

Title: Relocation of Kenilworth Wardens

Lead Officer: Andrew Jones (andrew.jones@warwickdc.gov.uk)

Portfolio Holder: Councillors Cooke and Hales

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

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)

Summary

The report seeks Cabinet approval for further forward funding to help facilitate Kenilworth Wardens' relocation from its current home to a new site at Castle Farm. The further funding would be secured by a legal charge on the land and recovered when the Club sells its current site.

Recommendation(s)

- (1) That Cabinet notes the latest position regarding the relocation of Kenilworth Wardens.
 - (2) That Cabinet agrees to release £300k from the Council's Reserves/ Balances, the precise source to be determined by the Head of Finance.
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1 Background/Information

- 1.1 The aspirations of Kenilworth Wardens (hereafter referred to as KW) and the financial and in-kind support given by this Council are covered comprehensively in the reports cited above. However, in summary KW wishes to relocate from its current site off Glasshouse Lane, Kenilworth to land partly owned by this Council at Castle Farm (the project), thereby freeing-up the land for housing. This Council has provided significant financial (£712k with a legal charge on KW's current site) and officer support to assist KW with its planning and cost development work but the aspirations are proving very difficult to realise due to the forecast cost for the development of the proposed site at Castle Farm and other project related costs.
- 1.2 This report therefore apprises Members of the latest position and recommends a way forward for the project. Part of this report can be viewed in the confidential section of the Agenda due to its commercial nature.
- 1.3 **Latest Position**
 - 1.3.1 To enable KW to progress the project, this Council has provided forward funding of £712k secured with a charge on their current site. This funding has enabled KW to progress planning documents to RIBA stage 3 (prepared by IDP Group) and produce a cost plan (prepared by Mace Group) based on the stage 3 design.

- 1.3.2 The project is complex with not only land development at Castle Farm but among other things, four separate land acquisitions, the construction of a bridge over a narrow river and disposal costs associated with the current site. A full cost breakdown based on May 2022 prices can be seen at Appendix A in the confidential part of the Agenda.
- 1.3.3 Due to Government mandated requirements, overseen by Sport England (SE), KW 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. KW has marketed its land and on a couple of occasions it appeared that subject to conditions, a development partner was prepared to forward fund the project. Regrettably for various reasons, the respective developers decided not to pursue their interest.
- 1.3.4 Members are reminded that the parcel of land occupied by KW is part of the major Local Plan land allocation running along the A46 outside Kenilworth. Based on officers' understanding of the progress of the other parcels of land making up the allocation, the KW land is the only site not progressing. This has a number of implications including but not limited to, meeting the District's overall and affordable housing targets; stymieing the opportunity for sporting facility enhancement; foregoing of significant S106 and CIL funding to be put to public good; and tying up the £712k land charge the Council already has on the land.

1.4 **Proposed Way Forward**

- 1.4.1 With the context described above, officers have considered whether there is a further role for the Council to play to facilitate KW's relocation. Whilst it would certainly involve further financial risk for this Council, in the absence of other funding sources, the only known way forward is for the Council to provide additional forward funding so that the planning process and cost development work can be concluded. KW estimate that a further c£300k is necessary to complete this work and a cost estimate breakdown has been reviewed by officers to validate this.
- 1.4.2 If Members are agreeable to this approach as a way forward then there is an opportunity for the Council's housing company, Milverton Homes Limited (MHL), and its Crewe Lane LLP partner JV, Vistry to take a leading role in delivering the project. Subject to certain conditions, it has been proposed that Vistry would take control of the remainder of the planning process for the Castle Farm site, whilst at the same time starting on the designs and surveys necessary to produce a planning application for the Glasshouse Lane site. This work would all be done under the auspice of either the Crewe Lane JV or a new JV. Subject to a Castle Farm planning permission being granted, the JV would then purchase KW's site, lease it back to the Club and provide the forward funding so that the sporting facilities can be constructed. This would mean that KW could then relocate, and its current site would be available for housing development.
- 1.4.3 Vistry'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 and ultimately when houses are sold at the Glasshouse Lane site, a profit share arrangement between Vistry and MHL provides the opportunity for the Council to receive a dividend in accordance with the terms of the shareholder agreement.
- 1.4.4 Before a facility arrangement is entered into there is obviously a significant

amount of 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 but the matter which needs resolving immediately is KW sourcing the necessary finance so that it can complete its planning work in respect of Castle Farm.

1.5 Next Steps

- 1.5.1 Should Members agree to the approach described in this report as a way forward, then £300k will need to be released from either Reserves or Council Balances. This funding will be secured by way of a legal charge on the land, but should KW never relocate, this money, and the forward funding already provided, would not be recoverable.
- 1.5.2 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 gives its agreement to KW occupying its land at Castle Farm and a facility agreement being entered into. It is therefore proposed that the appropriate Programme Advisory Board is used as the Forum to explore those issues.
- 1.5.3 Given the volume of work to complete and matters to address, a planning application for the Castle Farm site will not be submitted until the middle of next year but this does provide KW with the necessary time to address the issues that remain.

2 Alternative Options available to (name of Committee/Cabinet etc.)

- 2.1 There is realistically one alternative option available to Members. They could do nothing which in all probability would mean that the relocation of the Wardens would not go ahead. This would stymie the comprehensive development of land at "Thickthorn" and consequently halt several public benefits.

3 Consultation and Member's comments

- 3.1 The proposal has the in-principle support of the Portfolio Holders subject to hearing comments and feedback from others.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 There are no legal/ human rights implications.

4.2 Financial

- 4.2.1 The requested funding can be sourced from the Council's Reserves/ Balances and the Head of Finance will determine the most appropriate source for the funding.

4.3 Council Plan

- 4.3.1 Warwick District Council has a Business Strategy which covers the period 2020-2023. There will be a new administration in 2023 and so 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.
- 4.3.2 This recommendations in this report particularly support the Health, Homes and Communities aspirations of the Council.

4.4 Environmental/Climate Change Implications

4.4.1 Not applicable.

4.5 **Analysis of the effects on Equality**

4.5.1 Not applicable.

4.6 **Data Protection**

4.6.1 Not applicable.

5 **Health and Wellbeing**

5.1.1 Not applicable.

6 **Risk Assessment**

6.1.1 The major risk to the Council is that it provides further forward funding and KW do not relocate. This would mean that although the Council has secured the funding by way of a charge it would not be able to realise that security because the Club could not move. As the Council has already provided £712k it is in its own interests to facilitate the Club with its ambitions.

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Cabinet 21 st September 2022	
Title of report	Relocation of Kenilworth Wardens	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Portfolio Holder WDC	05/09/22	Councillors Cooke and Hales
Financial Services *	05/09/22	Andrew Rollins
Legal Services *	05/09/22	Not applicable
Other Services	05/09/22	Not applicable
Chief Executive(s)	05/09/22	Chris Elliott
Head of Service(s)	05/09/22	Phil Clarke, Andrew Rollins
Section 151 Officer	05/09/22	Andrew Rollins
Monitoring Officer	05/09/22	Andrew Jones (author)
Leadership Co-ordination Group (WDC)	05/09/22	Full LCG
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to: Cabinet

Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		Yes – Appendices
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		Yes
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility