

Title: Kenilworth Wardens Relocation

Lead Officer: Chris Elliott chris.elliott@warwickdc.gov.uk 01926 456000

Portfolio Holder: Councillor King

Wards of the District directly affected: Kenilworth Abbey & Arden,
Kenilworth Park Hill, Kenilworth St. John's

Approvals required	Date	Name
Portfolio Holder	04.09.23	Chris King
Finance	04.09.23	Andrew Rollins
Legal Services	04.09.23	Kathryn Tebbey
Chief Executive	04.09.23	Chris Elliott
Director of Climate Change	04.09.23	Dave Barber
Head of Service(s)	04.09.23	Philip Clarke
Section 151 Officer	04.09.23	Andrew Rollins
Monitoring Officer	04.09.23	Graham Leach
Leadership Co-ordination Group	04.09.23	Cllrs Davison, Boad, King, Hales (for Cllr Day) and Falp
Final decision by this Committee or rec to another Cttee / Council?	Yes Recommendation to: Cabinet	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	Yes partially, at Appendix 2 and 3	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes	
Accessibility Checked?	Yes	

Summary

The report seeks Cabinet approval to allocate and fund £2.5m of CIL and £450,000 of S106 contributions toward securing the land, access and early infrastructure to enable Kenilworth Wardens Sports Club (KWSC) to relocate from their current home (off Glasshouse Lane Kenilworth) to a new site at Castle Farm (Kenilworth). This would enable the land at Glasshouse Lane which is allocated as part of a comprehensive strategic housing allocation to come forward for approximately 110 dwellings.

The report also seeks approval for a range of measures to be funded and implemented to support KWSC to progress with the planning and delivery of the new sports facility. This includes:

- a review of the latest Playing Pitch Strategy evidence and emerging housing growth to provide current and forecast demand for all-weather pitches in the district.
- a business plan review to reflect the outcome of work above.
- officers to work with the Club to apply for grant funding from the Football Foundation
- the Council to appoint and fund a part time Project Manager to oversee the day-to-day management of the project.
- the Council to release £300,000 already committed to in September 2022 subject to the terms of the revised Project Agreement.

Recommendation(s)

- (1) That Cabinet notes the latest position regarding the relocation of Kenilworth Wardens Sports Club.
- (2) That Cabinet reaffirms the allocation of £2.5m of CIL and agrees £450,000 of S106 contributions toward securing land, access and early infrastructure to enable Kenilworth Wardens Sports Club (KWSC) to relocate. The precise timing of the release of any funding will take account of the provision of CIL and S106 funds to WDC and will be subject to the Playing Pitch Strategy work being completed, the KWSC being able to demonstrate a business case for their proposals, and after planning permission for viable development has been approved at Castle Farm.
- (3) That Cabinet agrees to fund up to £25,000 from the Community Project Reserve and delegates authority to the Chief Executive to review the latest Playing Pitch Strategy evidence and emerging housing growth to provide current and forecast demand for all-weather pitches in the district.
- (4) That Cabinet agrees that officers (and others if necessary) undertake a review of the Wardens' business plan to reflect the outcome of work above (recommendation 3).
- (5) That Cabinet notes that officers will work with the Club to apply for grant funding from the Football Foundation and other sources.
- (6) That Cabinet agrees to fund a part time Project Manager to oversee the day-to-day management of the project, of up to £30,000 per annum for 3 years, funded from the Community Project Reserve.
- (7) That Cabinet agrees to delegate authority to the Chief Executive/Deputy Chief Executive, in consultation with the Head of Finance and Portfolio Holders for Place and Resources to release £300,000 already committed to in September 2022 subject to the terms of the revised Project Agreement.

