

Cobtree Manor Estate Charity Committee

18 March 2020

Forstal Field Funding Agreement

Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	John Foster – Head of Regeneration and Economic Development
Lead Officer and Report Author	Mike Evans – Leisure Manager
Classification	Public
Wards affected	Boxley

Executive Summary

This report updates the committee on the Cobtree Young Farmers project to introduce conservation grazing on the Forstal Field. It updates committee on a course of action that would ensure that the project can meet the funding deadline and how the risks involved with that course of action will be mitigated.

Purpose of Report

To update the committee on the Forstal Field farming project and outline a course of action that will ensure it can be progressed before the National Lottery funding deadline.

This report makes the following recommendations to this Committee:

1. That delegated authority to enter into a funding agreement with Kent County Council, for the National Lottery's Old Chalk New Down fund, is given to the Head of Regeneration and Economic Development who will act on behalf of the Cobtree Manor Estate Charity.
2. That the Head of Regeneration and Economic Development is given delegated authority to enter into the funding agreement when he is satisfied that the risks posed are satisfactorily and suitably mitigated and within acceptable levels.

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	18 March 2020

Forstal Field Funding Agreement

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 corporate priorities 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	Risks associated with this recommendation are covered at paragraphs 4.2, 4.3 and 5.2.	Leisure Manager
Financial	Direct costs of the initiative described in this report will be funded by a third-party grant. The recommended option described at paragraph 3.3 is intended to minimise financial risks associated with the initiative.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Head of Regeneration & Economic Development
Legal	The Committee should consider the risks of entering into the Funding Agreement before the Lease is in place and ensure that the wording is conditional upon the Lease being successfully completed and that the funding obligations are passed on to the Cobtree Young Farmers.	Team Leader Contracts and Commissioning
Privacy and Data Protection	There are no new implications as a result of this update report and recommendation.	Policy and Information Team
Equalities	No impact identified as a result of as a result of this update report and recommendation.	Policy & Information Team
Public Health	In accepting the recommendations the charity would be contributing towards the requirements of the council's Health Inequalities Plan.	Senior Public Health Officer

Crime and Disorder	Crime and disorder implications are managed day-to-day in line with council procedures and policies	Leisure Manager
Procurement	Officers have obtained approval from the Director of Finance and Business Improvement for the approval of quotations previously submitted to the Cobtree Young Farmers and authorised by Kent County Council.	Head of Service & Section 151 Officer

2. INTRODUCTION AND BACKGROUND

- 1.1 At the Cobtree Manor Estate Charity Committee's meeting of 6 November 2019 it was resolved that "That subject to the issues associated with the existing short-term tenancy being resolved, a lease and management agreement be approved to enable the Cobtree Young Farmers Club to secure funding through a Heritage Lottery funded project and commence conservation grazing on part of Forstal Field."
- 1.2 Conversations to deliver this decision have been progressing between officers, the mentioned parties and Kent County Council, where the Heritage Lottery Old Chalk New Down Fund officers are hosted. They have included the Leisure Manager drafting a letter of support and an early access letter to demonstrate commitment and facilitate access on to the land for site visits and some preparatory works.
- 1.3 All parties are committed to delivering the project so that the many outcomes can be achieved at the Cobtree estate.
- 1.4 It became apparent that the complexities of the lease are going to delay the writing and signing of the lease to the Cobtree Young Farmers in time for the Old Chalk New Down Fund's funding deadline, which is at the end of March.
- 1.5 This lease is required because the Cobtree Young Farmers, to be in receipt of the grant funding, need to have a minimum of a 10-year lease for Forstal Field. Without a lease agreement in place the project cannot go ahead.
- 1.6 Through further discussions it has been agreed that Cobtree Manor Estate Charity, with charity status of its own, is a suitable funding applicant. Cobtree Manor Estate Charity also has secure tenure covering at least the next 10 years so it is ideally placed to be in receipt of the funding. It is an eligible applicant and can guarantee security of tenure.

- 1.7 Officers have been discussing the possibility of being the lead applicant for this Old Chalk New Down funding with the project manager and other Maidstone Borough Council colleagues.

Procurement

- 1.8 Were Cobtree Manor Estate Charity to become the lead applicant the capital works to be undertaken with the Old Chalk New Downs funds would need to adhere to Maidstone Borough Council's procurement rules. The Leisure Manager has confirmed that the project's preferred contractors will honour the prices quoted to Cobtree Young Farmers if Cobtree Manor Estate Charity becomes the lead applicant.
- 1.9 The Director of Finance and Business Improvement has signed the necessary paperwork confirming that this is an acceptable course of action, should committee accept the recommendation of this report and agree to this course of action.

