

Cobtree Estate Financial Management Arrangements

Timetable	
Meeting	Date
Cobtree Manor Estate Charity Committee	25 January 2023

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	Katie Exon, Head of Property and Leisure
Lead Officer and Report Author	Mike Evans, Leisure Manager
Classification	Public
Wards affected	All

Executive Summary

Decisions are required to review the annual estate management processes for 2023/24, to reduce the requirement for individual decisions throughout the year while retaining good governance over the estate.

Purpose of Report

Decision

This report makes the following recommendations to the Cobtree Manor Estate Charity Committee:

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 CMEC no longer apply, but it be noted that all expenditure must be in accordance with agreed budgets.

Cobtree Estate Financial Management Arrangements

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 Strategic Plan objectives 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	Risk implications are outlined in section 5.	Leisure Manager
Financial	Accepting the recommendations will allow the estate to be managed more expediently and will result in fewer delays to works in the park. The Committee will continue to receive regular financial performance updates and will be able to assess the impact of this decision going forward.	Paul Holland, Senior Finance Manager (Client)
Staffing	We will deliver the recommendations with our current staffing.	Director of Finance and Business Improvement
Legal	Under the Council's Constitution the Committee as Corporate Trustee is responsible for all matters relating to the Charity with the exception of daily management which will be undertaken by the Director of Finance and Business Improvement. Accepting this recommendation will align the committee's procedures more closely to the Council's constitution.	Senior Legal Adviser – Corporate Governance
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Information Governance Team
Equalities	The recommendations will not result in a change of service and therefore will not require an equalities impact assessment.	Equalities and Communities Officer

Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Leisure Manager
Crime and Disorder	Crime and disorder considerations will be managed more efficiently as per parks and open spaces policies and procedures.	Leisure Manager
Procurement	On accepting the recommendations, procurement and purchasing exercises will continue to be followed. Those exercises will be completed in line with council financial procedures, as per the recommendation.	Director of Finance and Business Improvement
Biodiversity and Climate Change	There are no direct implications on biodiversity and climate change as a result of accepting this recommendation.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The council, through Cobtree Manor Estate Charity Committee, is the corporate trustee of the charity known as 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.
- 2.2 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.
- 2.3 CMEC follows the majority of council 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.
- 2.4 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 in paragraph 2.11. These authorisation limits apply to all officers regardless of seniority within the council.
- 2.5 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.

- 2.6 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.
- 2.7 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

- 2.8 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.
- 2.9 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.
- 2.10 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 they can lead to issues worsening and final costs increasing.
- 2.11 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.
- 2.12 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.

- 2.13 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 as per paragraph 2.2.
- 2.14 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.
- 2.15 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.
-

3. AVAILABLE OPTIONS

- 3.1 **Retain the current financial arrangements specific to CMEC**
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 is not recommended.**
- 3.2 **Align the current financial arrangements with those of the council**
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. Through this option the CMEC Committee will set the annual Cobtree budgets and enable officers to use identical spend limits to those used with council budgets to achieve efficient, expeditious and effective management of Cobtree Manor Park. **This is the recommended option.**
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Aligning the Cobtree management and financial arrangements with those of the council is the preferred option, for the reasons described in paragraphs 2.8 to 2.15.

5. RISK

- 5.1 The risks associated with this proposal have been considered in line with the Council's Risk Management Framework and are considered to be low. The council's financial arrangements are already in place for council-run parks and those assets are managed to give best value to the council and good service to park visitors.
- 5.2 We are satisfied that incorporating the same financial arrangements at Cobtree Manor Park have a low risk. The operational agility that greater authorisation gives to the park management team could result in financial savings to Cobtree and improved customer satisfaction.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 No consultation has taken place on this matter.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Following a decision on these recommendations, the new financial arrangements described in the recommendations will be applied from 1 April 2023 onwards.

8. REPORT APPENDICES

- None

9. BACKGROUND PAPERS

- None