- (8) That Cabinet agrees that appropriate finance and legal due diligence steps are taken in respect of supporting a Joint Venture involving Milverton Homes Limited and Vistry Linden Limited with a report back to the Cabinet (and if needed Council) for consideration.
 - (9) That a project specific risk register is prepared and reported to Cabinet and Overview and Scrutiny to be able to assist with managing the risks associated with this scheme.
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1 Reasons for the Recommendation

- 1.1 Kenilworth Wardens Sports Club (hereafter referred to as KWSC) proposes to relocate from its current site off Glasshouse Lane, Kenilworth to land partly owned by this Council at Castle Farm thereby freeing-up its current site for housing. This would enable the land at Glasshouse Lane which is allocated as part of the Local Plan's comprehensive strategic housing allocation to come forward for approximately 110 dwellings. The intended site for relocation is also a Local Plan policy proposal.
- 1.2 Milverton Homes Limited (MHL) and Vistry Linden Limited (Vistry) under the auspice of the Crewe Lane (Kenilworth) Joint Venture (JV) LLP are in the process of drawing up Heads of Terms to purchase the Glasshouse Lane site and updated cost appraisals are underway for the proposed relocation of the sports club.
- 1.3 The funding revenue generated from the land receipts is insufficient to fully fund the relocation of KWSC to Castle Farm and the club is therefore reliant on CIL funds and S106 contributions to secure and prepare the site for development. There are a number of projects within the district also vying for CIL funding and this wider issue will come forward at the November Cabinet to be considered. However, it is not possible to wait until November for this project as without certainty that this funding can be secured KWSC feels that it will be unable to proceed with their current plans and so it would be unlikely that they would move from their current site thereby undermining the ability for the site at Glasshouse Lane to be developed for housing. Timing is therefore critical on this project and delay increases the risk of project failure significantly.
- 1.4 To date the Club have faced a number of challenges including finding a buyer for their current site, the complex nature of land assembly and gaining access to their new site, as well as the ongoing impact of inflation to the project given the delays caused by the above. There is now a further challenge to the Club's business plan caused by Kenilworth School and Sixth Form taking the decision to make their second all-weather pitch available for community use despite advice to the contrary from Sport England; the club are of the view that the relocation is unviable revenue wise without a 3G pitch.
- 1.5 Given that the housing market private sector providers have shown that they cannot deliver the proposal the only option available now is the one outlined in this report. Hence, without certainty of funding being in place the club will not be able to proceed with the relocation to Castle Farm. This will result in a lost investment opportunity for the Council as forward funding provided to-date is only recoverable if the land at Glasshouse Lane is sold, and without the delivery

of housing on the site no additional income can be generated from the JV involvement in forward funding and developing the site. There would be a missed opportunity to improve sporting facilities for the residents of Kenilworth and the wider District. In addition, if this scheme does not progress the Council may be required to invest itself to improve the Council owned pitches at Castle Farm. Therefore, this paper seeks to agree to allocate CIL and S106 to this scheme and to offer a range of measures to support the club to allow the scheme to become a reality. It should be noted however, that the funding referred to is not needed immediately and before any of that is drawn down the other issues that this report highlights will need to be addressed – i.e. the playing pitch strategy and the business plan review.

1.6 *Glasshouse Lane Site Allocation*

1.6.1 KWSC's existing site on Glasshouse Lane forms part of the Local Plan's strategic allocations for land east of Kenilworth, allocated under policy DS11 and further defined by DS15 of the adopted Warwick District Local Plan (2017). It falls within parcel reference H06 and forms part of the wider strategic housing allocation allocated for comprehensive development. Overall, land east of Kenilworth is expected to deliver an integrated scheme of over 1,400 new dwellings, 40% of which will be affordable, 8 hectares of employment land, new schools, a local centre, community centre, a network of active travel corridors and well-connected green infrastructure providing habitat connectivity and new public open spaces for the community to access. The adopted Land East of Kenilworth Development Brief (SPD) provides more detailed guidance on the delivery of these allocations in East Kenilworth.

1.6.2 Much of the land within the wider strategic allocation already has planning permission with development under construction including the new Kenilworth School and Sixth Form which has opened in September 2023. KWSC is the only parcel of land within the wider strategic allocation that has yet to progress to a planning application.

1.7 *Castle Farm Site Allocation*

1.7.1 The site identified in the Local Plan for KWSC to relocate to is at Castle Farm, Kenilworth. This is allocated within policy DS23, Land for outdoor sports and recreation in Kenilworth site reference SP1 of the Local Plan but will remain within the Green Belt.

