

Executive

Minutes of the meeting held on Thursday 31 May 2018 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillor Mobbs (Leader); Councillors Butler, Phillips, Thompson and Whiting.

Also present: Councillors; Mrs Falp (Chairman of Overview & Scrutiny Committee); Naimo (Labour Group Observer) and Quinney (Chair of Finance & Audit Scrutiny Committee).

Apologies for absence were received from Councillors Coker, Grainger and Rhead, along with Liberal Democrat Observer Councillor Boad.

1. **Declarations of Interest**

Minute 3 – Student Housing Strategy

Councillor Thompson explained, for the sake of clarity, that in the report it mentioned the HMO Task and Finish Group, which he was a part of; and it also mentioned the University of Warwick, which until recently he had worked for. However, while there was no requirement to declare this under the Code of Conduct it was appropriate to make the Executive aware of this and that before voting on this matter he wished to consider the views of others at the meeting.

Minute 7 – Funding for Kenilworth School’s Relocation to South Crest Farm

Councillor Whiting left the room for this item because his wife was a Governor of Kenilworth School.

Part 1

(Items on which a decision by Council was required)

2. **Student Housing Strategy**

The Executive considered a report from Housing that outlined the work undertaken so far and the suggested forward strategy.

Following concerns in 2016 and 2017 about the impact of student numbers and the transient nature of the population in concentrated areas, particularly in South Leamington, the Executive resolved to develop a strategy to assess and respond to these issues and set out a longer term vision for the District in respect of student housing.

The first phase of the work was to carry out an in-depth analysis of the data about student numbers within the District, in particular Kenilworth, North Leamington, South Leamington and Whitnash. This would provide a fact-based grounding for formulating the student housing strategy.

Housing market analysis was a specialist area of work and the Council did not have the resources in-house to undertake this type of work so a bid was made for external funding from the Local Government Association (LGA) Housing Advisers' Programme, which was successful in securing initial funding. The LGA then procured and paid for an independent external housing market analyst to carry out this task.

The analysis required gathering data from a wide range of sources and included investigating the influence of Coventry University and student housing trends in Coventry, as well as Warwick District.

Phase one had involved gathering data from diverse and sometimes conflicting sources and had taken longer than was desirable, and on one level it could be perceived as "nothing new". However, it was essential that the policy was evidence-based and could withstand scrutiny, particularly where planning policies were involved which were subject to inspection, intensive scrutiny and always open to the potential for challenge at appeal. For this reason, officers had taken the view that time should be invested to ensure that the report was guided by the empirical evidence as to the next steps, and in consequence had resisted laying out further plans prior to the conclusion of this phase.

The analyst and their analysis were completely independent of the Council and the universities. They were commissioned by and paid for by the LGA and had used data from a whole range of sources, including data obtained by local residents through Freedom of Information requests.

The findings of this research were attached as appendix one to this report. The most important points were as follows:

- Student households did not represent the majority of private rented households even in those wards with high numbers of students in them.
- Warwick District contained high concentrations of students in specific local areas (Leamington Brunswick, Clarendon, Milverton and Willes). While students' contribution to the local community and economy was welcome, there were other implications for these areas, particularly those with large numbers of HMOs. Forecasts provided by the University of Warwick indicated they were seeking to grow their student numbers in future years. This would increase demand for student housing in the District, putting further pressure on existing housing and communities.
- Warwick District was not a self-contained student housing market. It was closely linked with Coventry. Any changes to student numbers at Coventry University and student housing supply in Coventry would impact on student housing demand in Warwick District.
- Published forecasts suggested Coventry University was looking to continue their recent robust growth in student numbers. These increases were being met by the substantial development of

purpose-built student housing in the City. Therefore, despite the increase in student numbers, the demand for beds in the private rented sector was falling and this looked set to continue. It was likely that this “surplus” private rented housing would be occupied by other non-student private renters or sold to home-owners.

- Warwick District remained an attractive place to live for many students and the Council should seek to benefit from any increase in student numbers. Based on recent trends in areas where University of Warwick students lived, available forecasts for student numbers, and estimates of student housing supply, there was the need for available student housing in Warwick District to increase by 120 beds per year over the next three years (360 beds in total).
- Meeting this increased student housing demand in the private rented sector via HMOs, risked increasing the pressure on everyone in the community, including students. Alternative approaches should instead be actively promoted and include:
 - Encouraging the University of Warwick to increase housing provision directly on campus; and
 - Supporting the provision of purpose-built student accommodation to cater for the additional student housing demand and to reduce the extent of the use of HMOs for student accommodation. Relying on the purpose-built sector was not without risk but it could help accommodate more students and reduce the pressures if planned for appropriately.

The analysis was broadly in line with the anecdotal comments about student numbers. Had the data been more equivocal, or had it shown that the reality was in fact different to the perception, the next stage would have been an option appraisal to consider what the Council’s policy should be and how the District in the wider sense should respond to the new evidence. However, given the findings, this was no longer considered necessary.

The findings demonstrated that an option appraisal was not necessary and phase two of the development of the strategy could now be proposed with clarity. There were two aspects to this: influencing the future provision of student accommodation and assisting community integration. These could proceed simultaneously and the next steps would be:

- Preparing a Student Housing Supplementary Planning Document (SPD) setting out our planning policies towards the design and location of purpose-built student accommodation; and
- Working with the University of Warwick to promote further on-campus provision and a more dispersed distribution of the student population across Warwick District to enable the District to positively integrate the student and settled populations.

The Planning Policy team had undertaken some preparatory work on the SPD and could utilise the findings of the research from phase one, which

would help this piece of work move forward efficiently. Once a draft SPD had been prepared it would be brought to Executive for approval to then go out for public consultation.

With long lead times in Planning Policy approvals, influencing the housing market in the manner required would inevitably take time to have an effect so the Council needed to support all local people, including students, in the meantime. It was proposed to consult with people in areas with high student numbers about the support services that all sections of the community needed, to help maintain a cohesive community.

A successful bid for additional LGA funding had been made to continue with the Student Housing Strategy project and this would be used to procure external communications specialists to design and undertake the consultation process. As with the data analysis work in phase one, the use of independent experts should give residents and students confidence that their views would be reflected and taken into account.

Expressions of interest would be invited shortly with a view to having the findings available and producing a responsive action plan in the autumn.

The Executive had previously resolved to take forward work on a Student Housing Strategy. The data had shown that action was required so a "do nothing" option was not appropriate.

An option appraisal exercise was considered but rejected because it would take time and would delay actions when the data was unequivocal and pointed in the direction of the strategy proposed.

The Overview & Scrutiny Committee welcomed and supported the Policy in general and welcomed that some of the recommendations from the HMO Task & Finish Group were included within the document.

The Overview & Scrutiny Committee expressed concerns that the aims did not specifically address the concerns about over-concentration of students in some areas through a dispersal strategy.

The Executive thanked the Scrutiny Committee for the debate and consideration of this matter and reminded them that, as set out within the report, one of the next steps would be to work with the University of Warwick to promote further on-campus provision and a more dispersed distribution of the student population across Warwick District to enable the district to positively integrate the students and settled populations.

Recommended to Council that it adopts the following policy statement and aims:

Background: The student population is diverse with, for example, Warwickshire College students, University of Warwick students who move to the area for a limited three or four years and local part-

time students who are long-term residents in the area.

Policy statement: Warwick District Council welcomes all students to our District and recognises the important social and economic benefits that they bring. The Council also understands that having a large student population can place stress on the settled community and has an impact upon housing demand. Our goal is to support local people while positively integrating the student population among local communities, and encouraging students to remain in the area for employment after graduation as permanent long-term residents.

Our aims are:

- To attract students to live in the district, during and after their studies, throughout the academic year.
- To encourage the provision of purpose-built student accommodation of an appropriate type and quality in sustainable locations thereby encouraging students to move from HMO style accommodation.
- To ensure that the necessary support services are in place for the whole community to ensure community cohesion and integration across all the generations.

(The Portfolio Holders for this item was Councillor Phillips)

4. **Minor Amendments to the Members' Allowances Scheme for Warwick District**

The Executive considered a report from Democratic Services that brought forward two minor clarifications to the Members' Allowances Scheme and proposed provision for Councillors to reclaim the fee for registering as a Data Controller with the Information Commissioners Office.

While responding to a question on the allowances scheme, it was identified that, at present, Councillors were not entitled to claim for parking expenses incurred when attending an event outside Warwick District. This was considered unreasonable as the cost incurred would directly relate to their role as a Councillor.

