had been updated. The Committee had previously expressed a wish to repay the loan over the shortest period possible, but given other commitments and potential future issues, it would seem prudent to spread the repayments over five years to maintain adequate resources for any other costs.

During the discussion on the loan agreement it was suggested and agreed that the document should be amended to correctly define the name of the Charity.

In response to questions by Members, the Senior Finance Manager (Client) explained that the capital figures in the cashflow projection would be amended to more accurately reflect capital expenditure in relation to a power supply (50% to be reimbursed by DAGT Ltd.).

RESOLVED:

1. That the financial position of the Cobtree Manor Estate as at 31 May 2019 be noted.
2. That a letter be drafted to be sent from the Chairman of the Committee to DAGT Ltd., the operator of the Café/Visitor Centre, seeking early payment of the monies owed to the Charity.
3. That the progress to date with the Service Level Agreement between the Borough Council and the Charity be noted with the proviso that the document should be checked to avoid inconsistencies in terminology such as *the* Service Provider.
4. That the loan agreement between the Borough Council and the Charity should be amended to correctly define the name of the Charity.
5. That the loan from the Borough Council to fund the car park resurfacing work should be repaid over five years as proposed in paragraph 5.4 of the report of the Senior Finance Manager (Client).
6. That the progress to date with the new financial management system be noted.

31. COBTREE MANOR ESTATE UPDATE REPORT

The Cobtree Manager presented her report providing an update on activities at the Cobtree Manor Estate during the period April-July 2019.

Cobtree Manor Park

The Cobtree Manager advised the Committee that:

- Works at the Manor Park included planting and fencing of the car park beds and further tree works following survey recommendations.

- The second Ranger had been in post since 29 March 2019 leading and supervising volunteers and students, introducing monthly nature notes and carrying out habitat surveys in addition to routine tasks.
- An events programme for the summer of 2019 had been drawn up including two performances of Shakespeare's Much Ado about Nothing.
- The Pollinator Party had been affected by poor weather with the event attracting only about 30 participants.
- Cobtree Manor Park continued to support students on work placements and to welcome volunteers.
- The new car park was functioning well with visitors generally parking in the designated bays, thus increasing car park capacity, and more consistently observing the one way system. The drainage system had functioned well during periods of heavy rain and there had been a reduction in dust on dry days.

In response to a question, the Cobtree Manager confirmed that the car park beds were being watered by hand whilst the plants and trees become established. It was agreed that the Cobtree Manager be requested to review these arrangements and report back to the next meeting with proposals for a more effective watering regime including possible investment in a bowser.

Arising from the discussion it was agreed that details of Park visitor numbers should be circulated to all Members of the Committee. The figures were being analysed for accuracy as there had been problems with the counter.

Cobtree Manor Park Golf Course

The Cobtree Manager advised the Committee that:

- The month of June had been challenging for the team at the Golf Course. MyTime Active, the Golf Course operators, had experienced a decline in golf use not only at Cobtree but at other courses managed by the company. Heavy rainfall in June had resulted in a drop in rounds played and green fees. Nearly 2,000 fewer people had played golf at Cobtree during this quarter compared to the same period in 2018.
- Foot golf was no longer offered at Cobtree as the associated costs were rising too quickly to make it economically viable.
- In terms of the Cobtree Wellbeing Programme, a delivery plan had been developed which included running another dementia golf programme which would start in August.

Kent Life

The Cobtree Manager advised the Committee that:

- Wet weather at the beginning of June had reversed the trend of improvements in visitor numbers over the previous year.
- The operators had continued to experience problems with sewage removal from the site and had arranged for a specialist contractor to visit and assess the current system and pump sizes.

Arising from the discussion, it was agreed that an update be provided for all Members of the Committee on where responsibility lies for maintenance of the pumping system at Kent Life, and any action to be taken, and that a report be submitted to the next meeting of the Committee if necessary.

RESOLVED:

1. That the report be noted.
2. That the Cobtree Manager be requested to review the arrangements for watering the car park beds at Cobtree Manor Park and to report back to the next meeting with proposals for a more effective watering regime including possible investment in a bowser.
3. That details of visitor numbers at Cobtree Manor Park be circulated to all Members of the Committee.
4. That an update be provided for all Members of the Committee on where responsibility lies for maintenance of the pumping system at Kent Life, and any action to be taken, and that a report be submitted to the next meeting of the Committee if necessary.

32. COBTREE MANOR PARK GOLF COURSE DEVELOPMENT WORKS

The Leisure Manager introduced his report providing an update on MyTime Active's plans to build a new clubhouse at Cobtree Manor Park and seeking the Committee's agreement to the amendment of the contract, lease and any other ancillary documentation to facilitate the refurbishment and extension of the existing clubhouse instead of building a new facility.

It was noted that:

- MyTime Active had been operating the Golf Course under the current contract since 1 September 2017. The contract required MyTime Active to invest the contract capital sum in a brand new clubhouse building, course improvements, driving range and facility improvements.
- Planning permission was granted by Maidstone Borough Council in February 2019, but the construction of the new-build clubhouse had

been complicated by its location on the site. Ancient Woodland close to the intended location had resulted in the identification of a new location adjacent to the existing clubhouse, but there were drainage complications associated with the new location requiring additional piling work which had led to increased construction costs.

- Work had been done to re-profile the construction budget and deliver the scheme but this reduced the footprint and specification of the building to such an extent that pressure would be put on future income streams.
- MyTime Active was no longer in a position to deliver the new clubhouse because the capital costs were greater than forecast and greater than the capital sum identified in the contract. The company had incurred considerable costs to date, and the forecast return on the investment would make the investment unviable.
- MyTime was proposing the refurbishment and extension of the existing clubhouse as an alternative solution. This would bring improved facilities to the site in a cost effective way and protect the financial operations of the site and the annual payments generated for the Council.

Representatives of MyTime Active attended the meeting to present their revised proposals, including indicative plans which could be subject to change. It was noted that the opportunity would be taken to review the facility mix/proposition and the potential relocation of the driving range. The company would honour the same contract capital sum and rental commitments, but the timetable was challenging. Discussions would take place with both local planning authorities as to whether planning permission was required for the revised scheme.

The Committee accepted the need to move forward, but requested regular updates.

RESOLVED:

1. That approval be given for the capital sum in the current contract with MyTime Active to be invested into a refurbishment of the existing clubhouse building, with new extension, at Cobtree Manor Park Golf Course instead of being invested in a new clubhouse building.
2. That a waiver of the requirement to enter into a competitive procurement process for the contract to manage Cobtree Manor Park Golf Course be presented to and approved by the Director of Finance and Business Improvement before the actions in paragraph 3 below are undertaken.
3. That authority be given to the Director of Regeneration and Place to instruct Mid-Kent Legal Services to amend the contract and lease thus incorporating the changes approved in paragraph 1 above and

for the amended contract, lease and any other ancillary documents to be entered into by the Council.

4. That regular updates be submitted to the Committee on the progress with regard to the Golf Course development works.

33. DURATION OF MEETING

2.35 p.m. to 4.00 p.m.