1.7.2 The site comprises three fields, two of which are in the ownership of this Council (Appendix 1). It should be noted that fields 1 and 2 will remain in the ownership of the Council to be leased to KWSC whilst the club will develop and maintain the facilities for sporting and recreation use. Initial work has been undertaken on draft lease agreements, but these will be developed further as the application progresses. The proposed new site is larger than that currently occupied by KWSC on Glasshouse Lane and was allocated in the Local Plan based on the evidenced need identified in the Playing Pitch Strategy (updated 2019). The site is not only expected to off-set the loss of the playing pitches at Glasshouse Lane but would provide quantitative and qualitative improvements to sport provision to meet the needs of both the existing and predicted population in the town.

1.7.3 The proposed site at Castle Farm has a number of constraints that make delivery of a sporting facility in this location complex. The project will require three separate land acquisitions, the construction of an access bridge over a small river and an access road into the site before development of the pitches

and clubhouse can commence. The fields are also prone to surface water flooding with land immediately adjoining the narrow river forming part of the floodplain, therefore sustainable drainage measures will need to be incorporated into the scheme to increase playability of the pitches and to address any impact the development of the clubhouse, car park and access road may have. For the club there are also additional costs associated with the disposal of their current site on Glasshouse Lane.

- 1.7.4 There is now an additional challenge that the club face as Kenilworth School and Sixth Form has taken a decision to make available their second all-weather pitch for community use despite advice to the contrary from Sport England. The Warwick District Playing Pitch Strategy (2019) does not identify the need for a second pitch at the school for community use, instead it identifies that population growth in the district could support the delivery of an all-weather pitch at Castle Farm as part of the KWSC relocation. However, as this need is likely to be met by the school's pitch there will be no evidenced need for an all-weather pitch at Castle Farm therefore Sport England and the Football Foundation are unlikely to support any application for grant funding to assist in the delivery of this. The KWSC's business plan (at Private and Confidential Appendix 2) supports the Club's view that the 3G artificial pitch is critical to their longer-term success.

1.8 **Warwick District Council Assistance / Involvement**

- 1.8.1 To assist KWSC, this Council has to-date provided significant financial (£712,000) and officer support over a number of years to progress planning and cost development work. Initial forward funding was agreed in 2019 and increased in 2020 totalling £712,000. This funding has been secured with two separate charges on their current site, although this cannot be recovered if the club remain at their existing site. This funding has enabled KWSC to progress planning documents to RIBA stage 3 (prepared by IDP Group) and produce a cost plan based on the stage 3 design although this is now being revisited in light of inflation.
- 1.8.2 In September 2022 this Council agreed to provide KWSC with an additional £300,000 subject to a number of conditions, to be released from either Reserves or Council Balances to enable them to continue to prepare and submit a planning application and to conclude costs work. Progress toward meeting the conditions is still underway therefore this funding has yet to be released. The intention is for this funding to also be secured by way of a legal charge on the land, but should KWSC never relocate, this money, and the forward funding already provided, would not be recoverable.
- 1.8.3 It was stated in the September 2022 report that as part of the way forward the Council's housing company, Milverton Homes Limited (MHL), and its Crewe Lane Kenilworth JV LLP partner Vistry Linden Ltd (Vistry) would take a leading role in delivering housing development at Glasshouse Lane and overseeing the planning application process for the sports club's relocation to Castle Farm. Negotiations are currently underway to draw up Heads of Terms between the JV and KWSC to secure the purchase of the Glasshouse Lane site. The intention being that the work toward the submission of the planning application for the relocation of the Sports Club to Castle Farm site is undertaken alongside starting on the designs and surveys necessary to produce a planning application for the Glasshouse Lane site.
- 1.8.4 It is critical that any scheme proposed at Castle Farm is viable and deliverable. As KWSC are a long-term leaseholder at Glasshouse Lane rather than a

freeholder they have needed to agree terms with the freeholder to purchase the land to then be able to sell it. This has impacted the process causing delay and has contributed to the challenge of delivering a financially viable scheme. Costs work completed in 2021 now needs to be updated to reflect inflation, as the potential to achieve a financially viable scheme has become more challenging in the current market. Therefore, both KWSC and Vistry are undertaking updated costs appraisals alongside the Heads of Terms negotiations. Any further delay to preparing and submitting a planning application will lead to increased costs in the longer term.

