

 <b>Executive – 21<sup>st</sup> August 2019</b>		<b>Agenda Item No. 7</b>
<b>Title</b>	Warwick District Leisure Development Programme – Kenilworth Facilities	
<b>For further information about this report please contact</b>	Paddy Herlihy <a href="mailto:Padraig.herlihy@warwickdc.gov.uk">Padraig.herlihy@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All wards of the District but likely to specifically affect: Kenilworth Abbey and Arden Kenilworth Park Hill Kenilworth St Johns	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive 9 <sup>th</sup> January 2019 Leisure Development Programme – Kenilworth Facilities Minute Number 115	
<b>Background Papers</b>	See Appendices	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes Ref No: 1013
<b>Equality Impact Assessment Undertaken</b>	No
Equality Impact Assessments will be undertaken at the appropriate stage as the project and design develops.	

<b>Officer/Councillor Approval</b>		
<b>Officer/Councillor</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	29 <sup>th</sup> July 2019	Chris Elliott/Andrew Jones
Head of Service	29 <sup>th</sup> July 2019	Rose Winship
CMT	29 <sup>th</sup> July 2019	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	29 <sup>th</sup> July 2019	Mike Snow
Monitoring Officer	29 <sup>th</sup> July 2019	Andrew Jones
Portfolio Holder	31st July 2019	Councillor Mrs Grainger
<b>Consultation &amp; Community Engagement</b>		
The first stakeholder and public consultation for Phase Two of the Warwick District Leisure Development Programme took place in October 2018. The report to Executive in January reported back on the results of that consultation. The second consultation		

will be undertaken when the project is ready to submit a Planning Application, which will be in October and November 2019.	
<b>Final Decision?</b>	No
<b>Suggested next steps (if not final decision please set out below)</b> The report proposes that the next steps are to continue with RIBA Stage 3 design for Castle Farm Recreation Centre and to commence RIBA Stage 3 design for Abbey Fields Swimming Pool, both on the basis of the RIBA Stage 2 designs agreed by the Project Board. A pre-planning application public consultation will be undertaken in October and November 2019. A further report will be brought to Executive and Council at the end of RIBA Stage 4, which will be in the summer of 2020.	

## 1. Summary

- 1.1 The current focus of the Warwick District Leisure Development Programme is the two leisure facilities that the Council owns in Kenilworth, being Castle Farm Recreation Centre and Abbey Fields Swimming Pool.
- 1.2 In January 2019 the Executive gave permission to officers to instruct the Design Team (provided and led by Mace Group) to begin the RIBA Stage 2 design process for these two sites, based on the options recommended following the stakeholder and public consultation held in October and November of 2018.
- 1.3 The RIBA Stage 2 design process has been completed and signed off by the Project Board for both sites. The RIBA Stage 3 design process has now begun for Castle Farm Recreation Centre. The design process for Abbey Fields Swimming Pool was paused following the local elections, in order to consult with each of the political groups. That process is now complete and this report recommends proceeding with the RIBA Stage 3 design process for Abbey Fields Swimming Pool and continuing with that in respect of Castle Farm Recreation Centre. At the end of RIBA Stage 3 the Design Team will provide a RIBA Stage 3 Report to the Project Board for approval. Once that approval is given the Design Team will proceed with RIBA Stage 4 and a further report will be provided to Executive and Council at the end of RIBA Stage 4, in summer 2020.

## 2. Recommendations

- 2.1 That Executive notes the discussions held with the political Groups and the feedback received from Group Leaders with regard to the Warwick District Leisure Development Programme projects in Kenilworth as shown in Appendix A to this report and also notes the additional work completed by officers in response to the comments received.
- 2.2 That Executive asks officers to instruct the Design Team to begin the RIBA Stage 3 design of Abbey Fields Swimming Pool on the basis of the RIBA Stage 2 design approved by the Project Board and the facility mix detailed in the January 2019 Executive Report and to continue the design process to the end of RIBA Stage 4, when they are to report back to Executive and Council in Summer 2020.
- 2.3 That Executive asks officers to instruct the Design Team to continue with the RIBA Stage 3 design of Castle Farm Recreation Centre on the basis of the RIBA Stage 2 design approved by the Project Board and the facility mix detailed in

the January 2019 Executive Report and to continue the design process to the end of RIBA Stage 4, when they are to report back to Executive and Council in Summer 2020.

