

Executive

Minutes of the meeting held on Wednesday 12 April 2017 at the Town Hall, Royal Leamington Spa, at 6.55 pm.

Present: Councillor Mobbs (Leader); Councillors Coker, Cross, Grainger, Phillips and Whiting.

Also present: Councillors; Barrott – Labour Group Observer and Mrs Falp - Whitnash Residents Association (Independent) Observer.

Apologies for absence were received from Councillors Boad, Butler and Shilton.

128. **Declarations of Interest**

Minute numbers 129 and 131 – Note of Decision taken under Chief Executive's Emergency Powers

Councillor Mrs Falp declared an interest because her son was a shareholder of Leamington Football Club.

Minute number 132 - Note of Decision taken under Chief Executive's Emergency Powers

Councillor Mrs Falp confirmed that she had not participated in the discussion with the Chief Executive on this decision.

Part 2

(Items on which a decision by Council is required)

129. **Council Agenda (Non Confidential Items and Reports) – Wednesday 12 April 2017**

The Executive considered the non-confidential Item 12 'Europa Way – Strategic Opportunity Proposal' on the Council agenda of 12 April 2017.

The report provided them with an update on the progress to implement the decisions made at the March 2015 Full Council/Executive in respect of the Strategic Opportunity Proposal (SOP) for land at Europa Way, Warwick, and recommended that the Council purchased land from Warwickshire County Council (WCC) to develop a new community stadium and associated commercial element enabling development.

In addition, it was proposed that Leamington Football Club (LFC) would relocate to the new community stadium and that the Council purchased LFC's current site for use as a Gypsy and Traveller site.

It was recommended that the Council undertook a development options appraisal to confirm the feasibility of the community stadium development and produce a project delivery plan, to be the subject of a further report to the Executive by September 2018.

Whilst considering this report, the Executive took into account, but did not discuss, the information provided at Confidential Appendices 2, 3, 5, 6, 7, 12, 13, 14, 15 and 16 to the report.

In January 2015, a report to Members gave agreement for officers to embark on a feasibility study. An opportunity had been identified that had the potential to address some issues which together created a conundrum for the Council. These issues were outlined in Section 3.1 of the report.

In July 2014, WCC had made a planning application (W/14/0967) in relation to land it owned between Gallows Hill and Europa Way, adjacent to the Europa Way Consortia (EWC) site. In addition to housing and open space, the development in this area also envisaged a local centre, community hall and a site for a GP's surgery. This site's development potential represented an opportunity to help resolve the conundrum.

The January 2015 report outlined two potential options for the Council to become involved in bringing forward the site for development. One of these involved purchasing the site using the Housing Revenue Account (HRA); the other proposed acquiring a nearby site and working with WCC to achieve a joint disposal.

In both cases, land would be retained for a community stadium development, paving the way for LFC to re-locate and opening the way for its current ground at the Harbury Lane Site to be developed as a Gypsy and Traveller site. Approval was given for officers to commence feasibility work, with a further report in March 2015.

Included in the report were reasons supporting the overall business case for a community stadium.

Waterloo Housing Group (WHG) had also expressed an interest in securing further sites for residential development in the District independently of the Council's existing joint venture arrangement "W2" with WHG. This dual purchase approach would bring with it an opportunity to realise some of the Council's original objectives in relation to housing, as well as securing a site for the community stadium development and a Gypsy and Traveller site at the Harbury Lane Site.