Property and Legal

- 1.10 With the news that the procurement process had been agreed the Old Chalk New Down project manager has sent an updated funding agreement to the Leisure Manager and Cobtree Park Manager.
- 1.11 This funding agreement is a standard document and does not reflect this particular project and situation. The Leisure Manager has agreed with Kent County Council that the funding agreement can be amended and tailored to this specific situation. Cobtree Manor Estate Charity should seek to sign a funding agreement that references the Cobtree Young Farmers and makes the spending of the funding conditional on the lease to Cobtree Young Farmers being in place at the time of spending. Cobtree Manor Estate Charity will pass on all funding obligations to Cobtree Young Farmers through the lease of Forstal Field.

3. AVAILABLE OPTIONS

3.1 Do nothing

Committee can choose not to accept this recommendation and wait for Mid-Kent Legal to finalise the lease agreement to Cobtree Young Farmers which will enable Cobtree Young Farmers to subsequently apply for funding. The lease will not be drafted in time to meet the funding deadline and the project will not go ahead as a result. **For that reason this option is not preferred**

3.2 Become the lead funding applicant, sign the funding agreement in its current form and secure this funding before the deadline

This option will guarantee the Cobtree Young Farmers receive the Old Chalk New Down funding immediately so that the project can be completed, however it will place increased risks on to the Cobtree Manor Estate Charity

and could leave the charity vulnerable to future obligations and claims. Such claims would arise from the Cobtree Young Farmers failing to complete their lease for Forstal Field, which would leave Cobtree Manor Estate Charity Committee with a field it was duty bound to graze or with a claim from Kent County Council to reimburse the full amount of funding for non-fulfilment of the funding agreement. **This option is not preferred.**

3.3 Become the lead funding applicant and sign an updated version of the funding agreement which makes the spending of the project grant money contingent on a lease to the Cobtree Young Farmers being in place at a later date.

Cobtree Manor Estate Charity will commit to providing security of tenure and be the recipient of the grant funding. Through the leasing of Forstal Field Cobtree Manor Estate Charity can pass security of tenure and the applicable funding obligations on to Cobtree Young Farmers. This option will enable the project to obtain the funding before the end of March deadline while placing no long-term land management responsibilities and accountabilities on to the Cobtree Manor Estate Charity. Those obligations will be passed on to Cobtree Young Farmers as part of the lease for Forstal Field. **This is the recommended option.**

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option is for Cobtree Manor Estate Charity to enter into a funding agreement with Kent County Council so that the conservation grazing project can be facilitated while the Cobtree Manor Estate's position as a supportive landlord is recognised and protected.
- 4.2 Once in receipt of the grant, Cobtree Manor Estate Charity can lease the field to Cobtree Young Farmers and covenant Cobtree Young Farmers with all future funding obligations. Upon the lease being signed by Cobtree Young Farmers, Cobtree Manor Estate Charity can commission the work in the field to be done, which is in line with the contractor's provisional timetable.
- 4.3 The Head of Regeneration and Economic Development can be given delegated authority to enter into the funding agreement on behalf of the Cobtree Manor Estate Charity when all funding obligations are mitigated and the charity has adequate protections from future obligations or claims.

5. RISK

- 5.1 In its current form the funding agreement poses a risk with a score of 12. This is a red risk and it could have major consequences. This would be unacceptable to Cobtree Manor Estate Charity. By signing a tailored funding agreement and subsequently passing all funding obligations and land management obligations on to the Cobtree Young Farmers the risk

score will reduce to a score of four, which would be within the risk appetite of Cobtree Manor Estate Charity.

- 5.2 There are risks in the funding agreement that Cobtree Young Farmers do not take their lease and Cobtree Manor Estate Charity has to operate the conservation grazing itself for 10 years or reimburse the cost of the capital works on Forstal Field to Kent County Council. In such an eventuality Cobtree Manor Estate Charity could pass the grant money back to Kent County Council before it is spent.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 No public consultation has been conducted for this report, however conversations have been held between Kent County Council and the Old Chalk New Downs Fund project manager, and Cobtree Young Farmers.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 If Cobtree Manor Estate Charity gives approval to the recommendations in this report officers will agree the final funding agreement terms with Kent County Council.
- 7.2 The Head of Regeneration and Economic Development will use his delegated authority to sign the funding agreement when the risks are mitigated and those that are remaining are within the acceptable level.
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8. REPORT APPENDICES

- None
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9. BACKGROUND PAPERS

- None