- 2.4 That Executive notes the work already undertaken by the Design Team on improving the sustainability of the design of the Castle Farm Recreation Centre and the Abbey Fields Swimming Pool and instructs the Design Team to develop this work further in preparing the RIBA Stage 3 report on these projects, as shown in Appendix B to this report.
- 2.5 That Executive notes that, following a comprehensive feasibility study of an option to relocate the Kenilworth Scout and Guide Headquarters on a site that forms part of the Rouncil Lane sixth-form land (which the Council is hoping to purchase), this has proved cost-prohibitive and, recognising that there are no alternative sites in the locality, Executive agrees that officers instruct the Design Team to continue with design work up to RIBA Stage 3 for an extension to the Castle Farm Recreation Centre in order to accommodate the Headquarters of the Kenilworth Scouts and Guides and to continue the design process to the end of RIBA Stage 4, when they are to report back to Executive and Council in Summer 2020.
- 2.6 That Executive agrees to spend up to £445,000 from the Right To Buy Capital Receipts in order to progress the design options identified in Recommendations 2.2 to 2.5 to this report to the end of RIBA Stage 4.
- 2.7 That Executive notes the Overview on open water swimming provided as Appendix C to this report and asks officers to prepare a more specific feasibility study into the introduction of an opportunity for open-water swimming in the District, such study to be brought to a subsequent meeting of the Executive.
- 2.8 That Executive notes the proposed timetable, recognises that this timetable and the other recommendations of this report are on the basis that work to both buildings is carried out at the same time and also notes when further decisions will be required in order to progress the programme.

### **3. Reasons for the Recommendations**

#### Recommendation 2.1

- 3.1.1 Since the District Council elections officers have carried out individual briefings on the leisure development proposals in Kenilworth for each of the political Groups. This was due to the large number of new Councillors in all Groups and was aimed at ensuring that all Councillors were informed about the proposals. The Group Leader of each of the Groups was asked to provide feedback from their colleagues on the facilities being proposed.
- 3.1.2 The administration (Conservative and Whitnash Residents Association) discussed the proposals with their respective Groups and were very supportive of the schemes. The administration made it clear however, that officers should ensure that there is clarity around how the schemes would be funded; that the public is able to properly engage with the proposals through informative visual impressions; and that officers should make it clear that these proposals were for the benefit of the whole District.
- 3.1.2 Given that this matter (particularly Abbey Fields Swimming Pool) had been a contentious one, it was to be expected that more detailed representations

would be received from the Green, Labour and Liberal Democrat Groups. Whilst their respective feedback has been summarised in the table below, for the sake of transparency and openness, the full responses can be seen at Appendix A.

<b>Question</b>	<b>Green</b>	<b>Labour</b>	<b>Liberal Democrats</b>
Which elements are most appropriate?	Improve tired building Sun terrace Café Bi-fold doors to family pool	Impressive plans	Need of development AF designs take account of sensitive site CF rebuild is correct
About which elements do you have concerns?	Public relations problem Need Stakeholder consultation and scientific survey Access and disruption during works Disabled access	Bi-fold doors could be a source of contention Survey was confusing Usage figures suspect Parking at Castle Farm	CF lack of engagement Traffic and parking Consultation with other users Wardens plan should not be separate AF Lack of outdoor pool Supply + demand calcs Café disconnected from play area
Other important matters	Sustainability Transport infrastructure Carbon neutral energy use	Support full-sized lido	Consultation Best environmental standards Inclusivity Transport infrastructure
Other considerations to investigate	Semi-wild swimming provision BAUM pool cleaning Sympathetic design Ecologically sound design	Costs and sustainability of lido would have to be considered	Joint café with Wardens Shelter next to petanque Tourism potential Impact on mental health Heritage value

3.1.3 Following discussions with the Groups, officers were asked by the Green group to consider the possibility and practicality of including an option at the Abbey Fields Swimming Pool that would allow customers to 'swim through' from a new indoor pool to an outdoor section of the same pool. Designs were produced by project architects Darnton B3 for illustrative purposes. However, the Design Team, officers and Everyone Active, as operators of the building, strongly advised against this proposal for operational reasons. Some of the issues involved would be as follows –

- Very significant impact on the cost of construction
- Outdoor pool cannot be drained in winter, so it would have to be full, heated and treated all year at very high cost and energy use
- Outdoor pool would have to be hotter than is usually the case as it is linked to indoor pool
- Point of 'swim through' will allow a flow of outside air into the pool hall all year round, adding to energy use and costs
- Lifeguard would need to be present outside at all public times at an additional cost of c £35,000 a year
- Potential for additional cost for separate filtration system
- Very expensive to have "swim through" and movable floor – the technical compromise is significant

- Use of the “swim through” would not be possible during swimming lessons and other organised sessions in the family pool