It was proposed that the Council purchase the land to the west of the proposed spine road (shown in the plan attached as Appendix 1 to the report) at the same time as WHG purchase the land to the east of the proposed spine road. The land purchased by the Council would include:

Sites for community stadium and associated development	4.24ha
Site for community hall (Section 106 agreement requirement)	0.25ha
Site for GP facility (Section 106 agreement requirement)	0.25ha
Open space (supports residential development on WHG	0.89ha

site – may be transferred to WHG at future date) and farmhouse access track	
Site for education (Section 106 agreement requirement)	2.02ha

The report also outlined the project plan to create a Community Stadium and relocate LFC from its current Harbury Lane Site. It was proposed that the development project would comprise five broad phases, detailed in the table in section 3.33 of the report, and that the Council procure consultants to undertake a Delivery Options Appraisal, following advice provided by Colliers. There were three possible conclusions which the appraisal might reach:

1. Developers were prepared to take on delivery of the full scheme including stadium.
2. Developers were prepared to deliver the enabling development but not the stadium, so the Council would need to act as developer for that element (a hybrid development).
3. The Council should take on the role of developer for both the enabling development and stadium.

If the appraisal indicated that there could be a viable scheme, Council officers would produce a project delivery plan based on the preferred option. An estimate of cost covering the five project phases had been prepared and was attached as confidential Appendix 14 to the report.

In addition, to support the next phase of the development project, a Project Board would be set up by the Council as proposed in line with the principles set out in Appendix 5 to the report.

The budget required to complete Phase 2 (the delivery options appraisal) was estimated to be £190,000.

The risk mitigation strategy was detailed in sections 3.38 to 3.42 of the report.

Subject to the agreement of its shareholders, a relocation of LFC to the new community stadium at the Stadium Site would allow LFC to dispose of its existing freehold site and existing stadium at Harbury Lane to the Council, which had been identified by Officers as a suitable location for the provision of a site for Gypsies and Travellers. Members were aware of the need for the provision of such a site in the District.

LFC's directors indicated that they were willing to recommend to the Club's shareholders that LFC entered a conditional contract for sale of the LFC Site to the Council. This proposal formed part of a draft agreement being negotiated by Council Officers and LFC, the key principles of which were set out at Appendix 5 to the report.

LFC would not relocate from its current site until the new stadium had been completed according to a mutually agreed specification and was available for use. LFC would have a 150 year lease for the new community stadium.

One of the recommendations in the report was that, subject to the approval of recommendation 2.1 by Council, and the completion of the purchase of the Stadium Site, Executive approved the availability of £190,000 from the Community Projects Reserve to:

- Procure consultants/ agents to undertake a delivery options appraisal of the community stadium and its associated enabling developments.
- Commission advice regarding taxation, financial and legal structures.
- Cover the cost of legal advice to support this stage of work.
- Procure a resource for project management.

In March 2015, a budget of £100,000 was agreed to support the feasibility project. This had been spent or committed in full.

Further issues outlined in the report included integrating the development, the sports and education hub, affordable housing and gypsy and traveller site provision.

Further details relating to funding the purchase, long-term borrowing and the use of right to buy capital receipts were set out in section 5 of the report.

In relation to the project costs, it would cost an estimated £190,000 to progress the project to the next stage, RIBA Stage 1.

It was proposed that this cost be funded from the Community Projects Reserve which currently had an unallocated balance of £510,000. This would only be drawn down once completion of the purchase had occurred.

Both the Europa Way Site and the current LFC site, once acquired by the District Council, would be held within the General Fund.

A number of alternative options had been considered and the report in March 2015 identified five delivery options which were to be appraised. In summary:

1	Direct funding & development - The Council purchases the land and develops the Site itself for sale of market homes and retention of Affordable Housing
2	Appointing a development partner – The Council purchases the Site and sells on to developer(s) who agrees to sell back to the Council, at an agreed price, a specified number of affordable homes.
3	A joint venture – the Council secures a partner to work with to develop the Site; sharing funding requirements, risks, losses and rewards.
4	W2 – exploring an informal proposal from WHG to proceed under the auspices of W2, the Council's joint venture with WHG.
5	LLP – Having initially declined to consider involving itself in the housing elements of Europa Way, the LLP re-emerged as a potential delivery partner.

In appraising each of the options, consideration has been given to

- the extent to which the Council had effective control over the shape and outcomes of the development;
- the impact on the Council's financial capacity to invest in other projects in addition to Europa Way;
- the Council's capability and capacity to deliver the project;
- financial, operational and reputational risks to the Council;
- compliance with procurement requirements; and
- overall value for money and economic sustainability.

