

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

MINUTES OF THE MEETING HELD ON 26 JANUARY 2017

Present: **Councillor McLoughlin (Chairman) and Councillors
Cox, Mrs Gooch, Perry and Mrs Wilson**

Also Present: **Mr B Mee and Mr M Sharp – Cobtree Charity
Trust Limited**

22. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Mr Roger Hext of the Cobtree Charity Trust Limited.

23. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

24. URGENT ITEM

The Chairman said that he had agreed to take the report of the Director of Finance and Business Improvement relating to the Accounts 2015/16 as an urgent item as not all of the information was available when the agenda was published on 18 January 2017 and the accounts had to be approved for submission to the Charity Commission by 31 January 2017.

25. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

26. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

27. DISCLOSURES OF LOBBYING

Councillor Cox stated that he had been lobbied generally on matters relating to the Cobtree Manor Estate.

28. EXEMPT ITEMS

RESOLVED: That the items on Part II of the agenda be taken in private as proposed.

29. MINUTES (PART I) OF THE MEETING HELD ON 3 AUGUST 2016

RESOLVED: That the Minutes (Part I) of the meeting held on 3 August 2016 be approved as a correct record and signed.

30. MATTERS ARISING FROM THE MINUTES (PART I) OF THE MEETING HELD ON 3 AUGUST 2016

Minute 10 – Tree Replacement Policy

The Parks and Leisure Manager advised Members that the Tree Replacement Policy would form part of the Arboricultural Management Plan to be reported back to the Committee within the next few months following an arboricultural survey of the Estate.

Minute 12 – Cobtree Manor Estate Update Report – CCTV

The Parks and Leisure Manager advised Members that it was the power supply to the CCTV in the car park that was not working. A report would be submitted to the Committee in the near future with options to resolve the problem and details of the costs involved.

Minute 18 (3) – Cobtree Manor Park Golf Course Tender Update Report

The Parks and Leisure Manager advised the Committee that the contract for the operation and management of the Cobtree Manor Park Golf Course had been awarded to Mytime with effect from 1 April 2017. Arrangements would be made for Members to meet with representatives of Mytime to discuss their proposals for developing the facility after the contract had gone live.

Minute 19 (3) – Cobtree Manor Estate Financial Position

The Senior Finance Manager (Client) advised the Committee that a report on the building up of a minimum contingency fund would be submitted to next meeting of the Committee scheduled to be held on 30 March 2017.

The Parks and Leisure Manager said that he would look into the possibility of holding the next meeting of the Committee at the Kent Life attraction to enable Planning Solutions to provide an update on their achievements to date and their plans going forward.

31. ACCOUNTS 2015/16

The Committee considered the report of the Director of Finance and Business Improvement setting out the audited Report and Financial Statements for the year ended 31 March 2016 for approval prior to submission to the Charity Commission by 31 January 2017.

It was noted that:

- The audit had been undertaken by UHY Hacker Young, the appointed external auditors to the Charity, who had indicated that they intended to issue an unmodified audit opinion.
- No major issues had arisen regarding the accounts following the audit. A number of minor amendments had been made to the draft accounts that were submitted for audit and there had also been a small number of unadjusted misstatements. None of these had had any impact upon the financial resources available to the Charity.
- The new Visitor Centre/Café was revalued following its completion. Whilst construction costs were £0.40m, the valuation was £0.25m. The reason for the reduction in value was that it was based on an appropriate rent that an occupier would pay to operate a café in that particular location.
- A new going concern accounting policy had been included in the financial statements for the year ended 31 March 2016 to reflect the sum of £0.58m due to the Borough Council and the fact that the Estate operated at a deficit in 2015/16 which had reduced available sums in the bank account.
- The total funds of the Charity as shown on the Statement of Financial Activities and the Balance Sheet had reduced from £4.97m to £4.48m which was mainly due to the use of funds held for the construction of the Visitor Centre/Café and for repairs to buildings at the Kent Life attraction.
- There had been a significant increase in income arising from the opening of the Visitor Centre/Café and the introduction of car parking charges, but there had also been a significant rise in costs, particularly in staffing costs.