3.1.4 A further piece of work was also undertaken following a request during this period. The Design Team investigated the carbon footprint produced by a 25 metre long outdoor pool and the current proposal of a 15 metre long indoor pool with sun terrace. The carbon footprint of the outdoor pool was calculated with water heated to the same temperature as the indoor pool, for comparison purposes, and also at the lower temperature that is more usual for outdoor pools. The results are as follows –

<b>15m x 10m indoor pool heated to 27 °C</b>	<b>25m x 10m outdoor pool heated to 27 °C</b>	<b>25m x 10m outdoor pool Heated to 22 °C</b>
1,231,380 kWh of additional gas per annum	2,565,380 kWh of additional gas per annum	1,968,806 kWh of additional gas per annum
228,000 kg carbon produced per annum	475,000 kg carbon produced per annum	358,325 kg carbon produced per annum
£39,500 additional utility consumption per annum	£82,500 additional utility consumption per annum	£63,200 additional utility consumption per annum

3.1.5 The dialogue with Members will continue as the proposals develop. A cross-party Members’ Working Group has been established consisting of Councillors Grainger, Cooke, Heath, Dearing (A) and Milton who will help guide the projects as they move forward.

#### Recommendation 2.2

3.2.1 The RIBA Stage 2 designs for Abbey Fields Swimming Pool have not changed significantly since the report to Executive in January this year. Officers remain confident that the proposals offer a facility that will cater for all sectors of the community. It will provide the much needed additional water space for the District to accommodate the population growth to 2029; swimming for those with disabilities; access for all age groups; swimming lessons and school provision and an ambitious and modern take on indoor/outdoor family space that will allow the new pool to be opened up to the outdoors in the summer months through a wall of bi-fold doors.

3.2.2 It is therefore considered that the RIBA 3 design process for the Abbey Fields Swimming Pool should commence now.

3.2.3 Furthermore, it is proposed that the Design Team is instructed to report back to the Project Board at the end of RIBA Stage 3 (Developed Design). Once the Project Board has signed off the RIBA Stage 3 Report for the Abbey Fields Swimming Pool the Design Team should move straight into RIBA Stage 4 (Technical Design). At the completion of RIBA Stage 4 we will have a fully prepared design and an agreed cost with a preferred contractor. It is at this point, therefore, that a further report will need to be considered by Executive and Council in order to decide whether or not to proceed with the construction.

#### Recommendation 2.3

3.3.1 The RIBA Stage 2 designs for Castle Farm Recreation Centre have not changed significantly since the report to Executive in January 2019. There was broad support from all consultees for the proposals made. Most of the concerns expressed relate to vehicular access to the site along residential roads, and

parking of vehicles on the site. A decision to continue with RIBA Stage 3 design work at Castle Farm will enable the existing programme to be progressed.

- 3.3.2 As with paragraph 3.2.3 above, it is proposed that the Design Team is instructed to report back to the Project Board at the end of RIBA Stage 3 (Developed Design). Once the Project Board has signed off the RIBA Stage 3 Report for the Castle Farm Recreation Centre the Design Team should move straight into RIBA Stage 4 (Technical Design). At the completion of RIBA Stage 4 we will have a fully prepared design and an agreed cost with a preferred contractor. It is at this point, therefore, that a further report will need to be considered by Executive and Council in order to decide whether or not to proceed with the construction.
- 3.3.2 The RIBA Stage 2 designs for Castle Farm Recreation Centre included a new, stand-alone building to accommodate the Headquarters of the Kenilworth Scouts and Guides. It is now proposed that the Scouts and Guides are accommodated in an extension to the Castle Farm Recreation Centre. This is discussed further in paragraphs 3.5.1 to 3.5.6 below.
- 3.3.3 One particularly important aspect of the design of the Castle Farm Recreation Centre site is the access to the site for vehicles. Access for non-vehicular traffic will also be important, and this is being investigated carefully, but vehicle movements will remain a significant aspect of this site. This will be particularly true given the proposal to locate the Kenilworth Wardens Cricket Club Limited (hereafter referred to as KW) on the adjacent site.
- 3.3.4 The Local Plan allocates land at Castle Farm to use for outdoor sports (Policy DS23). This is one of two sites allocated for such use in the Local Plan. The relocation of the KW to Castle Farm is an important aspect in delivering allocated housing and the comprehensive development of land east of Kenilworth.
- 3.3.5 Discussions have been held with KW, the combined design teams for the two sites, the combined ecology teams for the two sites, Development Management and others concerning access to the two sites. A number of access options have been rejected for planning or cost reasons. Two access options remain and these are being considered further.
- 3.3.6 Option One is to produce a single in/out access off Fishponds Road (the current access point) with a new vehicular road from the leisure centre to the KW Clubhouse, across the current playing fields. Option Two is to have one in/out access for KW off John O' Gaunt Road and a separate in/out access for the Leisure Centre off Fishponds Road (the current access point).
- 3.3.7 These remaining two options are being appraised by the combined design teams and colleagues, with a view to providing one preferred option in time for the pre-planning public consultation period in October and November 2019.