It had also been identified that the subsistence rates did not provide clarification that Councillors were intended either as a maximum value or an indicative rate. After checking with the Council's IRP for Members' Allowances, they confirmed this should be a maximum level, in line with the subsistence rates for officers.

The proposed inclusion of the Data Controller registration fee with the Information Commissioners Office (ICO), allowed for only those who needed to register to claim for the fee rather than a set sum being provided to all Councillors.

The registration fee was a cost imposed by legislation/regulation and there would be no obligation for the individual who was a Councillor to register as a data controller unless they were a Councillor. Therefore, it was reasonable that they should be able to reclaim this expense.

The Councillor would, where they considered appropriate, need to register themselves with the ICO, because they would be individually accountable to the ICO and therefore had to make sure their registration was correct each year. Thus, it was more appropriate for them to make the payment, then claim it back.

The ICO had provided guidance that Councillors who were elected to more than a single authority would only need to register once. In addition, the Executive was mindful that potentially the need to pay a registration fee would cease from 25 May 2018 with the introduction of the General Data Protection Regulation, however, at this time this looked unlikely to happen.

In line with legislative requirements, the Council's Independent Review Panel for Members' Allowances had been consulted on the proposed changes and they were in agreement with all of them.

The Council could consider continuing with the current arrangement but this was considered not appropriate as it did not allow for reimbursement of costs incurred by Councillors in their role.

The Council could decide to vary the amounts allowed to be claimed but any proposals would need to be referred to the Council's Independent Review Panel (IRP) first. This was because the Council must be mindful of the IRP's view before altering the Members' Allowances Scheme.

The Council could pay for all Councillors in one go, but this was dismissed because the responsibility lay with the individual and not with the Council as a whole. In addition, it could be problematic when an individual had already paid the fee in line with their membership with another authority (e.g. WCC).

Recommended to Council that

- (1) the Members' Allowances Scheme for Warwick District is amended to enable Councillors to claim for car parking fees when attending events outside the District;
- (2) the Members' Allowances Scheme for Warwick District is amended to confirm that the

subsistence values within the scheme are the maximum amounts that can be claimed; and

- (3) the Members' Allowances Scheme for Warwick District is amended so that it reads "*That where a Member is deemed to be a data controller under either the Data Protection Act (or subsequent regulation/Act) and required to pay an annual fee, on submission of receipts they can reclaim this fee from Warwick District Council*".

(The Portfolio Holders for this item were Councillors Mobbs)

Part 2

(Items upon which the approval of the Council is not required)

5. A Creative Hub for Channel 4 in Leamington Spa

The Executive considered a report from Development Services that updated them on a bid by Warwick District Council to be the host for a "creative hub" for Channel 4 and ways of building upon the bid, if the District Council was unsuccessful in its bid.

Following publication of the agenda and prior to the meeting, Channel 4 had announced that the bid for a creative hub in Leamington Spa had been unsuccessful. Therefore, this part of the report was withdrawn from consideration by Councillors.

In the event that Leamington was not shortlisted, officers considered that there was an opportunity to use the work that had prepared the bid to support wider engagement with the creative sector and support other inward investment work. This included developing a website and publicity material to support inward investment and recruitment specifically directed at the creative sector and in supporting Silicon Spa and/or Tech Central as promotional brands. This was one of the key actions identified in the vision & strategy for Leamington town centre that was prepared by the Leamington Town Centre Forum and approved by Executive in March 2018.

To support this programme of work, an indicative budget of up to £15,000 was requested. As this work required further scoping, it was recommended that the use of this funding should be delegated to the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Portfolio Holders for Finance and Business. This would be funded from the Service Transformation Reserve. It was made clear that this £15,000 was only requested if Leamington was not shortlisted by Channel 4.

Irrespective of the outcome of the Channel 4 bid, officers considered a complementary piece of work would be to fund the Interactive Futures event planned for January 2019. Since the event was originally conceived, the scope of the event had increased along with the national profile of

Leamington as a key creative cluster (as a consequence of the Channel 4 bid). Again, this would support one of the key actions identified in the vision & strategy for Leamington town centre, prepared by the Leamington Town Centre Forum and approved by Executive in March 2018.

The additional expenditure would ensure that an event befitting the quality of Leamington's creative economy could be delivered and would provide greater opportunity to attract new businesses into the District (to strengthen the business rates pool and local creative economy), encourage greater talent retention and relocation into the District (to tackle the increasing challenge of the talent pipeline shortage) and increase the level of financial investment in the local up and coming businesses (that would prompt further growth within local businesses).

The Finance & Audit Scrutiny Committee noted that Leamington had not been shortlisted for the Creative hub and therefore recommendations 2.1 to 2.3 were withdrawn.

The Committee were pleased to hear that feedback on the bid had been sought. The Committee also welcomed that officers would share more details of the business plan for using the money requested in the report in due course, including how the "Talent pipeline shortage" may be addressed.

The Executive thanked the Scrutiny Committee for its comments and agreed that the feedback on the bid would be shared with all Councillors. As a result of the bid being unsuccessful recommendations 2.2 and 2.3 were withdrawn from the report.

The Executive took the opportunity to formally congratulate the bid team from the West Midlands on their success and noted that as a result of this there would, most likely, be use of Leamington.

The Executive also took the opportunity to thank the officers from the Council who had produced such a strong bid, recognising that Leamington may have been just too small, but also that there were opportunities from this to help further build upon the creative quarter.

Resolved that

- (1) the work that been undertaken to date to submit an initial bid for Channel 4 to locate a "creative hub" in Leamington;
- (2) officers explore how the work undertaken to prepare the bid can be taken forward as an ongoing inward investment and talent recruitment tool and allocates up to £15,000 to support this work (as set out in paragraphs 3.12-13 below), with the use of this funding delegated to the Deputy Chief Executive (BH)

and Head of Finance, in consultation with the Portfolio Holders for Finance and Business; and

- (3) £20,000 be allocated to the Interactive Futures event scheduled in January 2019 to ensure that momentum is maintained in promoting Leamington as a world-class destination for the creative industries.

(The Portfolio Holder for this item was Councillor Butler)

6. Heritage Lottery Bid: Warwick District Council Working in partnership with the Lord Leycester Hospital

The Executive considered a report from the Chief Executive that sought; support for the bid to the Heritage Lottery Fund (HLF) that the Lord Leycester Hospital proposed to make; and the approval for a financial contribution to that bid, which would also address the Council's liabilities for repairs to the Warwick Town Wall. In the event that the bid to the HLF failed, the report proposed that the Council would make a financial contribution to essential repairs to the Warwick Wall in accordance with its responsibilities, as stated the agreement, to maintain it.

Warwick District Council entered into an agreement with the Governors of the Lord Leycester Hospital, and the Trustees of The Charity of Thomas Oken and Nicholas Eyffler, in September 1997, whereby the District Council accepted responsibility for a specified share (around 36.03%) of the on-going maintenance costs for the Warwick Town Wall. A survey had recently been undertaken and it was clear that there was a significant amount of work to be undertaken costing around £100,000.

The Lord Leycester Hospital had been at the centre of Warwick town's civic life for 700 years. However, its physical fabric, which included the remaining part of the Town Wall, was deteriorating significantly. It was vital that the Lord Leycester Hospital survived and that its designated heritage assets, which were of the highest significance, were appropriately maintained for the enjoyment and education of future generations. Without a significant financial investment there was a danger that The Lord Leycester Hospital, and the Warwick Town Wall, could soon be considered to be heritage 'at risk'.

The Lord Leycester Hospital was preparing a proposal that sought approximately £4.4m of investment with approximately £2.3m to come from the HLF. If the bid to the HLF was successful, then it presented an opportunity for the Lord Leycester to undertake necessary repair works to the Wall in a way that maximised on economies of scale and procurement, and minimised disruption to local residents.

The bid included provision for new disabled access, opening up areas not previously accessible to the public, and providing new visitor facilities to ensure the Lord Leycester Hospital served as a major heritage venue that

strengthened Warwick's overall economy and tourism offer and enhanced quality of life for Warwick's growing residential population.

It was therefore in the public interest for the Council to work in partnership with the Lord Leycester Hospital to:

- safeguard its existing heritage assets;
- provide new facilities that would enhance quality of life for Warwick's growing residential population, (which included over a hundred new town centre living dwellings and five thousand dwellings in the strategic urban extension); and,
- strengthen Warwick's economy and tourism offer.