- 1.8.5 Subject to a Castle Farm planning permission being granted for a viable and deliverable scheme and Glasshouse Lane being granted planning permission for residential development, the JV would then purchase KWSC's site, lease it back to the Club and provide forward funding toward the construction of the sporting facilities at Castle Farm. Once constructed KWSC could then relocate, and its current site would be available for housing development. As new pitches must be laid for two growing seasons before they can be played upon, this prevents KWSC being able to vacate their site immediately. Therefore, delays to securing funding sources and submitting a planning application would impact when both schemes can be delivered.
- 1.8.6 The JV's agreement to undertake this work is predicated on a funding model based on the principles the Council has agreed for the Crewe Lane site whereby the JV enters into a facility agreement for the draw-down of a loan from the Council; the Council then benefits from loan interest. An illustration of the potential financial benefits is set out in the Private and Confidential Appendix 3 to this report.
- 1.8.7 Before a facility arrangement is entered into there is obviously a further due diligence that will be required to ensure that a Council loan has the appropriate security in place. Achieving permission to enter into a facility agreement will necessitate a further report to Cabinet.

1.9 ***Issue for consideration***

- 1.9.1 KWSC have over the last few months become increasingly disillusioned by the challenges they have faced in bringing this project forward. They have invested years of volunteer hours in developing a scheme that they would wish to see at Castle Farm but perceive that the barriers are too difficult to overcome on their own. They have threatened to walk away from the relocation altogether unless the Council can successfully intervene and help to drive this project forward. As a matter of urgency they requested that the Council sets out how they see the future of the project, including how and when it will be delivered, what funding, support and resources will be available to the Club, along with any caveats associated with these ahead of their AGM in September 2023. The proposals in this report have been discussed with the Club who have expressed their willingness to work with the Council to relocate subject to the measures proposed being secured and all caveats being understood. To this end it is important to establish whether the Council supports the allocation of CIL and S106 to this scheme to allow it to become a reality and to set out clearly the other areas in which the Council can assist the Club.
- 1.9.2 Due to Government mandated requirements, overseen by Sport England, KWSC cannot develop its current site for housing and receive a capital receipt until its new facilities at Castle Farm have been constructed. This therefore means that significant up-front funding is required to enable construction of the new sporting facilities.

- 1.9.3 KWSC have been clear that the relocation to Castle Farm will require more than the land receipts from the site at Glasshouse Lane and their project budget is reliant on a number of grants and public money including CIL, S106 and Football Foundation grants. As such this Council has previously identified the KWFC as one of the CIL Projects in the CIL Project List. It has featured in the Council's CIL Project List since 2021. The 2022/2023 list identifies that KWFC will require £2.5m to purchase land, enable site access and to provide essential supporting site infrastructure thereby enabling KWSC to relocate from its current site.
- 1.9.4 CIL is collected on commencement of development, but on larger schemes it is collected in instalments over an 18-month period from commencement. CIL is collected from developments throughout the District although the amount varies by location and type of development, however there is no restriction on where CIL can be spent within the District and it does not have to be spent on infrastructure directly related to the development it is collected from (except for the Neighbourhood Portion of CIL income). Generally, each year the Council agrees spending priorities for CIL receipts and produces an updated CIL projects list. However, the process has been delayed this year and is now programmed to come to the Cabinet on 2nd November to consider. For the reasons set out above, this project cannot wait until then for a decision.
- 1.9.5 S106 contributions are different and can only be collected to mitigate the impacts of development to make it acceptable in planning terms. They must be directly related to the development and fairly and reasonably related in scale and kind to the development. Therefore, where permitted developments in Kenilworth trigger an outdoor sporting contribution the S106 agreement specifies that money will go toward a number of named outdoor sporting facilities in Kenilworth including the KWSC. It has been identified that £450,000 of such S106 funding will be allocated to the KWSC relocation. These contributions are collected from each individual scheme with the triggers for payments usually being 50% of the contribution prior to occupation of 50% of the dwellings, and the remaining 50% of the contribution on completion of the scheme. Therefore, on larger permissions, for example the 620 permitted at Crewe Lane/ Glasshouse Lane, the Council will not be in receipt of this money for approximately eight years.
- 1.9.6 Given the purpose of the CIL and S106 funding is to unlock the land and provide access it is needed early in the development process as close to the point of a planning application being granted so that work can commence on the site as soon as possible. Where the Council is not already in receipt of the CIL or S106 contributions it may be necessary to draw down funds from reserves or previously collected CIL contributions to facilitate this funding. This is an approach the Council has successfully deployed on other projects.
- 1.9.7 A critical path is being developed for site delivery in collaboration with the JV so that KWSC understand how and when they will be in receipt of funds to deliver the sporting facilities at Castle Farm and for the JV to understand when they will get access to the land at Glasshouse Lane for residential development. This work will inform the estimated timings of the release of CIL and S106.
- 1.9.8 As highlighted above updated costs for the relocation of KWSC are being sought and some further value engineering may be required to achieve a viable scheme, but this will not negate the need for CIL or S106 funding. The funding revenue generated from the land receipts is insufficient to fully fund the relocation of KWSC to Castle Farm and the club is reliant on CIL funds and S106 contributions to secure and prepare the site for development.