#### Recommendation 2.4

- 3.4.1 The Council has declared a 'climate emergency'. It is therefore very important that the sustainability of the proposals contained within this report are re-examined in the light of the pressing need to reduce carbon generation from these facilities. Mace have worked with the Design Team and officers of the Council to produce a report on sustainability which is shown as Appendix B to

this report. This report acknowledges that there are a number of ways to assess the sustainability of a building's design, and makes it clear that this report is primarily focussed on reducing the carbon generated by the buildings, as opposed to other measures of sustainability available in the industry. These other measures were not selected as they are not so completely focussed on reducing the carbon generation.

- 3.4.2 The report at Appendix B takes the current RIBA Stage 2 design as a benchmark. This already contains a number of measures aimed at sustainability, as required by Building Regulations. It then recommends a number of additional items of plant and equipment that could be added to the design of the two facilities to improve their carbon performance. It also recommends a number of changes to the construction details which can also significantly improve the sustainability of the finished building. It proposes to bring plant and equipment together with construction detail during the RIBA Stage 3 process, by undertaking a thermal model of the building. It is this process that will show how the various elements will work together in the finished building. It is not possible to undertake integrated thermal modelling until later in the RIBA Stage 3 design process.
- 3.4.3 The third section of the report indicates a number of ways in which the construction process itself can be made more sustainable. It undertakes to insist on a number of these initiatives as part of the tendering of a contract for the construction of the buildings. The next report to Executive will contain the details of the initiatives that the Design Team propose to include within the tendering process, for the approval of the Executive.

#### Recommendation 2.5

- 3.5.1 Kenilworth District Scouts and Guides and a number of their constituent Groups currently have their headquarters on the first floor of the Castle Farm Recreation Centre. They contributed capital funds to the extension of the current facility in 1995 and they have a lease for their occupation of the building which includes the right to renew. The Council is committed to relocating the Scouts and Guides in a manner that ensures no detriment from their current accommodation. We cannot commence demolition of the Castle Farm Recreation Centre until the Scouts and Guides have moved out. We may have to consider the use of temporary accommodation for the Scouts and Guides for a period of time, and officers are investigating possibilities in this regard, but it would be inappropriate for this to be for an unacceptably long period.
- 3.5.2 At RIBA Stage 0 the Design Team showed a new, stand-alone building on the Castle Farm site for the Scouts and Guides. In subsequent discussions with Development Management this was considered inappropriate development in the Green Belt. Two other options were then considered for a new Headquarters for the Scouts and Guides.
- 3.5.3 The first option considered was to locate them in an extension to the proposed Recreation Centre. This would avoid the construction of another stand-alone building in the Green Belt. However, it would increase the building footprint of the Recreation Centre and so it would still need to make the case in planning terms for 'Very Special Circumstances' in the same manner as that required for the Recreation Centre itself. There are other examples nationally where the

case for 'Very Special Circumstances' has been made successfully for facilities for Scouts and Guides, but the local case will still need to be made. Some additional land on site would have to be made available for the dedicated use of the Scouts and Guides, as at present, for outdoor activities that require the exclusion of the public.

- 3.5.4 The second option considered was to relocate the Kenilworth Scout and Guide HQ to a new, purpose-built facility on the Rouncil Lane site that is currently occupied by Kenilworth 6<sup>th</sup> Form College. The Council is intending to purchase this site when the school moves to the South Crest Farm site, in order to develop it as an exemplar housing development. This option would have provided advantages and disadvantages over the first option. However, most significantly, this option would have involved a substantial loss of value to the Council from the housing that could have been located on this portion of the site. When combined with the loss of developer profit, the total opportunity cost to the Council would be approximately £2 million. This option is therefore considered poor value and so has been rejected.
- 3.5.5 The Design Team will therefore continue to progress the option to locate the Headquarters for the Scouts and Guides as an extension to the Castle Farm Recreation Centre. As in paragraph 3.2.3 above, it is proposed that the Design Team is instructed to report back to the Project Board at the end of RIBA Stage 3 (Developed Design). Once the Project Board has signed off the RIBA Stage 3 Report for the Headquarters for the Kenilworth Scouts and Guides the Design Team should move straight into RIBA Stage 4 (Technical Design). At the completion of RIBA Stage 4 we will have a fully prepared design and an agreed cost with a preferred contractor. It is at this point, therefore, that a further report will need to be considered by Executive and Council in order to decide whether or not to proceed with the construction.
- 3.5.6 It is important to note that the proposed Scout and Guide Headquarters to be located as an extension to the Castle Farm Recreation Centre is not a substitute for a Community Centre for the new population that will move to new houses on land east of Kenilworth. This is for two compelling reasons. Firstly, locating the new Scout and Guide Headquarters on land east of Kenilworth would not be appropriate. Castle Farm is to the west of the Warwick Road. There are already other Scout and Guide Groups to the east of Kenilworth, and the Groups currently at Castle Farm wish to remain to the west of the Warwick Road. Secondly, wherever it is located, the Scout and Guide Headquarters could not operate as a more general community centre as it will not have many available slots in its programme. The current Scouts and Guides Headquarters is occupied on every evening of the working week for most of the evening, which is when many community groups wish to meet in a community centre. Therefore, despite a new Scout and Guide Headquarters being planned for Castle Farm, a new Community Centre will still be required to serve the new residents of land east of Kenilworth.

