

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

14th AUGUST 2013

REPORT OF THE COBTREE OFFICER

Report Prepared by Joanna Joyce

1 KENT LIFE – MANAGEMENT CONTRACT

1.1 Issue for Decision

1.1.1 To consider entering into a management contract for the operation of the Kent Life visitor attraction with the current operator, Continuum Kent Life Ltd for a period up to the end of March 2016.

1.2 Recommendation of the Cobtree Officer

1.2.1 It is recommended that:-

- (a) The Heads of Terms as set out in the **Exempt Appendix A** to this report, be approved.
- (b) The Head of Legal Services be given delegated authority, in consultation with the Chairman of the Committee, to make any necessary minor changes and to then enter into an agreement with Continuum Kent Life Ltd (Continuum) to operate the Kent Life (KL) attraction on behalf of the Cobtree Manor Estate Trust (CMET) in accordance with the Heads of Terms referred to above and any subsequent minor changes.
- (c) The Head of Legal Services be given delegated authority, in consultation with The Chairman of the Committee, to agree with Continuum any necessary minor changes to the specification referred to at paragraph 1.3.3 of this report before it is attached to the agreement referred to at Paragraph 1.2.1 (b) but otherwise the specification be approved.
- (d) The Heads of Terms as set out in the **Exempt Appendix C** be approved.
- (e) The Head of Legal Services be given delegated authority, in consultation with the Chairman of the Committee to agree with Kent County Council any necessary minor changes to the deed of surrender referred to in **Exempt Appendix C**.

- (f) The Head of Legal Services be authorized to enter into the Deed of Surrender referred to at 1.2.1 (e) once its terms have been settled.
- (g) The implementation and monitoring of the Management Agreement set out in this report to be monitored by the Cobtree Officer.

1.3 Reasons for Recommendations

- 1.3.1 On 14 November 2012, the Committee received details of the Heads of Terms relating to an agreement for Continuum to operate the Kent Life attraction on behalf of CMET. Since that time, Continuum has extended its arrangements with the Museum of Kent Life Trust until the end of September 2013.
- 1.3.2 Following extended negotiations, the original Heads of Terms have changed, particularly the length of term, which is now the end of March 2016. This will allow a thorough review of the operation and time to prepare a suitable procurement strategy for the future. There is also a proposal to invest in new attractions for the site if a suitable business case can be provided. The revised terms are in the **Exempt Appendix A**.
- 1.3.3 In addition, the specification has now been drafted and this is also as **Exempt Appendix B**. This specification is still in draft form with outstanding minor issues to be agreed with Continuum.
- 1.3.4 In order to comply with the Council's procurement rules a waiver has been agreed to enable the management agreement to operate until the end of March 2016 without going to tender.
- 1.3.5 During the period of the agreement, the operation of the site will be reviewed and recommendations for future operation will come forward for the Committee to consider.
- 1.3.6 As stated in the November 2012 report, it is likely that the sub leases granted to Museum of Kent Life Trust and Kent County Council will be surrendered. Officers have provisionally discussed the surrendering of the two sub leases with Kent County Council, including the way in which the dilapidations claim on behalf of the charity is met. The terms of agreement are set out in **Exempt Appendix C**.
- 1.3.7 It is confirmed that the charity's technical, legal and financial officers are satisfied that this represents the best deal given the complicated circumstances and if agreed, will allow Kent Life to

remain operating with the improved likelihood of future success. In addition, CMET will regain control of the site and other adjacent land.

1.4 Alternative Action and why not Recommended

- 1.4.1 The Heads of Terms and specifications could be rejected but this may result in the KL closing down with the loss of 30 jobs, unless CMET managed it directly until a procurement exercise can be undertaken. However, CMET has no experience of running such a facility and if it has to consider doing so, the risks would increase significantly, not least to CMET of which MBC is the corporate trustee. The proposal provides a benefit for both parties and is considered the best way forward given the complex set of circumstances explained in the November report.

1.5 Impact on Corporate Objectives

- 1.5.1 The proposal is likely to result in the two sub leases being surrendered and CMET again being in control of the land.
- 1.5.2 The proposal to manage the Kent Life attraction is in accordance with the objects of the charity, CMET.

1.6 Risk Management

- 1.6.1 There is a risk that the sub leases are not surrendered and a separate sublease between CMET and KCC would be necessary or, if this cannot be agreed, the facility may close.
- 1.6.2 There is a risk that the agreement cannot be finally reached with Continuum and the facility closes. However, the Heads of Terms have been agreed in draft and are considered for approval in the report. Delegated powers are proposed for the Head of Legal services in consultation with the Committee Chairman to make any final minor changes. It is in the interests of both parties to reach agreement.

1.7 Other Implications

1	Financial	X
2	Staffing	X
3	Legal	X
4	Equality Impact Needs Assessment	
5	Environmental/Sustainable Development	
6	Community Safety	
7	Human Rights Act	
8	Procurement	X
9	Asset Management	

Financial

- 1.7.1 The financial details associated with the Heads of Terms are detailed in the Exempt Appendix.

Staffing

- 1.7.2 The staff will remain with Continuum Kent Life Ltd.

Legal

- 1.7.3 Legal agreements will be necessary for the operation of the site and the surrendering of the sub leases.

1.8 Relevant Documents

- 1.8.1 Exempt Appendices A, B and C.

IS THIS A KEY DECISION REPORT?

Yes

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No

X

This is a Key Decision because: N/A

Wards/Parishes affected: All