

Pre-Scrutiny questions and answers on reports being considered by Executive on 11 February 2021

(Forms part of the considerations at Group Meetings before a decision is made on which Executive reports will be called in for scrutiny by Overview & Scrutiny Committee and Finance & Audit Scrutiny Committee)

Item 8 – Treasury Management Strategy 2021/22 - Report Author: Richard Wilson

Questions asked by Councillor R Dickson:

Re: Appendix A

- a) Noting the commitment to divest from investment in funds involved in the extraction of fossil fuels by no later than the end of 2025, what plans exist to achieve this by April 2023, i.e. during the term of this administration?
- b) What is the value of taxpayers' money that is invested in funds that are, or could be, involved in socially harmful activities (e.g. the production of arms and tobacco?) and human rights abuses (e.g. political repression and child/sweatshop labour)?

Responses from Mike Snow:

- a) As previously discussed, the investments that are potentially invested in fossil fuels are the Council's two equity funds, which have a nominal value of £6m. However, as referred to in paragraph 9.3 of the Treasury Management Strategy (Appendix A), the current value of these funds is such that the value would need to increase by around £600k to avoid a loss having to be charged to the General Fund, and so presenting an additional cost to the Council. In financial terms, it is best not to dis-invest at this stage. During 2021/22, the intention is to consider how best to re-invest those funds when the time is right, noting to do this:-
 - Policies need to be agreed
 - There is a cost to re-investing, including arranging the required "beauty parades", which will need assistance from the Council's Treasury Management advisors.
 - This will present a sizeable demand upon officer time, which during 2021/22 will need to compete notably with the implementation of the new Financial Management System.Subject to the above comments, it is planned for the current equity funds to be replaced by 2023.
- b) We have provided details previously of the Equity fund holdings previously. We will seek to get an updated position that we can share before F&A on Wednesday.

Item 11 – Warwick District Leisure Development Programme – Kenilworth Facilities - Report Author: Paddy Herlihy

Questions asked by Councillor R Dickson:

Re: Para 3.8.3

- a) what assessment has the Council made of the impact on tourism in Kenilworth of the closure of the Abbey Fields swimming pools throughout the summers of 2021 and 2022?

Response: An update on the proposal to keep the Abbey Fields Swimming Pool and Castle Farm Recreation Centre closed during the summer of 2021 will be provided to both Scrutiny Committees. The closure of the sites during the summer of 2022 will be compensated for by the presence of excellent new facilities in future years. Throughout the Leisure Development Programme we have concentrated on providing excellent facilities for the residents of the District and any additional attendances from tourists and other visitors from outside the District are considered a bonus to the financial performance of the Centres. Increasing tourism was never an objective of the Programme.

b) at present many local residents who visit the Abbey Fields swimming pools and Castle Farm recreation centre walk or cycle to the facilities. How is the proposal that, during the demolition and construction phases of both sites, residents should use the facilities in Newbold Comyn in Leamington Spa or St Nicholas Park in Warwick consistent with the Council's policy (e.g. the Better Points scheme) of encouraging more active forms of travel?

Response: During the demolition and construction periods the facilities will not be available for use by customers. The facilities at Newbold Comyn and St Nicholas Park are the closest alternative facilities for customers to continue their healthy lifestyles and this will therefore minimise as much as possible the carbon impact of these customers continuing to exercise.

c) what will be forecast cost to WDC taxpayers of the financial compensation paid to the leasehold tenants (primarily the scouts and guides community groups) of the existing Castle Farm recreation centre building for the inconvenience of being unable to use the facilities and find alternative venues to meet and store their equipment until the end of 2022 at the earliest?

Response: The Scouts and Guides are the only leasehold tenants at either facility apart from Everyone Active. Negotiations with the Scouts and Guides are continuing with regard to their surrender of their current lease, the finding of temporary accommodation for their activities during demolition and construction and the lease to be offered to them for the new facility that will be offered to them following construction. It would not be correct to discuss any potential compensation to the Scouts and Guides whilst these negotiations are on-going.

d) during the proposed demolition and construction phases at Castle Farm in 2021 and 2022 what arrangements will be made to enable the petanque club and U3A members to continue to use the petanque area and toilet and storage facilities at Castle Farm?

Response: The project team is in discussion with the Nomades Petanque Club and with U3A to assess the chances of continuing play during demolition and construction. The setting out of the site is the responsibility of the demolition contractor and then the construction contractor and the project team cannot be sure of the impact of the works on the current Petanque terrain until preferred contractors have been appointed. However, we have undertaken to do our best to retain the sport of Petanque on the existing terrain for as much as possible, until the new terrain is available for use. During the demolition and construction

phases it will not be possible to provide toilet or storage facilities for the Petanque players, as the entire building is going to be demolished and rebuilt.

e) during the proposed demolition and construction phases at Castle Farm in 2021 and 2022 how will the Executive ensure that young people can continue to use the adjacent skateboard park and that walkers, dogwalkers and runners continue to have access to the green spaces surrounding Castle Farm?

Response: As discussed above, final decisions on these matters will not be taken until the preferred contractors for demolition and construction have been identified. However, it is anticipated that the skateboard park can continue to be used, although the route of access may change. It is certain that walkers, dog walkers and runners will continue to have access to the green spaces surrounding Castle Farm.

f) during the demolition and construction phases for the Abbey Fields swimming pools how will the Executive ensure that residents and visitors continued to have unrestricted access to the play areas, tennis courts, outdoor gym equipment, footpaths, public toilets and Abbey Fields car park?

Response: As discussed above, final decisions on these matters will not be taken until the preferred contractors for demolition and construction have been identified. The main play area is particularly challenging, as it is located close to the building and the likely compound for construction. However, the project team is aware of the popularity of this playground and will do all it can to keep this facility open, provided it can be done without any impact on the potential health and safety of the users. The tennis courts may well be the compound for the works, as the tarmac will help protect the ground. However, it is hoped that some courts can remain open for use during the works. The provision of public toilets in this area during the demolition and construction phases are being discussed between a number of teams at the Council at present. A number of potential solutions are being explored. The project team will ensure that as many footpaths as possible, or temporary replacements, remain open to maintain the circulation in this important open space. The Abbey Fields Car Park will remain largely unaffected by the works.

Questions asked by Councillor J Dearing:

1. Does the Executive agree with the Sports Minister, Nigel Huddleston, when he recently confirmed* that the reopening of swimming facilities as soon as it is safe to do so is a priority – that “they are a ‘powerful defence’ against the coronavirus pandemic”?

Response: Thank you for sharing the statement made by Neil Huddleston MP. It seems that the statement was in made in support of Swim England’s ongoing campaign to get swimming provision open as soon as safely possible. In the lifting of restrictions after the first lockdown, reopening of swimming was delayed nationally whereas health & fitness and outdoor sports opened earlier than swimming. Swim England campaigned hard and swimming pools eventually reopened in early August 2020. It would appear that the statement from Neil

Huddleston was hoping to avoid a delay in swimming pools opening compared to other sporting activities.

The Council very definitely support the aim of getting all of its sports and leisure facilities re-open as soon and as fully as possible, depending on the lifting of government restrictions. The Council agreed to support Everyone Active to the tune of £927,167 for the current financial year, a clear sign of how the Council value the contribution that sports and leisure make in these difficult times.

At the lifting of restrictions last summer all our pools opened with limited swimming activities. Demand was high, in particular in the Leamington and Warwick pools where capacity was higher as a result of the COVID safe restrictions that could be put in at these modern facilities. The design of the old facilities at Abbey Fields made it more of a challenge to open this site safely, with the result that fewer swimmers were able to return to the pool last year. Clearly we all look forward to being able to reopen the facilities as soon as we are able to, and we like everyone else await further information on when this may be.