## Recommendation 2.6

- 3.6.1 The design and survey work involved in this part of the Warwick District Leisure Development Programme is currently funded to the end of RIBA Stage 3, which is programmed to be reached in November 2019. The Programme is shown as Appendix F to this report. At the completion of this stage the Design Team will provide a RIBA Stage 3 Report to the Project Board. Once the Project Board has signed off this report then work can begin on the RIBA Stage 4 design. At the

same time, a procurement process will be undertaken to identify a preferred contractor for the construction work. The preferred contractor will then work alongside the Design Team to ensure the buildability and value for money of the design.

- 3.6.2 At the end of RIBA Stage 4 the Design Team will therefore have a full Technical Design for the building and the Council will have agreed a proposed price for the works with the preferred contractor. At this point a further report will be made to Executive and Council showing the final design and the proposed price, so that they are able to take a decision as to whether or not to proceed with the construction of the facilities.
- 3.6.3 It is proposed to spend up to £445,000 on the completion of this work to the end of RIBA Stage 4. This will be funded from the Right To Buy Capital Receipts held by the Council.

#### Recommendation 2.7

- 3.7.1 There is a small but growing lobby of people who promote the physical and mental health benefits of swimming outdoors. The use of lidos for such swimming is one way of offering such activities, but causes concern from the point of view of sustainability. A more sustainable model for the provision of swimming outdoors is offered by open water swimming.
- 3.7.2 It was proposed by both the Conservative and Green groups in their discussions and feedback that the Council should investigate the possibility of open water swimming in the District. Officers have prepared an initial Overview into such provision and how other facilities operate in the UK. This Overview is presented in Appendix C. It is proposed that Executive should ask officers to prepare a more detailed feasibility study into the introduction of an opportunity for open-water swimming in the District and that such a study should be brought to a subsequent meeting of the Executive. It is possible that funding for such an initiative may be available from a number of sources.

#### Recommendation 2.8

- 3.8.1 The programme for this work anticipates a conclusion to the RIBA Stage 3 design work later this summer and a pre-planning public consultation on both facilities in October and November of this year. The public consultation would not be on the facility mix to be included, as this is already decided by this report, but it would cover the design detail of the building, the wider site and access and parking arrangements. Officers are in discussion with representatives of KW to ensure that KW are in a position to carry out a RIBA Stage 2 public consultation in partnership with the Council's pre-planning public consultation. It will be beneficial to be able to present the two neighbouring schemes to the public at the same time.
- 3.8.2 Carrying out the Council's consultation in October and November will enable the Design Team to incorporate any changes generated by the public consultation and then to submit a Planning Application in January 2020. A preferred building contractor would be procured from September 2019 to April 2020 and they would work with the Design Team during the completion of RIBA Stage 4. At the end of RIBA Stage 4, in the summer of 2020, a further report would be brought to Executive to propose that Executive recommends to Council the release of funding for the works. This programme would lead to the closure of

the existing facilities in September 2020. The new facilities would be open to the public by September 2021.

3.8.3 Beginning the RIBA Stage 3 design process for Abbey Fields Swimming Pool now has the further benefit of bringing the project programme for both facilities into the same timetable. A number of different options for the phasing of the two facilities have been considered in recent months. There are a number of reasons why officers are recommending proceeding with both centres at the same time. These include -

- New facilities available to the public as soon as possible
- Minimising the period of disruption to facilities in the area
- Obtaining any revenue uplift in the payment received from Everyone Active as soon as possible
- Removal of the inflation delay costs for Abbey Fields of around £10,600 a month
- Removal of prolongation fees of £16,500 a month
- Delay costs therefore total around £27,100 a month
- This is down on previous estimates due to a reduction in construction inflation predictions

#### 4. Policy Framework

##### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key projects. This report shows the way forward for implementing a significant part of one of the Council's key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal in relation to the Council's FFF Strategy.