From these considerations, a number of alternative options had been considered, including direct funding and development, the Council appointing a development partner, a joint venture, using W2, using the Council/ Public Sector PLC (PSP) LLP and doing nothing, amongst others. However, these options were disregarded for a range of reasons which were expanded upon in section 7 of the report.

The Joint Finance & Audit and Overview & Scrutiny Committee noted the contents of the report.

The Executive recognised the opportunity this provided for the wider community but at the same time there would be a number of stages to get through first where report would be brought to Council and/or the Executive. This included recognising there would be points where, if the project did not stack up, it would have to be stopped.

Resolved that:

- (1) following the approval of recommendation 2.1 in the report by Council and the completion of the purchase of the Stadium Site, £190,000 is made available from the Community Projects Reserve to:
 - (a) procure consultants/ agents to undertake a delivery options appraisal of the community stadium and its associated enabling developments;
 - (b) commission advice regarding taxation, financial and legal structures;
 - (c) cover the cost of legal advice to support this stage of work; and
 - (d) procure a resource for project management;
- (2) authority is delegated to the Chief Executive, in consultation with the Housing and Property Services Portfolio Holder, to agree with Waterloo Housing Group (WHG),

the proposed purchaser of the land adjacent to the Stadium Site, and how the two parties will co-operate with each other to deliver their respective developments;

- (3) Council officers will continue to explore with Warwick University (who own land adjacent to the Stadium Site) and other adjoining landowners, the feasibility of delivering a pedestrian/cycle link between the Stadium Site and the adjacent Warwick Technology Park, and will report back as progress is made and in any case no later than September 2018;
- (4) Council officers will continue to discuss the possibilities of an education/sports hub around the Stadium site with various education bodies and report back as progress is made and in any case no later than September 2018;
- (5) Council officers and LFC will, in parallel with this project, discuss opportunities for establishing a football training facility and report back as progress is made and in any case no later than September 2018;
- (6) once the purchase of the Stadium Site is completed, Council officers will report to the Executive on options for the delivery of a Gypsy and Traveller provision at the Harbury Lane site and in any case no later than September 2018; and
- (7) the Chief Executive is authorised, in consultation with the Housing and Property Services portfolio holder, to seek any statutory or other consents deemed necessary to implement this project including, for the avoidance of doubt, the submission of planning applications.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference number 712

130. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the

Local Government (Access to Information)
(Variation) Order 2006, as set out below.

Minute Nos.	Para Nos.	Reason
131 and 132	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The full details of the following items will be recorded separately in the confidential minutes for the meeting.

132. **Council Agenda (Confidential Items and Reports) – Wednesday 12 April 2017**

This item only included the Confidential Appendices, listed below, to the report set out as at Minute 128, detailed in the public minutes of 12 April 2017.

Appendix 2 - WDC WHG Offer Terms and Conditions
Appendix 3 – Summary of proposed purchase prices for land to be acquired
Appendix 5 – Summary of Key Partnership Principles WDC & LFC
Appendix 6 – LFC Business Plan
Appendix 7 – LFC Business Plan Appendices 1 to 3b
Appendix 12 – Colliers Review of LFC business plan
Appendix 13 - Colliers Advice on Delivery Options appraisal
Appendix 14 – Risk Mitigation Strategy
Appendix 15 – Site Purchase Costs & project cost forecast
Appendix 16 - Risk register

Resolved that the appendices as listed above be noted.

133. **Note of Decision taken under Chief executive's Emergency Powers**

The Executive considered a report from the Chief Executive which noted the decision taken by him in consultation with Group Leaders under the emergency powers of the Council's constitution (CE (4)).

The Joint Finance & Audit and Overview & Scrutiny Committee noted the contents of the report.

Resolved that the report be noted.

(The Portfolio Holder for this item was Councillor Mobbs)

(The meeting ended at 7.19 pm)