What was interesting was Nigel Huddleston recognition of the wider role played by sport, including swimming, in playing a key role in "enhancing our national health". This reinforces the need for the Council to continue with its intention to update and expand the sports and leisure provision in Kenilworth to match the quality of facilities that we have elsewhere in the district. If we don't push forward with the Abbey Fields and Castle farm plans as planned, there is a real risk that the town and district miss this opportunity for good and we end up with outdated sports provision that cannot accommodate the growing population of the district.

2. If so, is there not a case to open both sets of facilities, even at a financial loss, in order to meet the extraordinary health and wellbeing needs of local residents and community groups post-lockdown?

Response: The proposal to keep the facilities closed was not taken lightly and was a combination of a number of factors. The finances are a key part the decision – with the cost of keeping both facilities open April – August anticipated to cost the Council approx.an additional £80k in subsidy to Everyone Active. However, since the publication of the report, further work has identified that there are further complexities and costs associated with closing the centres. An update will be reported at Scrutiny.

3. If the decision to close is taken, what would constitute 'a significant delay in works' before the decision was reversed?

*<https://www.swimming.org/swimengland/pools-powerful-defence-fight-pandemic/>

Response: The greatest challenge facing officers and Councillors here is that there are so many factors at play and we do not know what any release from lockdown may look like in terms of facilities reopening and restrictions imposed.

Further to my answer above, we are revisiting recommendation 2.8 and will update the relevant Scrutiny meetings accordingly.

Questions asked by Councillor Syson:

(Executive Item 11, with reference to Item 8, Treasury Management Strategy 2021/22)

I am relieved to see from the report to Executive that more funding has been identified for Kenilworth leisure Centres reducing the revenue burden for financing the debt in years ahead.

Just to put it in context, can you please tell me approximately how much financing the loan referred to in the Treasury management report (see below) to fund the capital expenditure on the Leamington and Warwick Leisure Centres is costing us each year? I don't need it split between the two or the exact figure.

"7.4 £12 million was borrowed in September 2019, for repayment at maturity on 28 August 2059, with the interest borne by the General Fund, largely covering unfinanced capital expenditure in 2017/18 and 2018/19 (primarily relating to the Leamington and Warwick Leisure Centres)."

Response: The £12m loan will cost us £220,800 p.a. in interest charges.

Questions asked by Councillor Milton:

1. Could you give me a timeline on the progress of the wardens development please. It was intended that this would be submitted to planning at the same time as Castle Farm and Abbey Fields but as yet no sign.

Response: The Wardens are negotiating with various landowners to ensure that their relocation from Glasshouse Lane to Castle Farm is viable. These are detailed and commercially sensitive negotiations so unfortunately, we cannot provide further information at this point. This means, however, that a timeline for relocation is not possible.

2. Last year WDC approved funding of over £1m to keep Everyone Active afloat. Can you confirm how much of that money has been given to EA and how much additional money we expect to provide them from this pot.

Response: The Council allocated a cap of £927,167 to support EA for the current financial year. To date (i.e. up to end Dec 2020) a net of £923,585 has been paid. Up until November (Tier 3 restrictions) followed by the start of the December lockdown, the level of subsidy had been showing encouraging signs as members returned to the centres, however the Tier 3 restrictions and then lockdown have obviously had a significant impact on the subsidy required. There is a meeting of officers and EA on 19th Feb to discuss the anticipated year end out turn (bearing in mind that no-one knows the dates that centres will reopen or what restrictions will be enforced on reopening) and consider the level of funding that may be required for the 2021/22 financial year.

3. In reference to the closure of the pool between the anticipated lifting of lockdown and closure at the start of the project can you confirm what the financial case is for keeping it closed. I appreciate that a total amount may be difficult to provide given we don't know when lockdown will be lifted but a monthly figure would be acceptable.