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
Impressive cultural and sports activities	Area has well looked after public spaces	Dynamic and diverse local economy

Cohesive and active communities  Increased physical activity for all the community  Better quality public facilities	Safe and vibrant public facilities where the community feel comfortable at all times	Increased employment and income levels
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The proposal will further enhance the experience of the Warwick District Leisure Development Programme team in managing large scale capital schemes	Focusing on our customers' needs The management of this project will assist us to continue to improve our management of large scale capital schemes	Better return/use of our assets – the new facilities will improve the Council's revenue position and assist us in delivering best value for money

## 4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:

### 4.2.1 Local Plan

The Warwick District Local Plan 2011-2029 was adopted in September 2017 allocating land south of Coventry and in Kenilworth for development. Around 2,000 dwellings are allocated within Kenilworth and around 4,400 south of Coventry, with a significant proportion of the latter to come forward beyond the current plan period. The Local Plan is a key document in defining the future of Kenilworth, as well as the rest of the District. It has been necessary to get the Local Plan in place before deciding on the future of leisure provision in Kenilworth, as the changes introduced by the Local Plan will affect demand for sports and leisure facilities.

### 4.2.2 Development Brief for land east of Kenilworth

Warwick District Council has also led on the preparation of a Development Brief for land east of Kenilworth covering the strategic housing, employment and education sites. The Development Brief has now been agreed by the Council.

#### 4.2.3 Neighbourhood Plan

Kenilworth Town Council has led on the preparation of a Neighbourhood Plan covering the whole town. The Plan has now been through its referendum process and has been made. It was approved by local residents with a 94 per cent 'yes' vote from a 29 per cent turn out. The Neighbourhood Plan will now form one of the material considerations for planning decisions in the Kenilworth area.

#### 4.2.4 Indoor Sports Facilities Strategy and Playing Pitch Strategy

These strategies were initially established in 2015, having carried out comprehensive audits of local provision and needs. The Council formally adopted the Strategies which now form part of the base for development of the District's sporting provision. They have been key evidence documents for the Local Plan, in securing s106 contributions from developers to date and in establishing robust relationships with Sport England and national governing bodies of sport. It is essential that these documents remain up to date and so these documents have recently been refreshed and re-adopted.

### 4.3 Changes to Existing Policies

None

### 4.4 Impact Assessments

Impact assessments will be a vital part of the design process for any facilities constructed through the Warwick District Leisure Development Programme. Initial considerations of accessibility and other impacts are part of the ongoing process of good design. Specific assessments will be made at several times during the design process. It has already been agreed that enhanced changing facilities for customers with profound needs will be included in the new designs. The 'Changing Places' style initiative will be used as an inspiration to ensure that those with profound needs will be able to use the new facilities.

## 5. Budgetary Framework

- 5.1 Officers are doing additional work on the funding model for these schemes at present. Until this work is completed the information provided in the report to the January meeting of the Executive is still generally the most accurate picture. This report stated that the current predictions for the cost of the options selected are as follows. They are expressed as a range because it is not possible to accurately predict precise costs at this stage in the design process –

Location	Item	Cost range	
		Minimum	Maximum
Castle Farm	Recreation Centre	£10m	£12m
Castle Farm	Scouts and Guides HQ	£2m	£3m
Abbey Fields	Swimming Pool	£7m	£9m
Total for these projects		£19m	£24m

- 5.2 The possible sources of funding for the above are currently estimated as –

Source	Site	Amount	
		Minimum	Maximum

Community Infrastructure Levy	Castle Farm	c £4,200,000	
Section 106	Abbey Fields	c £2,480,221	c £2,790,958
Total		£6,680,221	£6,990,958
		<b>Maximum Shortfall</b>	<b>Minimum Shortfall</b>
Estimated Shortfall (if costs are £19m)		£12,319,779	£12,009,042
Estimated Shortfall (if costs are £24m)		£17,319,779	£17,009,042

- 5.3 As with the expenditure figures, it is not possible to be more precise at this time with regard to the funds available for this project. There are a number of caveats and unknowns that could affect the availability of funding. These include –
- 5.3.1 The figure shown for Community Infrastructure Levy (CIL) is the current figure contained in the Council’s ‘123 List’ for CIL. However, this list is refined on an annual basis, and so this figure could go up or down in subsequent years. Officers are proposing that the CIL contribution to this project should increase, but this will be set against competing priorities before being decided. It is also possible that the Town Council could decide to use an element of its anticipated CIL receipts to help fund these projects. The Portfolio Holder has agreed that, subject to the consideration of this recommendations in this report, she will open dialogue with the Town Council to discuss this matter.
- 5.3.2 The amount that will be contributed to this project from Section 106 (s106) funds is not clear at the present time. The amount provided by s106 funds from any given scheme cannot be calculated accurately until planning permission is sought. Whilst some money has already been received from developers towards this project, many other developments are not yet at this stage. In addition, the timing of the s106 receipts cannot be forecast with any accuracy.
- 5.4 The precise details of the cost of the construction and the funds available will be made available in a final report in Summer 2020 which will identify an agreed price with the preferred contractor(s), an agreed design and construction detail for each centre and the identified sources of funding for the works and contingency before any request for the final go-ahead to sign a contract or contracts with the building contractor(s) is made.
- 5.5 In order to fund the anticipated shortfall for these projects, the Council will have to borrow money, and that will have a revenue implication for the Council. If it was assumed, for illustrative purposes, that the Council has to borrow £13 million or £14 million to fund the shortfall, then the cost of borrowing that sum is shown in the table below –

Item	Period	£13m shortfall – amount per year	£14m shortfall – amount per year
<b>£13m shortfall</b>			
Buildings	40 years	£447,000	£481,000
Plant and Equipment	25 years	£156,000	£167,000
Total	Each year	£603,000	£648,000
<b>AND CIL, s106</b>		AND	AND

<b>and E A shortfall</b>			
Assuming 4 year loan	4 years interest only	£97,250	£97,250
OR	OR	OR	OR
Assuming 5 year loan	5 years interest only	£40,200	£40,200

- 5.6 The table above also shows the cost of borrowing in the short term to pay for the possible time-lag between expending money on the project and receiving the Community Infrastructure Levy, section 106 and monies from Everyone Active (see below). These additional costs are only payable for the relatively short times shown.
- 5.7 The Council is discussing the financial situation with Everyone Active. It might be possible to receive an uplift in the Concession Fee provided by the company. Ongoing discussions are taking place with the company on the amount by which they would be willing to increase the Concession Fee. The company has also been asked what other changes to the current contract would increase the Fee payable. This might include extending the contract by the optional 5 years available. Any increase in the Concession Fee could be used to reduce the borrowing costs shown above, and would be received for each year of the contract.
- 5.8 In addition to work to firm up this budget, officers commissioned a consultant to assess the likelihood of receiving external grant funding for these schemes. The initial feedback does not envisage any large grants being available for these schemes. The report states that it is unlikely that the Council will receive funding from the Strategic Facilities Fund operated by Sport England, as we have already received £1 million to each of Newbold Comyn and St Nicholas Park Leisure Centres. Sport England have subsequently confirmed that they will not be funding these projects from the Strategic Facilities Fund. The Review suggests that Sport England's Community Asset Fund, which offers a maximum grant of £150,000, is a good target, as is the HS2 Community and Environmental Fund which provides a maximum of £75,000. A range of smaller grants are proposed, but no large sums are involved. Further work will be undertaken to seek smaller funding for particular elements of the scheme. Officers will pursue all appropriate funds, but this will not provide a large percentage of the funds required. Officers will also investigate health funding for these schemes. The Scouts and Guides may be able to apply for some funds that will not be available to the Council. Discussions will continue with the Scouts and Guides to see what funding they can bring to the project.
- 5.9 If the Council were to use borrowing to fund the balance of the scheme, the additional costs in servicing the debt charges in paragraph 5.6 will increase the savings or increased income to be identified by the Council to enable a future balanced budget, based on current future funding assumptions. As previously reported, local authority future funding is very much dependent upon:-
- The Fair Funding Review
  - The Reset of the Business Rates Retention Scheme
  - The proposed new 75% Business Rate Retention Scheme.

It is now understood that details of these changes will be delayed for a year until December 2021. Therefore, Members should recognise that committing additional revenue expenditure (to fund borrowing for the scheme) ahead of knowing the above funding details brings with it financial risks. Officers will

therefore need to ensure that should Members agree to proceed, the forthcoming Business Plan adequately addresses how this increased revenue expenditure will be met.

5.10 The Council does hold £6.6m (as at 31 March 2019) of Capital Receipts from Right to Buy which it can use towards any capital scheme. These are projected to increase by £800k per annum. These receipts could be used towards the capital funding shortfall. However, the use of these receipts should be reviewed against other potential capital schemes. This may mean that other schemes cannot progress or have to be contained within more restricted budgets.