1.9.9 Members will be aware that there are a number of other projects within the district vying for CIL funding. Without certainty that this funding can be secured KWSC will be unable to proceed with their current plans and it would be unlikely that they would move from their current site thereby jeopardising the ability for the site at Glasshouse Lane to be developed for housing.

1.9.10 This paper seeks to identify whether members are supportive of funding KWSC £2.5m CIL and £450,000 S106 toward securing land, access and early infrastructure to enable KWSC to relocate from their current home off Glasshouse Lane to a new site at Castle Farm. This would enable the land at Glasshouse Lane which is allocated as part of a comprehensive strategic housing allocation to come forward for approximately 110 dwellings and for the Council's £712,000 of forward funding to be released back to the Council through a charge on the land.

1.9.11 The paper also seeks member support for a number of measures to support the Club to include:

- (a) a review of the latest Playing Pitch Strategy evidence and emerging housing growth to provide current and forecast demand for all-weather pitches in the district. This will be undertaken as a priority to establish whether there is sufficient demand to justify the inclusion of a 3G pitch and prior to the submission of a planning application for development at Castle Farm. Some cost may be incurred for this work through the instruction of external consultants, this funding will be sourced from the Community Project Reserve.
- (b) a business plan review to reflect the outcome of work above will be undertaken by officers to understand the future viability of the proposals. This may result in negotiations and revisions to the Club's proposals at Castle Farm. Depending on the outcome, further reports to Cabinet may be necessary.
- (c) officers to work with the Club to apply for grant funding from the Football Foundation and other sources when appropriate.
- (d) the Council to appoint and fund a part time Project Manager to oversee the day-to-day management of the project. This is likely to cost approximately £30,000 per annum for at least 3 years and will be sourced from the Community Project Reserve.
- (e) the Council to release £300,000 already committed to in September 2022 subject to the terms of the revised Project Agreement. The exact timing of this release will be down to officer judgement for when the work outlined at 1.9.11. (a) and (b) is progressing sufficiently to give confidence that any concerns can be mitigated. This will be a careful balancing exercise to prevent unnecessary delay to submitting a planning application against the risk of forward funding without the certainty of reimbursement.

1.9.12 The relocation of KWSC will bring about the following benefits:

- Provide improved sports facilities for Kenilworth and the District as a whole on land allocated in Local Plan Policy DS23 Land for outdoor sports and recreation in Kenilworth. By providing access to cricket, football and various other physical activities through the provision of a Multi-Use-Games-Area (MUGA), although it should be noted that this is a private sports club.

- Help to secure the longer-term sustainability of an important sports club thereby encouraging community cohesion.
- Enable the delivery of approximately 110 dwellings (including at least 40% affordable homes).
- Delivery of affordable homes will help to meet housing need, support households affected by the cost-of-living crisis, which is predicted to continue forwards, support Kenilworth young families to obtain housing which is affordable at a time when private rents are moving out of reach of many.
- Deliver approximately 110 net zero carbon homes.
- Allow for the comprehensive development of Land East of Kenilworth as required by Local Plan Policy DS15 and the Land East of Kenilworth Development Brief, e.g. active travel connections from north to south and interconnected green infrastructure.
- Release £712,000 of Council funding already invested in the site back to the Council through a charge on the land.
- Generate a financial return from the loan interest accrued by the Council loaning the JV funds to purchase the land at Glasshouse Lane for the duration of the loan.