The Heritage Lottery Fund normally expected a partnership approach between applicants and local authorities and matching contributions. Warwickshire County Council was planning to contribute approximately £300,000, specifically for the restoration of the medieval West Gate, which was also an integral part of the Lord Leycester Hospital. It was considered that, given its existing liability, a contribution of £100,000 from Warwick District Council would be reasonable and would enhance the chances of a successful Heritage Lottery Fund bid. If successful, the HLF bid would represent a major investment in the town.

It was suggested that the Charity of Thomas Oken and Nicholas Eyffler be requested to make a financial contribution toward the costs of repairing the Wall in line with the Agreement dated 1 September 1997.

In case the HLF was unsuccessful, the Council would need to make provision for its share of the repair work to the Town Wall. It was suggested therefore that up to £100,000 be made available from the Community Projects Reserve for this purpose, and payment/reimbursement from the other signatories to the 1997 Agreement would be sought.

It would be possible for the Council to undertake only the most urgent work required to the Warwick Town Wall, and to insist upon only paying one-third of the essential costs, but this could be a false economy because it could prejudice the bid to the Heritage Lottery Fund, could require a greater investment in the longer-term due to more severe decay of historic fabric, and may even increase the possibility of the Wall collapsing.

The Finance & Audit Scrutiny Committee noted that the project was now valued at £3million with a request for circa £2 million from the HLF. However, the contribution of £100k from WDC was still required because we were partly responsible for the maintenance of the wall.

The Executive were informed that following consideration and further investigatory work into the condition of the buildings the overall project had been revised down to be approximately £3million of investment and an approximate £2million HLF bid.

Resolved that

- (1) the responsibility of Warwick District Council to contribute towards the maintenance of the Warwick Town Wall as described in the legal Agreement dated 1997, and the likely repair costs of approximately £100,000, be noted;
- (2) the Lord Leicester Hospital proposes to seek approximately £3m of investment in its historic site, with an application to the Heritage Lottery Fund for approximately £2m;
- (3) the bid by the Lord Leicester Hospital to the Heritage Lottery Fund, be supported; and that funding of up to £100,000 in support of the bid from the Community Projects Reserve in 2019/20, with the Council's contribution specifically being targeted to the restoration of the Warwick Town Wall, to include appropriately designed disabled access from within the grounds of the Lord Leicester Hospital; and
- (4) in the event that the HLF is not successful that financial provision of up to £100,000 from the Community Projects Reserve for 2019/20 be used to repair the Town Wall and that financial contributions be sought from the other signatories as laid out in the 1997 Agreement.

(The Portfolio Holder for this item was Councillor Butler)
Forward Plan reference 933

7. Funding for Kenilworth School's Relocation to South Crest Farm

The Executive considered a report from the Deputy Chief Executive (AJ) that sought consideration of up-front funding and the in-principle purchase of land at Rouncil Lane and potentially Leyes Lane in Kenilworth, thereby helping to facilitate the relocation of Kenilworth School and Sixth Form and providing an opportunity for the Council to explore a house-building programme.

In September 2017, Warwick District Council adopted the Warwick District Local Plan 2011-2029. Local Plan policy DS12 addressed the allocation of land for education in Kenilworth.

Prior to the Plan's adoption and for a period of approximately four years, the School's Trustees (Kenilworth School was a Trust School owning its land and buildings) had been working with Ove Arup & Partners Ltd (land and property specialists hereafter referred to as Arup) on an options appraisal for the relocation of the school. It was this work and that of the

Council's Planning Officers which resulted in the Local Plan land allocation at South Crest Farm for educational uses.

The land at South Crest Farm was in private ownership and negotiations continued between the parties for the sale of this land to the School.

The high-level cashflow, was set out at Appendix 1, and detailed how the relocation project was anticipated to be delivered. There were three main sources of funding for the project: Capital receipts from the sale of the School's current land at Rouncil Lane and Leyes Lane; Section 106 contributions from other Kenilworth and immediate-area sites allocated in the Local Plan; and Housing Infrastructure Fund (HIF) funding from Central Government.

Based on a number of assumptions, the analysis showed that the income coming into the scheme either exceeded or was in the region of the current scheme estimated expenditure of £46,917,000. Of all the various figures involved in the analysis there was only one figure that appeared certain and fully quantifiable; the HIF funding from Central Government (currently subject to final due diligence by Deloitte on behalf of Government). All other funding was subject to market forces or negotiated planning obligations. However, at this stage of the project a reasonable conclusion to reach was that the scheme was deliverable, this confidence being endorsed by Government's decision to award £9,591,000 of HIF funding.

Although prima facie income was either equal to or exceeded expenditure, there was a cashflow (timing) issue that needed to be addressed. The School hoped to be open on its new site for September 2021 and to achieve this it needed c£1m of funding to prepare for and secure planning permission by November 2018. The School's motivation for moving in this timescale was twofold: The funding it currently received was not sufficient to operate a two-site school despite significant efficiencies being made. Consequently, it ran a deficit of c£0.25m each year. Secondly, many of the School buildings were in urgent need of repair and there wasn't the funding available to address this issue. Consequently, whilst the School had an "Outstanding" Ofsted rating, there was real concern that these issues would impact on children's education.

From a housing delivery perspective, officers supported the School's programme for relocation. The Local Plan allocated c2,200 homes in the Kenilworth area over the next ten years and provision of appropriate secondary education was essential for community development and sustainability as well as the broader strategic need to keep housing delivery on-track.

Officers and Arup had explored various ways to address the School's cashflow issue and there appeared to be two ways WDC could assist the school, given the very clear position of Warwickshire County Council that it would not help with any funding. The Council could agree to make a loan of c£1m by June 2018 to enable the funding to be in place to deliver all the necessary studies, assessments and surveys required for a

planning application. The major issue with this approach was ensuring that the loan had sufficient security in place. As the School's only assets were its landholdings, securing the loan against the land could have a detrimental effect on the land value which was problematic when it came to realising the maximum capital receipt from the sites to fund the School's relocation.

The second option explored was for the Council to make a loan and to purchase the Rouncil Lane site which could then contribute to delivering the Council's house-building aspirations. Arup's model for the delivery of the new School presumed that a capital receipt of c£4.66m would be available by September 2018 following release for development of part of the Rouncil Lane site. However, the School had indicated that if the Council was able to meet its valuation of the site and make the necessary up-front funding available then it would do a private deal with the Council and not take the land forward for market sale. If the Council was to make up-front funding available, the financial cash-flow benefit should be reflected within the overall deal either in a reduction in the purchase price, and/ or interest payments to the Council.

Officers had instructed the Council's valuers Bruton Knowles to assess the Rouncil Lane and Leyes Lane sites and a value should have been available for the former at the date of the meeting. The valuation was based on the fact that the Council's Local Plan allocated Rouncil Land for housing. Officers therefore considered that if the School was to grant the Council an option agreement for this site, it would be in a position to put in place forward funding to assist with the School's cashflow with the necessary security in place. Because even if the School's plans fell-through and it was unable to relocate, it appeared possible to develop part of the Rouncil Lane site with the school still in situ (subject to further discussions with Sport England and due diligence with respect to land ownership and rights).

To give further surety to the delivery of the relocation scheme, officers had discussed the potential for the purchase of the School's other current site at Leyes Lane, again land allocated for housing in the Local Plan. As with the Rouncil Lane site, Arup had advised that if the Council was able to meet the market valuation of the site, the School would be prepared to enter into a private deal.

Should Executive agree to this approach, the Council's Section 151 Officer, Head of Housing and Monitoring Officer would work with the Leader, Deputy Leader, Portfolio Holder for Housing and Portfolio Holder for Development Services to agree in-principle terms with the School.

The approach recommended required significant funding from this Council if it was to progress. The release of the necessary funding would not be a matter for Executive but for Council and so, if mutually agreeable, terms could be concluded to advance a loan and/ or one or both of the land purchases should proceed then a report (s) would be submitted to Executive and Council (where necessary) to achieve the appropriate permissions and agree the release of funding.

To put the Council in a position to make an informed decision about the recommended approach, in the interests of speed and being able to respond to developing events, it was recommended that authority be delegated to the Head of Finance and DCX (AJ) to draw-down any necessary funding for professional services from the Local Plan Delivery Reserve.