In response to questions by Members, the Senior Finance Manager (Client) explained that:

- Note 9 to the financial statements (Intangible Fixed Assets) related to the purchase of the branding, logos and intellectual property (including the website domain name) pertaining to the Kent Life attraction from the previous operator.
- The net current liabilities shown on the Balance Sheet reflected the construction of the Visitor Centre/Café and the drawing down of permanent endowment funds.
- The seventh paragraph on page 6 of the Trustee's Report and Financial Statements relating to the identification of funding for the preferred future development option for the Cobtree Manor Park had been deleted as it had been superseded.
- Interest due to the Charity in respect of the permanent endowment funds invested with Charifund was included as part of the unrestricted

income. The permanent endowment funds which had been used to implement the master plan for the Cobtree Manor Park with the permission of the Charity Commission would gradually be re-paid.

RESOLVED: That the Annual Report and Financial Statements for the financial year 2015/16 be approved for submission to the Charity Commission.

32. COBTREE MANOR ESTATE UPDATE REPORT

The Committee considered the report of the Head of Regeneration and Economic Development providing an update on the operation of the Estate during the period August 2016 to January 2017.

In response to questions by Members, the Officers explained that:

- Improved security measures had been introduced following the break in and an insurance claim had been made to recover losses.
- Gert and Daisy - the Story of Maidstone Zoo, a two hour guided walk and talk with a local historian had been oversubscribed. Going forward, consideration was being given to capturing the stories about the Zoo on CD-ROM and to the introduction of a loyalty card.
- Options and costings for the improvement of the surface of the car park at the Cobtree Manor Park and the extension of the car park would be included in a report on schemes requiring capital investment over the next five years to be submitted to the next meeting of the Committee. The report would take into account concerns expressed about capacity issues at Cobtree Manor Park.
- The 14% increase in rounds played at the Golf Course in the third quarter of the year compared to the same period in 2015 reflected the efforts of Mytime to develop the business.
- The contract for the operation of the Golf Course had been awarded to Mytime, the current contractor. The contract would commence in April 2017, and to allow for this, a six month contract extension had been negotiated with Mytime at a cost of £50,000 as this was a period of reduced activity at the Golf Course.
- A web designer been engaged at minimal cost to design and build a website to promote Cobtree Manor Park. The website was due to go live by the end of the month.
- It had not been possible to secure funding from elsewhere for a Toucan Crossing over Forstal Road to connect the River Medway Cycle Path Scheme with Cobtree Manor Park. If funding was made available, and the Scheme went ahead, cycle racks would be provided and maintained as part of the Scheme.

- It was anticipated that cash flows would improve once the new Golf Course contract was in operation.

The Committee agreed in principle to make funding of £30,000 available for the Toucan Crossing subject to assurances that the Cycle Path Scheme will go ahead and that the bus stop will be relocated close to the entrance to the Manor Park.

At the invitation of the Chairman, Mr Mike Sharp of the Cobtree Charity Trust Limited updated the Committee on the Trust's aspirations for a railway at the Cobtree Manor Estate. It was noted that discussions would need to take place with Kent Highways regarding construction, the Cobtree Charity Trust Limited regarding related funding arrangements and the operator of the Kent Life attraction before written proposals were put forward.

RESOLVED:

1. That the report be noted.
2. That agreement be given in principle to funding of £30,000 being made available for a Toucan Crossing over Forstal Road to enable the River Medway Cycle Path Scheme to link up with Cobtree Manor Park subject to assurances that the Cycle Path Scheme will go ahead and that the bus stop will be relocated close to the entrance to the Manor Park.
3. That options and costings for the improvement of the surface of the car park at the Cobtree Manor Park and the extension of the car park should be included in the report on schemes requiring capital investment over the next five years to be submitted to the next meeting of the Committee; this report should take into account concerns expressed about capacity issues at Cobtree Manor Park.
4. That the Officers be requested to submit a report to a future meeting of the Committee addressing capacity issues at Cobtree Manor Park.

33. **COBTREE MANOR PARK VISITOR CENTRE UPDATE**

The Committee considered the report of the Head of Regeneration and Economic Development setting out details of the performance of the Cobtree Manor Park Visitor Centre/Café since it opened in August 2015. It was noted that the full year budget for 2016/17 showed net expenditure for the Visitor Centre/Café of £72,940, but the forecast outturn was now predicting net expenditure of £94,670 which was £21,370 greater than the budget. The Parks and Leisure Manager explained that the outcome for December 2016 should read -£2,094. In response to questions by Members, the Officers explained that:

- Consideration was being given to ways to improve the speed at which customers were served at busy times by increasing the counter space to allow for self-service and a second till. A costed design was being

prepared with a view to the work being completed in time for the summer.

- A review had been undertaken of the menu to simplify and reduce the offer. EPOS analysis had identified popular and non-selling items and there had been streamlining of the offer to refine stocktaking and preparation processes. The electronic payment system was due to be upgraded.
- The ratio of staff costs to turnover varied, but there was now less reliance on agency staff as the casual pool had increased. Rotas were drawn up by the Cobtree Manager in consultation with the Catering Supervisor. The pricing structure had yet to be redefined.

During the discussion, concerns were expressed that whilst the Visitor Centre/Café had been trading for less than two years, and staff costs had been reduced, there was a risk that the operation would fail to make a profit over time. It was suggested that consideration should be given to the ratio of staff costs to gross profit.

RESOLVED: That the report be noted.

34. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information for the reason specified having applied the Public Interest Test:

**Head of Schedule 12A and
Brief Description**

Minutes (Part II) of the meeting held on 3 August 2016	3 – Financial/Business Affairs
Exempt Report of the Head of Regeneration and Economic Development – Cobtree Manor Estate Financial Position	3 – Financial/Business Affairs

35. MINUTES (PART II) OF THE MEETING HELD ON 3 AUGUST 2016

RESOLVED: That the Minutes (Part II) of the meeting held on 3 August 2016 be approved as a correct record and signed.

36. COBTREE MANOR ESTATE FINANCIAL POSITION

The Senior Finance Manager (Client) presented this item summarising the financial position of the Cobtree Manor Estate as at 31 December 2016 and covering the activities at the Golf Course, the Kent Life attraction, the Manor Park and the Visitor Centre/Café. It was noted that it was currently

forecast that the Estate would operate at a deficit for 2016/17. However, the underlying issues were being addressed, and, with the start of the new Golf Course contract, it was anticipated that the Estate would start to generate an annual operational surplus again going forward from 2017/18.

In response to questions by Members, the Officers explained that rechargeable costs, which included management costs, had increased due to more Officer-time being spent on Estate activities.

During the ensuing discussion, Members asked to see details of the budget projections for the Cobtree Manor Estate for next year, including rechargeable costs and projected income, to enable comparisons to be made year on year. Members also asked that a report be prepared reviewing all options in respect of the future operation of the Visitor Centre/Café.

It was suggested that, in order to maintain continuity and experience, Group Leaders be requested to try to ensure that the membership of the Committee remains the same during the next Municipal Year.

RESOLVED:

1. That the current financial position and forecast outturn be noted.
2. That the Officers be requested to provide details of the budget projections for the Cobtree Manor Estate for next year, including rechargeable costs and projected income, to enable comparisons to be made year on year.
3. That a report be submitted to a future meeting reviewing all options in respect of the future operation of the Visitor Centre/Café.
4. That, in order to maintain continuity and experience, Group Leaders be requested to try to ensure that the membership of the Committee remains the same during the next Municipal Year.

37. **DURATION OF MEETING**

2.30 p.m. to 4.05 p.m.