1.10 **Next Steps**

1.10.1 As indicated, this is a very complex project with many facets and there do remain several matters that the Council will want to satisfy itself about before it releases any additional funding to the KWSC. The JV will need to be satisfied that a deliverable scheme is being proposed before the Council gives its agreement to KWSC occupying its land at Castle Farm and a facility agreement being entered into.

1.10.2 The £300,000 committed in 2022 will not be released unless various conditions are met and unless this Council is supportive of allocating CIL and S106, as without this the scheme will be unviable and undeliverable in its current form.

1.10.3 The Club have expressed their willingness to work with the Council to relocate subject to the measures proposed being secured and all caveats being understood. Therefore, it is important that the Council respond swiftly to the KWSC's request for clarity over the future of the project, which in the first instance is to provide clarity over what funding and support will be available to the Club. To this end it is important to establish whether the current administration support the allocation of CIL and S106 to this scheme to allow it to become a reality and for the proposed support measures to be implemented.

2 **Alternative Options**

2.1 KWSC has given the opportunity to a number of private sector housing developers who have not been able to develop an acceptable scheme that addresses the complexity of this scheme. This means the option of a wholly private sector funded approach has been tried and has not been proven to work.

2.2 Consequently, there is realistically only one other option available to Members which is to do nothing and stop the Council's involvement any further. In all probability that would mean that the scheme would not proceed at all. While that approach has the benefit of taking away the particular risks of the scheme to the Council as recommended and as set out elsewhere in this report (Section

10), it also has the following negative impacts, demonstrating that doing nothing also has risks which ought not to be ignored:

- Result in the loss of £712,000 of forward funding invested by the Council in the project to date. This is only recoverable if KWSC vacate their existing site as it is secured by way of a legal charge on the land. It is unlikely that the club would have any appetite to move in the short mid-term future if this move does not materialise.
- Result in the loss of 110 new dwellings, including at least 40% affordable homes on a strategic site allocation (allocated under policy DS11 and further defined by DS15 of the adopted Warwick District Local Plan (2017)). This has the potential to have implications for the authority's ability to demonstrate a 5-year housing land supply which is currently 5.08 years.
- Loss of at least 44 affordable homes at a time when demand for such accommodation is increasing.
- Create severance of the allocation of land east of Kenilworth, with development to the north being separated from development in the south, undermining the aims of achieving an integrated and comprehensive development.
- Result in an inability to meet the growing sporting requirements for Kenilworth through increased pitch provision without the Council investing in pitch improvements (including drainage) and possible land acquisition at Castle Farm to accommodate growing demand.
- Failure to deliver a site allocated within the adopted Warwick District Local Plan (2017), policy DS23, Land for outdoor sports and recreation in Kenilworth site reference SP1.
- Result in a lost opportunity to generate a financial return from loan interest from the Council no longer being required to loan the JV funds to purchase the land at Glasshouse Lane.
- Loss of Housing Revenue Account monies from rental income of affordable homes.

2.3 Contrast that to the benefits of proceeding with the scheme which are the reverse of all the negative impacts above. Of course, there are risks which will need to be managed to the proposed approach but then the recommended approach is the only one that delivers any benefits for the wider community. On this basis there is no justification for not proceeding with the scheme.

3 Legal Implications

- 3.1 Appendix 2 and Appendix 3 to the report are confidential and exempt from publication under paragraph 3 under Local Government Act 1972 - Schedule 12A as amended. This is because it is the financial modelling of the business plan of a third party.
- 3.2 Legal support will be required in drawing up the funding arrangements, as well as the property aspects of the move to the Castle Farm site. Subject to available capacity at the time, it is anticipated that this can be provided by SDC Legal Services under the shared services arrangement.
- 3.3 Financial assistance to a members' sports club that does not operate in a commercial market is unlikely to amount to a subsidy, but this will be kept under review in drawing up the necessary documentation. Any further loans to the JV will need to be made on market terms to ensure that they are not subsidies requiring registration and/or referral to the Subsidy Advice Unit.