5.11 If one assumes that either all the current Capital Receipts from Right To Buy are allocated to this project, or that none of them are, then the best and worst case scenarios for the cost of funding are as follows –

Item		Best case scenario	Worst case scenario
<b>Costs</b>			
Castle Farm	Recreation Centre	£10.00m	£12.00m
Castle Farm	Scouts and Guides HQ	£2.00m	£3.00m
Abbey Fields	Swimming Pool	£7.00m	£9.00m
<b>Total costs</b>		<b>£19.00m</b>	<b>£24.00m</b>
<b>Income</b>			
Community Infrastructure Levy	Castle Farm	£4.20m	£4.20m
Section 106 funding	Abbey Fields	£2.79m	£2.48m
Right To Buy receipts	Both sites	£6.60m	£0.00m
<b>Total income</b>		<b>£13.59m</b>	<b>£6.68m</b>
Shortfall of income over costs		£5.41m	£17.32m
<b>Annual cost of borrowing</b>			
Buildings	40 years	186,000	595,000
Plant and Equipment	25 years	65,000	207,000
Total	Each year	251,000	802,000
AND CIL, s106 and E A shortfall			
Assuming 4 year loan	4 years interest only	£97,250	£97,250
		OR	OR
Assuming 5 year loan	5 years interest only	£40,200	£40,200

5.12 The Council has many competing demands upon its resources. Through the period of austerity, it has managed its budgets in a prudent fashion ensuring that quality services continue to be delivered and investment made available for a myriad of community projects. Over the next 4 years it is envisaged that big projects such as the Community Stadium, Kenilworth School and the relocation of the athletics track will come forward requiring funding. Therefore, the recommendations in this report need to be cognisant of future demands.

5.13 This report recommends instructing the Design Team to continue with the design work involved in this part of the Warwick District Leisure Development Programme to the end of RIBA Stage 4, subject to the sign off of the RIBA Stage 3 Report by the Project Board. It is considered necessary to make available £445,000 in order to fund this work.

5.14 It is proposed to make these funds available from the “any purpose” element of the Right to Buy Capital Receipts referred to in paragraph 5.10. Of the total capital receipts from Right to Buy, a proportion of it has to be re-invested in new affordable housing, a proportion goes to Central Government, with the balance for the Council to re-invest in any capital schemes. The balance on these receipts is estimated to increase by £800,000 per annum as further Council houses are sold under the Right To Buy. Of this balance, approximately £0.5m has been committed. The expenditure will be in the current financial year (2019/2020) and the next financial year (2020/2021).

## **6. Risks**

6.1 A Project Risk Register has been established for the early stages of the project. The current iteration of this Register is shown as Appendix E to this report. The Risk Register will be kept up to date throughout the project, and its content monitored regularly in order to manage risk within the project. Risks at this stage of the project include:

- Insufficient funds are available to continue with these proposals
- Work does not proceed and so these facilities are not the equal of Newbold Comyn Leisure Centre and St Nicholas Park Leisure Centre
- Ongoing maintenance issues of existing buildings
- Loss of income from not improving buildings
- Heritage, car parking and other constraints limit development choices

6.2 A full Risk Workshop will be undertaken with professional services advisers and the Design Team at the beginning of the RIBA stage 4 design process, before technical design has commenced. The Risk Register will be completely updated after this Risk Workshop.

## **7. Alternative Option(s) considered**

7.1 It would be possible to not undertake any improvements to the facilities at Castle Farm and Abbey Fields. If this decision was to be made then these two buildings would not have the same sort of aspirational, successful and modern facilities as the Council has provided at Newbold Comyn and St Nicholas Park. These two facilities would not be contributing to encouraging the District’s residents to adopt an increasingly healthy lifestyle in the same way as the two refurbished facilities. Income from the contract with Everyone Active would not be increased because attendance and income would not be enhanced. The opportunity would be lost to bring the buildings up to modern design standards and to make them more environmentally friendly and cheaper to run. The buildings would not be prepared for use for another 30 years.

7.2 It would have been possible to decide to re-locate the Headquarters for the Kenilworth Scouts and Guides to the Rouncil Lane site. However, this would have incurred an opportunity cost in terms of lost income from housing and lost developer profit of approximately £2 million and this made this proposal unreasonably expensive.

7.3 Two options for creating vehicular accesses to the KW site and the Castle Farm Recreation Centre site have been rejected as part of the design process. These are –

- Access from Brays Car Park – most expensive option; impacts the Green Belt too much; crosses public right of way; relies on purchasing land from others at possible ransom values

- Access from Castle Road – difficult access onto highway; impacts the Green Belt; crosses public right of way; relies on purchasing land from others at possible ransom values

## **APPENDICES:**

- A: Feedback from Groups
- B: Sustainability Report
- C: Open Water Swimming Pools – An Overview Paper
- D: Drawings and illustrations of RIBA Stage 2 designs
- E: Project Risk Register
- F: Project Programme