Response: At the time of publishing the report, it was anticipated that keeping the 2 sites closed once restrictions were lifted was approx. £80,000 we could minimise the subsidy that would be required from WDC to EA in the 2021/22 financial year. This was split approx. £45,000 Abbey Fields and £35,000 Castle Farm. However, further work over the last few days has identified further complexities associated with closure, and an update will be reported at the Scrutiny meetings this week prior to the Executive meeting on 11th Feb 2021.

4. During the closure period (whenever that starts) what will be the process for booking pitches at the site. I note from you email to Rik Spencer that you intended to put into place the year round pitch booking system that we discussed. Will that still be done and how will it be supported and policed?

Response: It should be noted that the booking of football pitches is managed by the in house Sports team and not Everyone Active. It is possible that the Government lockdown restrictions will be lifted before the end of the 2020/21 football season. If this is the case officers currently believe that the football leagues will not be restarted to complete the season. If this does occur then the existing arrangements for booking league matches will remain in place. If the existing season is not restarted it is expected that teams will want to arrange training and friendly matches to experience some football. If this occurs the teams will be expected to book sessions with the Council officers in the same manner as league matches, as discussed with Ward Councillors. If football is permitted in the pre-season period before the 2021/22 football season then the same booking system will be introduced. Whenever football takes place the use of the pitches will be monitored by Culture staff and by the Council's Rangers. Culture staff and Rangers are also currently monitoring pitches to ensure that they are not being used in an unauthorised manner during lockdown.

5. Could you provide us with figures for how many residents/members currently use both Abbey Fields Swimming Pool and Castle Farm? I'm keen to understand the impact of them both being closed at the same time.

Response: Membership levels have dropped significantly in the last 12 months due to COVID lockdowns and restrictions). Memberships at Castle Farm are predicted be 256 members in March 2021, compared to 597 pre COVID. Abbey Fields is predicted to have 519 Swim lesson members in March 2021 compared to 729 pre COVID, and predicted to have 72 Swim Fitness Members in March 2021 compared to 115 pre COVID. how many swim members ? What figures do we have about swimming numbers ? I can see swim numbers max in Oct 2020 was 558 Can we compared what it was pre covid ? (compared to 814 at St Nicholas Park and 1280 at Newbold in the same week of Oct 2020)

6. Is it possible that contracts for the demolition stage will be entered into prior to the applications completing the planning process?

Response: The procurement of a preferred contractor for the demolition contract will be pursued after the Council meeting of 24th February. However, no contract for demolition will be entered into for either building until that building has received planning permission. Demolition will not commence for either building until an acceptable price has been agreed for the construction contract with the preferred construction contractor.

7. What will be the impact on people using the spaces around both sites during the build phase e.g walkers, tennis players, dog owners, skateboarders, pétanque players.

Response: The setting out of each site and the method of operation of the demolition and construction contractors are matters that are agreed with the preferred contractor before work starts on site. These two matters also affect how much impact the works will have on other users of the two sites. It is therefore not possible to be definitive on the impact on other users at this point. However, the project team are very well aware of how much both sites are used by non-leisure centre users, and we will work hard to minimise the disruption to other users as the works progress. However, we will also need to ensure the safety of all people, including passers-by and other users of these important leisure venues.

Questions on Appendix A from the Labour Group

This Risk assessment has no mention of the impact the much extended closure of Leisure amenities in Kenilworth may have on residents at this very difficult time.

Even if Covid 19 lockdown has ended, or reduced, the lack of opportunity for holidays abroad or in the UK will put a strain on residents searching for things to do and places to go, particularly at low cost. Will the timing of closure for development take these factors into account? How will the the council mitigate against this disruption at these popular leisure areas?

Response: An update on the proposal that the Abbey Fields Swimming Pool and Castle Farm Recreation Centre should remain closed between the current government lockdown and the beginning of works will be given to both Scrutiny Committees and Executive this week.