4 Financial Implications

- 4.1 In respect to the CIL and S106 funding the requested advance funding can be sourced from the Council's General Fund and CIL reserves / balances and the Head of Finance in consultation with the Resources portfolio holder will determine the most appropriate source for the funding. The funding would then be recouped once S106 and CIL is collected from development in Kenilworth and more widely from the district in the case of CIL.
- 4.2 CIL is collected on commencement, but on larger applications it is collected in instalments over an 18 month period from commencement. On strategic sites in Kenilworth 50% of S106 contributions will be received when 50% of each planning permission is occupied with the remaining 50% received on completion, this is likely to be spread out over a number of years.
- 4.3 It should be noted that such a funding arrangement would come with an 'opportunity cost' to the Council, where General Fund reserve balances would typically be used to internally fund other schemes scheduled to be funded through borrowing, or used to invest and generate a financial return. In addition, CIL balances could be used to support alternative schemes.
- 4.4 General Fund reserves will be next updated as part of the 2024-25 Budget setting process in February 2024, at which point the Council will know what the funding requirements in order to set a balanced budget, and what funding will be made available by central Government through its core settlement. Historically the Council has used elements of the core settlement, such as New Homes Bonus and last years Funding Guarantee, to support the top up of reserves and community based projects.
- 4.5 With regard to the additional measures to assist the Club where there is a financial implication including a review of the Playing Pitch Strategy and project management resource this will be funded through the Community Project Reserve. The reserve has £340k available and uncommitted. The support proposals amount to circa £115,000 in total albeit this is spread in part over 3 years.
- 4.6 Members should be aware that the £712,000 already invested and the proposed further £300,000 to be invested is recoverable by way of a charge on the land. So, provided that the risks are managed the only expenditure from the Council proposed that is at this stage in effect at risk is the £25,000 to fund the Playing Pitch Strategy work and the project officer costs – totalling £115,000 over 3 years.

5 Business Strategy

- 5.1 Warwick District Council had a Business Strategy which covered the period 2020-2023. Given the new administration the Business Strategy will need revisiting. In the meantime, the Service Area Plans address the Council's key elements of: People - Health, Homes, Communities, Services - Green, Clean, Safe, Money- Infrastructure, Enterprise, Employment, People - Effective Staff, Services - Maintain or Improve Services - and Money - Firm Financial Footing over the Longer Term.
- 5.2 The recommendations in this report particularly support the Health, Homes and Communities aspirations of the Council.

6 Environmental/Climate Change Implications

- 6.1 There are no environmental implications of this report directly in relation to the Council's policies and Climate Emergency Action Plan. However, when

progressed further there would be an expectation that any new buildings/facilities would meet this Council's requirements.

7 Analysis of the effects on Equality

7.1 It is not considered relevant to undertake an Equality Impact Assessment at this point.

8 Data Protection

8.1 There are no data protection implications of the proposal.

9 Health and Wellbeing

9.1 The provision of a new improved sports facility will contribute to health and wellbeing of the local community enabling access to a range of sports facilities in Kenilworth and would support good levels of participation.

10 Risk Assessment

10.1 Should members not wish to support the funding of CIL and S106 it is unlikely that a scheme will be delivered by KWSC at Castle Farm and the Club will stay in their current location at Glasshouse Lane. This presents a number of risks as outlined at paragraph 2.2.

10.2 If Cabinet agrees that the Scheme should proceed as recommended in this report the key risks are around demonstrating that there is a viable business plan for which some of the recommendations provide the opportunity to mitigate that risk before more funds/work are committed. It is vital that prompt action is taken to establish the need for the all-weather pitch and to review and modify the business plan where appropriate.

10.3 There is also risk that the scheme costs increase during construction. In respect of this risk the work done by the Club and by the JV indicate similar costs and it is proposed to undertake further value engineering to ensure that the construction cost factor is managed further.

10.4 There are additionally risks about the schemes getting planning permission but in principle both the relocation and the redevelopment are in accordance with the Local Plan policies and the Development Brief.

10.5 A project risk register will be prepared and reported to Cabinet and the Overview and Scrutiny Committee.

11 Consultation

11.1 The proposal has the support of the Portfolio Holders.

Background papers:

Local Plan for Warwick District

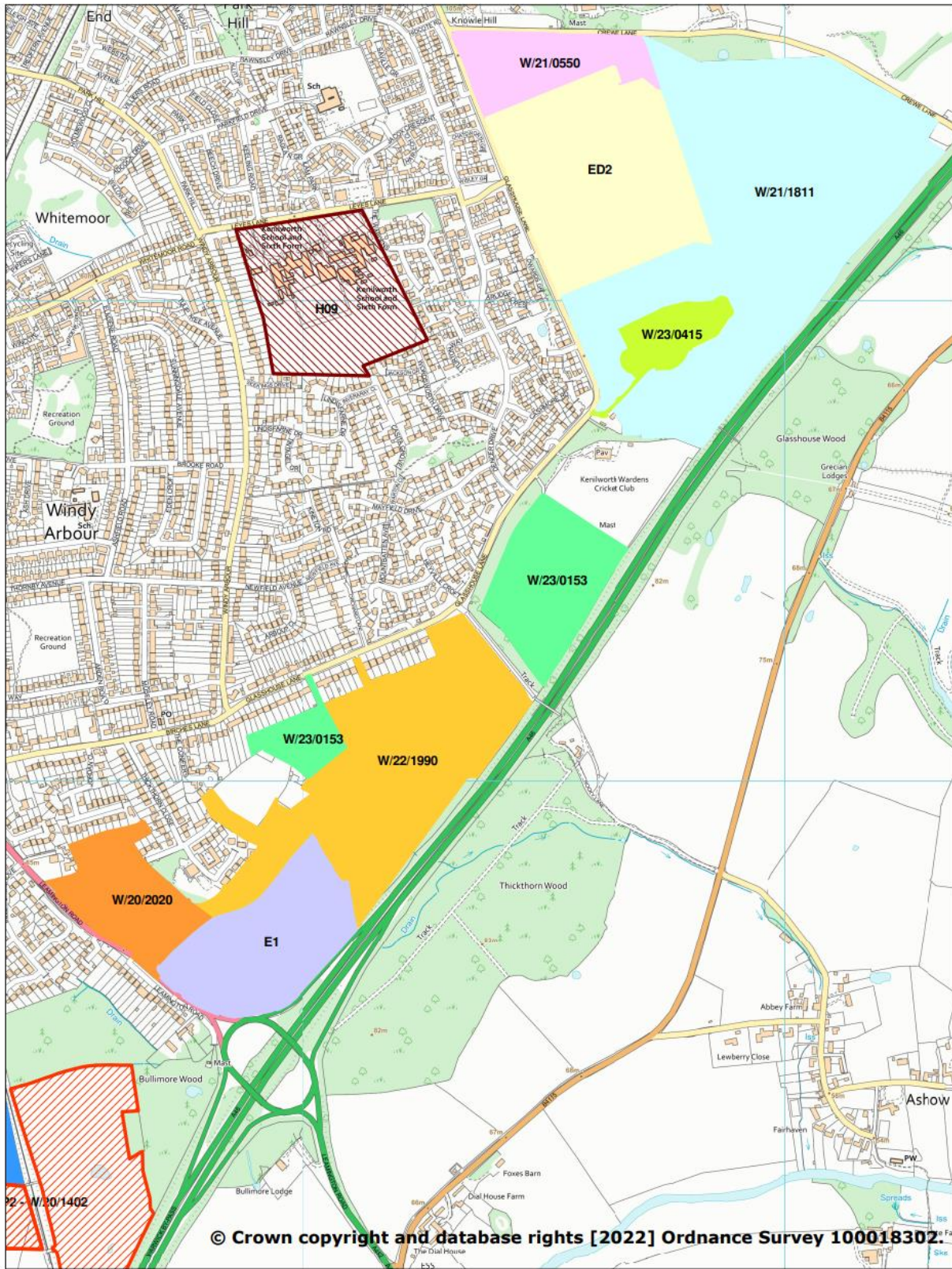
Development Brief for land East of Kenilworth

Supporting documents:

Previous Relevant Reports: Cabinet 25th May 2022 (Item 6); Executive 13th November 2019 (Item 8); Executive 31st May 2018 (Item 7); Executive 2nd June 2016 (Item 6), 29 September 2022 (Item 6)

Appendix 1

Land East of Kenilworth Allocation and Applications



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	Land east of Kenilworth		
	Scale: 1:10000 @A4 Drawn By: GIS		Date: 18 July 2023
	Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire. CV32 5HZ		Tel: 01926 410410

Land at Castle Farm

Fields 1 and 2 are in this Council's ownership.

Field 3 will need to be purchased along with land to the south of field 2 allowing access into the site as this is not in the Council's ownership.