The School hoped to be open on its new site for September 2021 but it needed c£1m of funding to prepare for and secure planning permission by November 2018. The recommendations in this report explained how this Council could assist with meeting this goal, however, timescales were very tight and to keep on-track there was a significant amount of work to undertake.

It was to be hoped that valuations would be received promptly, legal due diligence would run smoothly and negotiations proceed at pace. To stay on-track, Arup would need to commission surveys in a matter of weeks and it could be that negotiations were not concluded at the point surveys, studies etc. need to be commissioned. It was therefore recommended that if in the opinion of the Head of Finance, Head of Housing and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), having consulted with the Council Leader, Council Deputy Leader, Portfolio Holder for Housing and Portfolio Holder for Development Services, progress appeared to be positive then authority was delegated to the Head of Finance to draw-down funding of up to £100,000 from the CPR to enable Arup to commission the necessary services.

The Localism Act enabled local authorities to enter into grant agreements. If the Executive could agree to this recommendation then such an agreement would be entered into with the School on the understanding that should there be a successful conclusion to negotiations the grant would be recoverable.

The only alternative option was not to intervene and let the School proceed alone. Whilst this was possible, it was likely that there would be an impact on the relocation timeline with the consequential implications on the School's finances and potentially on the education of the children.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Resolved that

- (1) the Warwick District Local Plan position as it relates to Kenilworth School and Sixth Form, be noted;
- (2) the School's *Relocation Project - Project Budget & Cashflow Analysis* at Appendix 1 to the report and specifically the School's need to have funds in place of circa £1m by June 2018 to meet its

target opening date of September 2021, be noted;

- (3) officers enter into negotiations with the School's representatives for the in-principle purchase of the land allocated in the Local Plan for housing at Rouncil Lane (currently the School's Sixth Form site) and possibly Leyes Lane (currently the School's main site), with the potential for advancing a loan being fully explored, thereby helping to facilitate the relocation of the School onto a single site at South Crest Farm and that the terms of funding and security of that funding are developed by the Council's Head of Finance, Head of Housing and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), in consultation with the Council Leader, Council Deputy Leader, Portfolio Holder for Housing and Portfolio Holder for Development Services, having taken appropriate advice from the Council's solicitors;
- (4) if it is considered appropriate that advancing a loan and/ or one or both of the aforementioned land purchases should proceed then a report (s) will be submitted to Executive and Council for the necessary permissions and release of funding, and that to enable the Council to procure any necessary services to develop its position then authority is delegated to the Head of Finance and DCX (AJ) to draw-down funding from the Local Plan Delivery Reserve; and
- (5) if in the opinion of the Head of Finance, Head of Housing and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), having consulted with the Council Leader, Council Deputy Leader, Portfolio Holder for Housing and Portfolio Holder for Development Services, up-front grant funding not exceeding £100,000 is required to enable the project timescales to be kept on track, then prior to the conclusion of negotiations and under the powers granted by the Localism Act, officers are authorised to enter into a grant agreement with the School to fund necessary surveys, studies etc. on the understanding that should negotiations conclude successfully, this grant will be recoverable from the School. The funding will be sourced from the Community Projects Reserve (CPR).

(The Portfolio Holders for this item were Councillors Coker, Mobbs, Phillips and Rhead)

Forward plan reference number 869

8. **Lillington Health Hub**

The Executive considered a report from the Deputy Chief Executive (AJ) that updated them on an emerging proposal to create a health hub in Lillington and sought approval for the Council to be involved in undertaking further feasibility work with partners on this.

In March 2015, Executive supported some emerging work to consider regeneration opportunities in Lillington. This was a potentially ambitious programme of works which included the demolition and re-provision of up to 300 homes in Crown ward. Importantly, it included the potential re-provision of the library, Youth & Children's Centres and community centre and the provision of a new GP surgery to allow for the relocation and co-location of three existing GP practices in central/north Leamington.

This regeneration proposal, which never progressed beyond the feasibility stage, was predicated on the release of land from the Green Belt in the vicinity at Red House Farm. This was an allocation in the (then emerging) Local Plan. This land was required to support the decanting and re-provision of council housing stock. Subsequently, the Red House Farm allocation was not supported by the Inspector at the Examination into the Local Plan, and was not included in the adopted Local Plan.

In the light of this, it was not currently possible to give serious further consideration to the wider regeneration proposals that were developed at that time. Nevertheless, the rationale for considering how the Council could best support communities in Crown ward remained. This was included in the Executive report in March 2015.

Some particular challenges within Crown ward related to health provision. Part of the case for the original regeneration proposals was based upon a desire by three GP practices which currently operated in central and north Leamington to relocate from their existing premises and co-locate onto a single site. Crown Ward was seen as a good location to serve the patients using all three surgeries.

Since the original regeneration proposals were formulated, the South Warwickshire Clinical Commissioning Group (CCG) had found it difficult to identify a site that would be suitable for the three co-locating practices. Furthermore, there were benefits to maintaining a presence in Leamington town centre to meet the needs of the two existing town centre practises.

The Council had had discussions with the South Warwickshire NHS Foundation Trust (SWFT), which commissioned a range of other primary health services including those provided at the Crown Way Clinic. SWFT was keen to explore new ways of delivering improved patient care in Lillington. Taken together, the aspirations of the CCG and SWFT could involve the following:-

- Providing a new surgery in Lillington to replace the current surgery at Cubbington Road. This surgery was in a converted and extended house and was currently at capacity. (Note that the proposal was now only to replace this surgery. There were no proposals now for any co-location of other surgeries onto one site in Lillington.)
- Relocation of services currently provided at the Crown Way Clinic into more modern and suitable premises alongside the GP services.
- Exploring opportunities to provide space for delivering other health services, including those provided by Public Health Warwickshire.

In order to explore these ideas in more detail, SWFT and the CCG was keen to work with Warwick District Council and other partners to undertake a full feasibility assessment. This assessment would have the following broad scope.

1. To scope the size and type of facility that was required having regard to the range of services being provided there.
2. To consider the financial feasibility of the proposal including how NHS resources could be utilised and to identify the most advantageous financial mechanisms to fund the capital development and ongoing revenue costs.
3. To consider a delivery model for the facility. (Who would build, own and manage it?)
4. To explore a suitable location having regard to all relevant planning issues
5. To undertake appropriate levels of community, stakeholder and patient engagement.
6. To understand the key decision making procedures for each organisation and develop a critical decision making path for the project.
7. To commission external consultancy and other advice as needed.

In view of the important role that the Council was likely to play in the delivery of any project, the CCG and SWFT asked that the Council formally supported the principle of a new health hub in Lillington and the work that was currently being proposed to be undertaken. Furthermore, in supporting this, the Council would be committing officer resources to the work and committing to report back to councillors when any further recommendations were made as an outcome of the feasibility assessment. The officer input to this project would be led by the Deputy Chief Executive (AJ) supported by the Projects Officer within Development Services.

From a financial perspective, any funding package to build and run the hub would have to be agreed having regard to resources available through the NHS. There was no section106 money available to support this development. In setting out its priorities for Community Infrastructure Levy (CIL) spending at its 5 April 2018 meeting, Executive agreed to allocate £2.8 million between 2018 and 2023 towards medical facilities in north Leamington. This money would be available to support the

development of a hub should this go ahead. It would not, however, be available to fund any part of the feasibility assessment proposed.

SWFT had indicated that it would engage the support of SWFT Clinical Services Limited which could provide financial modelling for the assessment and potential long term management of any facility.

From a planning perspective, any support for the principle of developing a hub in this area would not imply that planning permission would be given for a specific scheme in the future. It would be an important part of the feasibility assessment to review the overall space requirements of the hub and consider potential sites, having regard to all relevant planning considerations. Notwithstanding this, some work had been undertaken to review potential site options. It needed to be recognised that there did not appear (at the present time) to be many suitable sites, but one site which had emerged was the car park on Valley Road. This was owned by the Council and could be of a suitable size. Any consideration of this site needed to consider the impact on car parking in the local area (including by the church) and the possible impact on the adjacent Mason Avenue Recreation Ground. It should be made clear that all other potential sites would be fully explored as part of the feasibility assessment.

From a delivery perspective, different models would be explored but this could include the Council (or potentially our LLP partner) acting as developer and then leasing the building back to the NHS and other users. This could provide an attractive long term investment for the Council as well as being the best way of securing an investment to support the local community in this area. This was just one option that would be explored, and should this emerge as a preferred option, this would be brought back to Executive for further consideration.

Alternatively, the Executive could decide not to support the work on the feasibility assessment. Whilst this would not definitely mean that the project would not proceed, both the CCG and SWFT had indicated that without the support of the Council, it would be considerably more difficult to scope out a range of possible delivery models for the hub. Furthermore, it would be more difficult for the assessment to give full consideration to relevant planning issues without the active involvement of the Council. This option was therefore not supported.

Councillor Thompson took the opportunity to thank Councillor Boad for the email he had circulated to the Executive with potential further ideas and options which would be shared with officers for consideration as part of the feasibility assessment.

Resolved that

- (1) the desire of the South Warwickshire Clinical Commissioning Group (CCG) and the South Warwickshire NHS Foundation Trust (SWFT) to undertake a feasibility assessment into

- developing a new health hub to provide improved primary care services in Lillington;
- (2) the principle of seeking to identify and develop a new health hub in Lillington, be supported; and that the Council will be a full partner in undertaking this feasibility assessment;
 - (3) the possible financial, planning and delivery implications of the project as set out in the report and agrees that the car park on Valley Road can be actively considered as a location for the health hub alongside other options; and
 - (4) a further report be brought back to Executive once this feasibility work is completed if, at that time, the CCG and SWFT wish to take this project forward.

(The Portfolio Holder for this item were Councillors Rhead Thompson)
Forward plan reference number 930

9. Catering & Events Concessions Contract – Royal Pump Rooms and Jephson Gardens Glasshouse

The Executive considered a report from Cultural and Development Services that detailed proposals to improve the catering and events offered at two of the Council's key town centre assets in Royal Leamington Spa, the Royal Pump Rooms and the Glasshouse in Jephson Gardens. It proposed investment at the Royal Pump Rooms to improve the café area and the public toilets that served both it, the Library and the Art Gallery & Museum.

Following an extended OJEU compliant procurement exercise, the Council entered into a Collaboration Agreement with Complex Development Projects Limited (CDP) in November 2017 to deliver the masterplan for a Creative Quarter in Royal Leamington Spa. That agreement made provision for CDP to deliver, or provide through a sub-contractor, a catering and events service at assets owned by the Council provided that those proposals were within the scope of the Creative Quarter project and directly linked to the masterplan that CDP were contracted to bring forward for Council approval.

The Council currently had a catering concessions agreement incorporating events in place with Crown Holdings Limited (operating as Kudos) at the Royal Pump Rooms and the Glasshouse in Jephson Gardens. The six year term contract was due to cease at the end of February 2018 but, in accordance with an option provision within the contract, had been extended by a further year until 28 February 2019.

At the request of officers, CDP had submitted a proposal to deliver a new catering and events operation at the Royal Pump Rooms and Glasshouse

once the Council's contract with Kudos ends. The provision of these catering and event services had been previously included within the procurement of the Creative Quarter development partner, to which CDP were successfully appointed. Therefore, although a variation to the agreement was required to allow CDP to deliver the catering provision sooner than previously anticipated, there was no potential risk to the Council or any legal barriers to the Council entering into a contract with CDP and (if applicable) its preferred provider to deliver the catering and events as part of that wider project, which were set out in confidential Appendix D to the report.

CDP had been working with their chosen provider, Just Inspire, to create a strong offer that would improve on that provided by Kudos and meet Council and community aspirations. Just Inspire had a national reputation for managing large scale venues, events and outdoor events in prestigious locations. In addition, they had a wide portfolio of operating corporate hospitality, weddings, private parties, festivals, product launches and trade shows, working with all budgets and requirements.

Steven Holland, the founder of Just Inspire, was raised in Royal Leamington Spa and had recently returned to the area to settle in the community with his family. CDP had chosen Just Inspire as their preferred catering and events for the Creative Quarter project as they believed they had a shared ethos on the importance of community engagement. CDP and Just Inspire were both committed to see the Royal Pump Rooms become better used by the local community on a daily basis and to promote the use of the Glasshouse. This was a significant contrast to Kudos' business model which was primarily concentrated on profitable but private functions and events, contributing to the widespread public view that both the Assembly Room at the Royal Pump Rooms and the Glasshouse were largely closed and inaccessible to them. Just Inspire had proposed increasing the amount of community events held in the Assembly Rooms and running the Glasshouse as a fully operational restaurant, which would result in increased access and use.

In particular, CDP had identified that the Royal Pump Rooms café offer required development, offering a place for the local community to use whilst 'emphasising good produce, sourced locally, prepared with care, served with pride and with quality and affordability very much at the forefront'. As seen in paragraphs 7.2 & 7.3 of the report, the performance of the café had declined in recent years, which officers believed was as a result of Kudos focussing increasingly on their events offering and CDP and Just Inspire were of the firm belief that the current catering operation was failing to meet its full potential.

The business proposal from CDP and Just Inspire was set out at Appendices A, B and confidential Appendix E to the report. This was based on their collective experience, observations from site visits, feedback from community consultation/soundings they had undertaken and high level indicative figures and information provided by the Council. The proposal was for a three year contract, which was a shorter duration than would normally be offered through a tendering process but one that recognised

that the Creative Quarter masterplan could include proposals which impacted on the Royal Pump Rooms and/or the Glasshouse and that maximum flexibility on the catering and events offer was desirable.

At this stage no financial or operational detail in relation to the current contract had been shared with either Just Inspire or CDP and this would not be done without approval of the recommendations in this report. As a result, some further negotiation could be required with CDP and Just Inspire as the details of the contract were discussed and agreed and it was, therefore proposed that the contract be finalised under delegated authority.

The proposed changes to the catering and events offer presented the Council with an opportunity to use the negotiation of the new contract to deliver investment in the Royal Pump Rooms and the Glasshouse in order to increase footfall and improve the overall offering and customer experience for residents and visitors to the district. This would begin to showcase the changes that the community could expect as the Creative Quarter developed and potentially maximise the financial return from the new catering concessions contract.

Currently, the catering and event areas within the Glasshouse and the Royal Pump Rooms were leased to Kudos on a 'maintain and repair' basis and no significant investment had been made by the Council into the fabric of the catering operation for a number of years. It was therefore proposed that an in-principle approval of a modest allocation of funding be approved from the Service Transformation Reserve, as set out in confidential Appendix H to the report, which could potentially be deployed when the outcomes of the negotiation process described above were known, if this would assist with ensuring that the final offer achieved through that process was optimised and/or the financial returns to the Council were maximised.

It was proposed that, separate from the changes to the catering and events offer that the Council invested in the re-modelling of the public toilets in the Royal Pump Rooms. Whilst, this would be of benefit to the café in this building, the main driver was to support the goal of the Council's Arts Team to increase footfall and use of the building and position it as a 'creative hub' for the town, an ambition consistent with the wider goal of creating the Creative Quarter. It was proposed that an allocation of up to £150,000 was made for these works. During this refurbishment officers would explore the possibility of creating a fully accessible 'Changing Places' facility for disabled adults and children. It might not be possible to accommodate this within the existing footprint of the public toilets but it was hoped that a suitable site would be found elsewhere within the building or in the vicinity as part of the wider Creative Quarter.

The actual spend required in relation to recommendations 2.4 and 2.5 was indicative at this stage and the proposed allocations from the respective Reserves were, therefore, maximum amounts with final requirements known when detailed surveys had been undertaken, a full inventory and condition survey had been carried out as part of the exit conditions for the

current contract and, in respect of the in-principle allocation referred to in recommendation 2.4 the negotiation process to finalise the terms of the new contract as described above, had been completed. It was, therefore proposed that the draw-down of the required funding was undertaken utilising delegated authority.

The option of further extending the current arrangement with Kudos (the contract provides for one further extension) had been discounted. Whilst Kudos had made it clear that they would welcome such an extension and would be open to the inclusion of a break clause during the extension period, there had been significant issues with the operation of the contract in addition to the public perception that the focus on private functions excluded key parts of the Royal Pump Rooms and the Glasshouse from public use.

The quality of the Royal Pump Rooms café offering was an area where there had been considerable dissatisfaction throughout the period of the current contract with the range of food (which had not been as originally tendered); cost of the offer and the standard of service all having been raised as issues. Over the life of the contract, officers had had many meetings with the management team from Kudos asking them to enhance this area of their service and whilst it had slightly improved it bore no relationship to the product tendered for in 2011, and it was not of the quality that the Council wished to offer in our prime town centre catering location.

Other concerns had revolved around shortfalls in the “management” of the contract that Kudos had seemed unable to address satisfactorily. These had included a lack of marketing, examples of poor customer service, and a lack of compliance with basic health & safety management in terms of how they managed the areas that they were responsible for. All of these issues had been logged in the notes of regular contract management meetings over a number of years.

Another option that had been discounted was to undertake a re-procurement exercise of the existing catering and events concession contract rather than extend the incumbent contractor. However, market intelligence indicated that there would be limited interest in a contract of less than five years with little or no interest in one of three years. This was because on a contract of this size it took two to three years to establish a business, build up regular trade and earn back any initial investment and/or pay back business loans.

Another option would be to let the new contract for a period longer or shorter than the proposed three years. This had been discounted for the reasons set out in paragraph 3.10 of the report. The Council was aware that Just Inspire was willing to commit to a three year period due to their wider partnership with CDP and the potential further opportunities that could be created as part of the Creative Quarter.

The Finance & Audit Scrutiny Committee noted the current estimates of return to the Council under the proposal were lower than actual and

budgeted, but accepted that this would be revisited during the next stage of detailed negotiations if the approach was approved. There was recognition that there could be risks with this contract that needed to be treated with caution. These risks included managing the quality of the provision, the challenges of a three way agreement, ensuring that the contract performed well for both the Council and the community in terms of being inclusive and welcoming for all as well as providing a financial return. It was recognised however that success in delivering such services depended on the character and experience of the business leader and that local teams often performed more strongly.

The Committee also noted that the proposed approach conformed with procurement policy, as it was specified in the recently awarded overarching contract.

The Overview & Scrutiny Committee welcomed and supported the report but would like to see robust monitoring of the contract from the outset.

The Overview & Scrutiny Committee reviewed recommendations 2.1 to 2.3 because they felt 2.4 onwards were recommendations Finance & Audit Scrutiny Committee should consider).

The Executive welcomed the concerns of Finance & Audit Scrutiny Committee and recognised these were points that would need to be picked up through proper robust contract management. They welcomed the proposed investment in the toilet facilities because they needed refurbishment and this would make them accessible to disabled people.

Resolved that

- (1) the Collaboration Agreement, entered into between the Council and Complex Development Projects Limited (CDP) in November 2017 to deliver the masterplan for a Creative Quarter in Royal Leamington Spa, included provision for CDP to deliver, or provide through a sub-contractor, catering and events services at assets owned by the Council, be noted;
- (2) a variation to the Collaboration Agreement with CDP to allow arrangements for the new catering and events offer to be put in place from 1st March 2019 in accordance with the guidance received from Warwickshire Legal Services to ensure that this is fully procurement compliant as set out in confidential Appendix D to the report, be noted;
- (3) the catering offering proposed by CDP and their preferred subcontractor, Just Inspire Hospitality & Event Management (Just Inspire), the details of which are attached as Appendices A and B

and confidential Appendix E, be noted, and the Arts Manager and Head of Cultural Services, be delegated authority, in consultation with the Portfolio Holder for Culture, to conclude negotiations with CDP to ensure a revised catering and events concessions contract is in place from 1 March 2019;

- (4) subject to the outcome of the negotiations with CDP, in-principle an allocation from the Service Transformation Reserve be approved, as set out in confidential Appendix H to the report, if investment in the café and events areas at the Royal Pump Rooms and the Glasshouse would maximise the Council's financial return from the new contract;
- (5) an allocation of up to £150,000 from the Corporate Assets Reserve to upgrade the public toilet facilities at the Royal Pump Rooms; and
- (6) the Arts Manager, Head of Cultural Services and Asset Manager, be authorised in consultation with the Portfolio Holder for Culture, to draw down the funding allocations as required.

(The Portfolio Holders for this item were Councillors Butler and Coker
Forward plan reference 932

10. **Relocation of Kenilworth Wardens**

The Executive considered a report from the Deputy Chief Executive (AJ) that sought consideration to entering into negotiations for the purchase of land currently occupied by Kenilworth Wardens at Thickthorn, Kenilworth and potential proactive steps to help facilitate the development of Castle Farm for sporting use.

In September 2017, Warwick District Council adopted the Warwick District Local Plan 2011-2029. Local Plan policy DS11 (Allocated Housing Sites) addresses the allocation of land for housing development and associated infrastructure. Site H06 - East of Kenilworth (Thickthorn) - was given an indicative allocation of 760 dwellings and included land occupied by Kenilworth Wardens under a 999 year long-leasehold from the freeholder Stoneleigh Estates.

As described in the Executive report of 2 June 2016, the Club wished to improve and expand facilities but this was not possible on its current footprint at Thickthorn. It therefore approached the Council to see whether an alternative site was available

Local Plan policy DS23 allocated land for outdoor sports and recreation in Kenilworth at Castle Farm (SP1). Appropriate facilities associated with the provision of outdoor sport would be permitted provided that "they preserved the openness of the green belt and did not conflict with the purposes of including land within it."

The Club considered that by relocating from their current site to site SP1, it could improve and expand its facilities. As made clear by Executive's resolution following its consideration of the 2 June report, the Council supported in-principle their desire to relocate to the Castle Farm site.

The Club were c30 years into the 999 year lease. Its plan was that in tandem with its landlord, their respective interests in the land were surrendered contemporaneously to a third-party in consideration of a capital sum. That capital sum was estimated to be considerable and based on the work that the club had already undertaken would enable new facilities to be developed at the Castle Farm site; an endowment put aside to ensure the long term future of the Club; and a payment made to Stoneleigh Estates. Discussions had been taking place between the Club and Stoneleigh Estates over a number of years and they were in agreement to this approach.

The capital sum to be paid to Stoneleigh Estates had still to be agreed between the parties, however, the Club had made clear that this sum must take account of the need to develop the Castle Farm site and provide the endowment. If these elements could not be agreed then the Club would be unable to move and given the length of tenure benefiting the Club, Stoneleigh Estates would receive no capital sum.

The Club and officers had worked over the last three years to arrive at the position where Local Plan policies were in place to facilitate the Clubs move; in-principle Executive approval had been given to the Clubs relocation; and the Club was working with Council officers to ensure its plans were aligned with the aspirations the Council has for the redevelopment of Castle Farm Recreation Centre. This trust relationship had led the Club to consider whether it would be advantageous for the Club to enter into a deal with the Council whereby the Council would take a freehold interest in the Clubs current site. The Club had therefore stated that if the Council was able to meet its valuation of the site then it would undertake a private deal with the Council. Stoneleigh Estates was also agreeable to this approach.

Officers had instructed the Council's valuers Bruton Knowles to assess the Club site; however, the Clubs valuation of the land could be advised in private session. The valuation was based on the fact that the Council's Local Plan allocated this site for housing.

Executive had made it clear that it wished to take a more proactive role in the housing market but had been stymied by the Council's lack of land in its ownership available for development. This meant that any significant house-building programme would rely on the purchase of land at market

rate. The proposal put forward by the Club enabled officers to explore land purchase of a significant scale.

In summary, the outline to progress this proposal was by way of an 'Option' agreement between the three parties (Warwick District Council (WDC); the Club; and Stoneleigh Estates). The Option would set out the various pre-conditions that would need to be satisfied before the Council could exercise its option to call for a conveyance of the land. Various pre-conditions would be agreed by the parties e.g. a mechanism for fixing the value to be paid, the obtaining of planning permission, and various others. This approach was agreeable to both the Club and Stoneleigh Estates.

There was work to be done before officers would be in a position to recommend purchasing the land. It was therefore proposed that the necessary work was undertaken and authority was delegated to the Head of Finance, Head of Housing and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), in consultation with the Portfolio Holders for Finance, Housing and Development Services to negotiate with the representatives of the Club and Stoneleigh Estates and if the outcome of those negotiations was considered satisfactory then reports were submitted to Executive and Council to secure the necessary permissions and release of funding.

To undertake the work necessary to progress the negotiations, officers could need to call on professional assistance. For example surveys, legal advice or market intelligence. It was recommended that authority was delegated to the Head of Finance and DCX (AJ) to draw-down funding from the Local Plan Delivery Reserve should this be considered necessary.

The opportunity to purchase the Clubs current site made possible the Council's long-held ambition of delivering an extensive house-building programme. However, this opportunity only occurred if the Council was prepared to put itself "in the shoes" of a developer.

The Club was a Community Sports Club and had limited funds. To take its plan forward the Club was relying on a developer providing up-front at-risk funding so that the Club could achieve the necessary planning consent to hopefully move to the Castle Farm site. The Club estimated that the current cost of this work was up to £400k. The developer's position would be that in return for providing this funding, it would secure an option on the Thickthorn land so that it would ultimately be the freeholder when the Club moved.

If the Council wanted to secure the land with the prospect of developing housing it needed to act in a commercial manner by providing the up-front funding. However, there was a way to do this and release the up-front funding to the Club without waiting for all the legal agreements for land purchase to be completed. Assuming that Executive did not wish to purchase the land, in the interim it could take a charge out on the Club's 999-year leasehold interest as security against the up-front funding. If the Council ultimately purchased the land, the charge would simply fall away but if negotiations between the three parties did not lead to a successful

conclusion for land purchase, the Council could add a charge to fall back on when the land was sold.

It was possible that should WDC provide up-front funding and planning permission was not achieved or the land values did not provide enough funding to enable the Club to move, then WDC would have a charge against land that could not be developed. This was a risk that Executive would need to consider.

If the Executive agreed to the approach then it was recommended that up to £400k be made available from the Community Projects Reserve to enable the Club to complete all the necessary steps to submit a planning application subject to appropriate security being put in place. The Council's Head of Finance and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), in consultation with the Portfolio Holders for Finance and Development Services, would work with the Council's solicitors to ensure that the necessary security was achieved and that an appropriate commercial return as received.

The Club was anticipating a significant capital receipt that would enable it to move to Castle Farm. The work undertaken by the Club suggested that the cost of developing the Castle Farm site would be in the region of £6-7m. The initial plan, from the Club, was that this funding would be provided from the capital receipt from its current site when it surrendered its leasehold interest and Stoneleigh Estates surrendered its freehold interest contemporaneously to a developer. If the Executive wanted to pursue the strategic approach outlined in earlier recommendations, it could be advantageous for the Council to undertake the development of the Castle Farm site itself. Having discussed a number of possibilities with the Council's solicitors, officers were recommending that the following approach be taken:

- The Council purchase the land at Castle Farm that was currently in third-party ownership but which was required for relocation of the Club;
- WDC develop the Castle Farm land based on a specification provided by the Club;
- The Club be granted a long lease by WDC of the Castle Farm land and relocate there;
- The terms of the lease set the rent at a level that took account of the development and investment WDC had made but delayed rent payments until the Club has realised its value from the Thickthorn land development;
- WDC promotes and/or develops the Thickthorn land for housing;
- The development of the Thickthorn land results in the following:
 - A share for Stoneleigh Estates
 - A share for WDC/commission for promoting and/or developing the land
 - The Club share arising from its interest in the land
 - The Club would pay the outstanding rent through their receipt from the development of the Thickthorn Land

This approach would enable the Council to manage the development of the site in line with whatever aspirations it had for the land occupied by Castle Farm Recreation Centre and other facilities. It would mean that the Council could benefit financially by way of commission from the Club for providing the up-front funding.

If the Executive wanted to pursue this route then negotiations would continue with the Club so that a report(s) could be submitted to Executive and/or Council for the necessary permissions and release of funding.

The proposals in the report sought to provide the Council with a realistic opportunity to own land and be in the position to bring forward a house-building scheme. Whilst there were many ways that the Club could explore bringing forward its plans, the option for the Council to purchase the land was a binary choice.

There was no need for the Council to provide the funding for the sporting development at Castle Farm. However, not undertaking this role meant that the Council missed out on the opportunity for interest and commission and it had less influence in the scheme's development.

The Finance & Audit Scrutiny Committee supported the recommendations in report, especially the potential for investment in affordable housing.

Resolved that

- (1) the Warwick District Local Plan position in respect of to Kenilworth Wardens Cricket Club Limited, be noted;
- (2)
- (2) the financial principles underpinning the Clubs plan to move to a new site;
- (3) officers enter into negotiations with the Club and Stoneleigh Estates' representatives for the in-principle purchase of the land allocated in the Local Plan for housing at site H06 occupied by the Club thereby helping to facilitate their relocation to Castle Farm and that the terms of funding for the land purchase are developed by the Council's Head of Finance, Head of Housing and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), in consultation with the Portfolio Holders for Finance, Housing and Development Services, having taken appropriate advice from the Council's solicitors and that to enable the Council to procure any necessary services to develop its position authority is delegated to the Head of Finance and DCX (AJ) to draw-down funding from the Local Plan Delivery Reserve. Should negotiations lead to a satisfactory conclusion

then a report (s) will be submitted to Executive and/or Council for the necessary permissions and release of funding;

- (4) up to £400k be made available from the Community Projects Reserve to enable the Club to complete all the necessary steps to submit a planning application and achieve all the necessary consents for its relocation subject to appropriate security being put in place as agreed by the Council's Head of Finance and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), in consultation with the Portfolio Holders for Finance and Development Services, having taken appropriate advice from the Council's solicitors; and
- (5) officers negotiate with the Club to provide the up-front funding to develop the Castle Farm site thereby helping facilitate the relocation of the Club and should negotiations lead to a satisfactory conclusion then a report(s) be brought to the Executive and/or Council for the necessary permissions and release of funding.

(The Portfolio Holders for this item were Councillors Phillips, Rhead and Whiting)

11. **MHCLG Rough Sleepers Initiative 2018-20**

The Executive considered a report from Housing that informed them of the government's Rough Sleepers Initiative 2018-2020, and the progress on submitting a bid for funding to put in place initiatives which were locally accepted as being gaps in service.

It provided details on each component of the bid and sought member support to enable the initiative to be taken forward.

It sought approval for worst case scenario funding to be approved, thereby assuring delivery of the proposals and the work to reduce rough sleeping.

On 30 March 2018, the government announced a new £30m fund to tackle rough sleeping across the 80 councils with the most significant numbers of people sleeping rough. Rough sleeping nationally had increased by 160% since 2010 although locally a 75% rise had been experienced. With a rough sleeping figure of 21 last autumn (the governments annual official figures), Warwick District Council were contacted by Ministry of Housing, Communities & Local Government's (MHCLG) on 11 April 2018 and invited to participate.

Whilst there were many clear gaps in the provision of services to rough sleepers across healthcare, housing related support and accommodation

provision, advisors from MHCLG together with statutory and voluntary sector partners confirmed five elements which together were considered to be key to tackle rough sleeping in Warwick District. The five key areas were: Rough sleepers co-ordinator; Housing First officer; Additional outreach worker; Shared Supported Housing; and Direct access hostel.

The rough sleepers co-ordinator would be a senior manager to co-ordinate the work of statutory and voluntary sector partners across the District in taking forward work and plans to tackle rough sleeping.

The Housing First officer was an intensive support worker to assist rough sleepers with complex needs to maintain accommodation whilst accessing and receiving treatment to combat addiction problems.

An additional outreach worker would provide dedicated time across Warwick District, making contact with people sleeping rough and forming bespoke person plans with a view to enabling the transition to accommodation, treatment and engagement with services.

The Council would provide five 3 bedroomed properties to a voluntary sector partner for the provision of medium term shared housing with support for people transitioning from the streets to residential settings.

There would be a provision of accommodation for up to 22 rough sleepers, where residents could stay all day and with the provision of some health and pastoral care on an in reach basis. Open 24 hours a day, the project demand was that a minimum of two members of staff were on duty at any one time over the entire 24 hour period. It was proposed to use William Walsgrove House on Lillington Road for the hostel, with current residents and Home group staff (who rented office space at the address) moving to the newly acquired Beauchamp House in Warwick. Beauchamp House was deemed to be too far from Leamington for rough sleepers to use.

A total of £1,233,300 was required to deliver the proposals to March 2020. A bid equalling the full costs of funding each element had been submitted to MHCLG apart from for the direct access hostel where the MHCLG bid was complemented with an associated request to WCC to match fund the WDC contribution. Whilst it was likely that WDC would receive funding from both parties, there were currently no guarantees that the full costs would be met and indeed, no guarantees that any funding at all would be provided. Furthermore, MHCLG would announce the funding awards at the end of June 2018. The announcement would also only include funding for 2018/19 with funding for 2019/20 being announced over the summer. This position created uncertainty for the partner organisations and would increase complexities for recruiting sufficiently experienced staff if contracts only ran until March 2019.

Approval of this funding provided the confidence that the delivery partners required to recruit suitable candidates and to deliver the schemes.

The level of funding sought had been calculated on a worst case scenario basis and was likely to be reduced considerably once the outcome of our

bid to MHCLG and request for match funding from WCC had been announced.

Alternatively, the Council could decide not to bid for funding from the governments Rough Sleepers Initiative or not to provide gap funding however this would do nothing to reduce the numbers of rough sleepers on the streets of our towns.

Careful consideration had been made of the need for a direct access hostel as this was the most expensive of the proposals. It was found that without the hostel, outreach workers would have no accommodation to offer to rough sleepers who were not ready to live independently when they transitioned from street living.

There were reputational risks for the Council in not proceeding with the proposals given the levels of public sympathy towards rough sleepers that has grown considerably in recent months. Furthermore, the Council's reputation with government departments and particularly MHCLG would be tarnished and could lead to being issued with a directive by the ministry.

The Finance & Audit Scrutiny Committee noted that the Council was lobbying Government for ongoing funding for this area of work to mitigate the risks of costs having to be met from the HRA, especially after 2020 where there was great uncertainty on funding. However, they fully supported the measures being proposed to be implemented by September. They also noted that by 2020 the situation could have changed, both because of the nature of the work and because of the Government's policy of giving additional responsibility and funding to WCC for sheltered and supported accommodation, in collaboration with WDC. The Committee welcomed the report with great enthusiasm.

The Overview & Scrutiny Committee welcomed the report but had questions on what happened in two years when the MHCLG funding ceased.

The Executive thanked the Scrutiny Committee for their enthusiasm and support for this project and confirmed the comments from Finance & Audit Scrutiny Committee in respect of what would happen after 2020.

Resolved that

- (1) the principle of a submission of a funding bid to the Ministry of Housing, Communities & Local Government's (MHCLG) Rough Sleepers Initiative, be approved, for:
 - A fixed term Rough Sleepers Co-Ordinator post to run to 31/3/20;
 - A fixed term Housing First worker post to run to 31/3/20;

- Two fixed term Outreach Worker posts (one for Warwick district and one for Stratford district) to run to 31/3/20;
 - The costs of operating a shared supported housing initiative in Leamington;
 - A contribution towards the costs of operating a direct access hostel in Leamington;
- (2) the Council seeks match funding of £100,000 in 2018/19 and 2019/20 from Warwickshire County Council towards the costs of the direct access hostel;
- (3) the inclusion of a proposal for an outreach worker to work within the Stratford District Council (SDC) area within any bid submitted, be noted and that discussions have been held with SDC officers who support the proposed approach;
- (4) the bids to be viable that financial provision needs to be made for both the remainder of the financial year 2018/19 and the full financial year 2019/20 but that the availability of MHCLG funding provision for the latter year will not be known until after the necessary recruitment processes have been completed and the arrangements for the housing provision put in place, therefore to allow any 18/19 MHCLG allocation to be drawn down, requiring the Council to make provision to fund the latter period for each of the proposed elements of the bid (excluding the SDC outreach worker) from its own resources as a risk mitigation, be noted;
- (5) subject to MHCLG agreeing to fund all five components, the use of funding of up to £79,100, be allocated, from unallocated balance of the Flexible Homeless Support Grant monies General Fund elements of the project and up to and up to £603,600 from the HRA Capital Investment Reserve (CIR) were the MHCLG 19/20 funding or the WCC funding contribution referred to in recommendation (2) not to be forthcoming;
- (6) if MHCLG decide not to support any component of the bid, a further report be brought which considers funding priorities for the Flexible Homeless Support Grant.

(The Portfolio Holder for this item was Councillor Phillips)

**12. Rural and Urban Capital Improvement Scheme (RUCIS)
Application (Pages 1 to 11)**

The Executive considered a report from Finance that sought consideration of two Rural/Urban Capital Improvement Scheme grant applications from, Budbrooke Community Association; and Brunswick Healthy Living Centre respectively.

The Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grants recommended were in accordance with the Council's agreed scheme and would provide funding to help the projects progress. All projects contributed to the Council's Fit for the Future Strategy.

The Budbrooke Community Association application was to renew the roof, interior suspended ceiling and replace the entrance and fire doors of the Budbrooke Community Centre main hall, which were at the end of their life span, and also install new LED lighting.

This project contributed to the Council's Fit for the Future Strategy because without the Budbrooke Community Centre there would be fewer opportunities for the community to enjoy and participate in physical, social and cultural activities which could potentially result in an increase in anti-social behaviour, an increase in obesity (including in children) and disengage and weaken the community. The project would renew the roof, interior suspended ceiling and replace the entrance and fire doors and provide new LED lighting which would remove current Health & Safety concerns and would ensure that the centre remained a viable facility for community use.

The Brunswick Healthy Living Centre application was to refurbish the community hall into an adapted, flexible space; provide new audio visual system, flooring, fire doors, lighting, seating, tables, acoustic panelling, storage space and re-decorating.

This project contributed to the Council's Fit for the Future Strategy; without the centre there would be fewer opportunities for the community to enjoy and participate in physical, social and cultural activities which could potentially result in an increase in anti-social behaviour, an increase in obesity (including in children) and disengage and weaken the community. The centre was located in the heart of a local neighbourhood in one of the most disadvantaged wards in Warwick District; the project would create a multi-function community hall that provided a facility where much needed community activities could run in a fit-for-purpose space. The existing community hall was inadequate to do this because it lacks facilities, has no storage and very poor lighting. Once the project to refurbish the community hall had been completed the centre aimed to;

- Increase the numbers of people accessing physical exercise by expanding and developing activities to promote health and wellbeing

- Recruit 10 new volunteers to run new parent/toddler sessions
- Provide weekend/evening social events at affordable prices such as live screen sports, film mantinee's and live local theatre

The Council only had a specific capital budget to provide grants of this nature and therefore there were no alternative sources of funding if the Council was to provide funding for Rural/Urban Capital Improvement Schemes. Therefore, the Executive could choose not to approve the grant funding, or to vary the amount awarded.

Resolved that

- (1) A Rural/Urban Capital Improvement Grant from the rural cost centre budget, be approved, for Budbrooke Community Association of 50% of the total project costs to renew the roof, interior suspended ceiling and replace the entrance and fire doors of the Budbrooke Community Centre main hall and also install new LED lighting, as detailed within paragraphs 1.1, 3.2 and 8.1, up to a maximum of £25,925 including vat, as supported by Appendix 1 to the report; and
- (2) A Rural/Urban Capital Improvement Grant from the urban cost centre budget be approved for Brunswick Healthy Living Centre of 50% of the total project costs to refurbish the community hall into an adapted, flexible space; new audio visual system, flooring, fire doors, lighting, seating, tables, acoustic panelling, storage space and re-decorating, as detailed within paragraphs 1.1, 3.2 and 8.2, up to a maximum of £26,256 including vat, subject to receipt of written confirmation from Asda Foundation (or an alternative grant provider) to approve a capital grant of £18,058, and as supported by appendix 2 to the report.

(The Portfolio Holder for this item was Councillor Whiting)
Forward Plan reference number 931

13. 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 three items by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

The Minute for the following item would be detailed in the confidential minutes of the meeting.

14. **Europa Way - Update**

The Executive considered a report that updated them on the progress on the Europa Way project for a community football stadium and enabling developments.

The Finance & Audit Scrutiny Committee noted the report and agreed to hold an extra meeting on 11 June for F&A to consider one aspect of this report.

The recommendations in the report were approved subject to the revised recommendation 2.2 as circulated at the meeting.

(The Portfolio Holder for this item was Councillor Phillips)

15. **Confidential Appendix for Item 7 - Funding for Kenilworth School's Relocation to South Crest Farm**

The Executive considered the confidential project budget for the proposed relocation for Kenilworth School.

Resolved that the Appendix be noted.

(The Portfolio Holders for this item were Councillors Coker, Mobbs, Phillips and Rhead)

16. **Confidential Appendices to Item 9 – Appendices D to H**

The Executive considered the confidential appendices in relation to Catering & Events Concessions Contract – Royal Pump Rooms and Jephson Gardens Glasshouse that included legal advice, proposed business plan, extract from the Cultural Quarter contract, and the financial performance of the current contractor.

Resolved that the Appendices be noted.

(The Portfolio Holders for this item were Councillors Coker and Butler)

17. **Minutes**

The confidential minutes of the meetings held on 7 February, 7 March & 5 April 2018 were not submitted for approval.

(The meeting ended at 6.40pm)