

 Executive – 9 January 2019		Agenda Item No. 7
Title	Leisure Development Programme – Kenilworth Facilities	
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Wards of the District directly affected	Kenilworth Abbey Kenilworth Park Hill Kenilworth St Johns Stoneleigh and Cubbington Arden All district – indirect impact	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive September 2018 Leisure Development Programme Phase Two – Kenilworth Facilities	
Background Papers	See Appendices	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	Yes
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes Ref No: 968
Equality Impact Assessment Undertaken	No
No decisions have yet been taken on detail at this stage. The EIA will be undertaken at the appropriate stage as the project and design develops.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	29 th November 2018	Chris Elliott/Andrew Jones
Head of Service	29 th November 2018	Rose Winship
CMT	29 th November 2018	Chris Elliott/Andrew Jones/Bill Hunt

Section 151 Officer	29 th November 2018	Mike Snow
Monitoring Officer	29 th November 2018	Andrew Jones
Finance	29 th November 2018	Mike Snow
Portfolio Holder	29 th November 2018	Cllr Coker
Consultation & Community Engagement		
The first stakeholder and public consultation has now taken place for the Kenilworth phase of the Leisure Development Programme. This report, inter alia, provides feedback from that consultation. The second phase of consultation will be undertaken when the project is ready to submit a Planning Application, which will be later in 2019.		
Final Decision?	No	
Suggested next steps (if not final decision please set out below) The report proposes that the next steps are to move forward to RIBA stage 2 design on one chosen design option for each site, and then to proceed directly on to RIBA stage 3. A further report will be prepared for the Executive in June 2019, in order to update on progress made to that point and to seek Executive's ongoing commitment to the project.		

1. Summary

The current focus of the Leisure Development Programme is the two leisure facilities that the Council owns in Kenilworth, being Castle Farm Recreation Centre and Abbey Fields Swimming Pool.

In September the Executive gave permission to officers to begin a RIBA stage 1 stakeholder and public consultation exercise on a number of specific options for each of these two sites. It was further agreed at the September meeting of the Executive that a further report would be provided to the Executive in December 2018 to report back on the consultation, to detail the financial position on the project and to identify the proposed design option to be taken forward into the RIBA stage 2 design process for each site. As there was no meeting of the Executive in December 2018, this report is therefore presented to this meeting.

2. Recommendations

- 2.1 That Executive notes the outcome of the recent stakeholder and public consultation exercise on the options for the development of the Castle Farm Recreation Centre and the Abbey Fields Swimming Pool, as described in Appendix A to this report.
- 2.2 That Executive notes the conclusions made in the report from the consultants The Sport, Leisure and Culture Consultancy (SLC) into the viability of various options at Abbey Fields Swimming Pool as shown as Appendix B to this report.
- 2.3 That Executive agrees in principle to select option 2 for the development of the Castle Farm Recreation Centre site, being the construction of a new sports and

leisure centre at Castle Farm, with a new facility for the Scouts and Guides and instructs officers to work with the design team to prepare this option up to the end of RIBA stage 3, funding permitting, with a further report to Executive at the conclusion of that design stage.

- 2.4 That Executive agrees in principle to select option 1 for the development of the Abbey Fields Swimming Pool site, being the refurbishment of the whole building and the construction of a new indoor family pool with access to an external terrace with views of the lake, along with refurbishing the pavilion and tennis courts and instructs officers to work with the design team to prepare this option up to the end of RIBA stage 3, funding permitting, with a further report to Executive at the conclusion of that design stage.
- 2.5 That Executive agrees to spend up to £200,000 from the Leisure Options Reserve in order to progress the two design options identified in Recommendations 2.3 and 2.4 to this report for the remainder of this financial year and to seek to identify the balance of up to £550,000 within the Budget Report in February 2019, once the financial settlement from Central Government is known, in order to progress the designs to the end of RIBA stage 3.
- 2.6 Subject to agreeing Recommendation 2.5 above, to agree to retain the services of Mace Ltd and the rest of the design team on the existing appointment and contract up to the end of RIBA stage 2 at least and also up to the end of RIBA stage 3 if a balance of up to £550,000 is identified within the Budget Report in February 2019.
- 2.7 To instruct the design team to fully explore how the building and running of the two facilities can be as close to carbon neutrality as reasonably possible and to request that this matter is carefully addressed in subsequent reports to Executive.
- 2.8 To agree to commence negotiations with Sport and Leisure Management Ltd (trading as Everyone Active) with regard to changes in the annual concession fee, any capital investment arrangements and the length of the contract in relation to the proposed redevelopment of Castle Farm Recreation Centre and Abbey Fields Swimming Pool with a view to reporting back to a subsequent meeting of the Executive on any changes proposed.
- 2.9 To instruct officers to continue the existing work on identifying funding for the project, including researching and applying for appropriate grants, in order to present a further report to Executive on the funding of this project.
- 2.10 To note the updated Risk Register for this project as shown as Appendix D to this report and the Project Programme shown as Appendix E to this report.

3. Reasons for the Recommendations

Recommendation 2.1

- 3.1 The report to Executive in September 2018 laid out the reasons for the development project for Kenilworth's sports and leisure facilities and described the progress made to date on this work. It proposed a stakeholder and public consultation exercise on the Options agreed by the Executive as the next stage of the process. This consultation process took place between 22nd October and

19th November. The consultation methods used are described in Section 5 of Appendix A to this report.

- 3.2 As part of the public consultation, 522 responses were received to the on-line questionnaire. This figure includes respondents who took up the option to fill in a paper copy of the survey, as these were later entered into the electronic system by hand. The responses received in response to the consultation are summarised within Appendix A to this report.

Recommendation 2.2

- 3.3 Prior to the start of the public consultation the local group formerly known as 'Save Our Outdoor Pool' changed their name to 'Restore Kenilworth Lido'. They also changed their proposal. They had previously been campaigning to retain the existing outdoor fun pool and paddling pool at Abbey Fields Swimming Pool. At this time they changed their proposal to comprise the removal of the existing outdoor fun pool and paddling pool and the installation of a 25 metre outdoor rectangular swimming pool or lido.
- 3.4 Representatives of the Restore Kenilworth Lido group addressed the meeting of the Overview and Scrutiny Committee on 25th September and the meeting of the Executive on the following day to present their new proposal for a 25m lido. Executive noted the content of these presentations. Executive decided that the proposal for a 25 metre lido would not be presented to the public as an option for public comment as part of the consultation but advised the Restore Kenilworth Lido group that they should include their option in their feedback to the consultation. By agreement with officers and the Portfolio Holder for Culture, representatives of the Restore Kenilworth Lido group attended all but one of the public consultation sessions in order to present their proposals to the public.
- 3.5 In order to inform the evaluation of the options being considered officers appointed an independent consultant to consider the financial viability of three design options at the Abbey Fields Swimming Pool as follows –
- 3.5.1 Option One - build a new indoor family and teaching pool which can be opened to an outdoor terrace during hot weather
- 3.5.2 Option Two – refurbish and retain the existing fun pool and paddling pool
- 3.5.3 Additional proposal – build a new 25 metre rectangular outdoor swimming pool or lido
- 3.6 The results of this financial viability exercise are shown as Appendix B to this report. It can be noted that the report has concluded that it was not possible to assess the financial viability of option 2, the retention of the existing fun pool and paddling pool, due to there being too many undefined variables, particularly with regard to utility consumption data. The report therefore concentrated on the assessment of option 1 and the additional proposal.
- 3.7 The report has concluded that the consultants were unable to find an outdoor swimming pool in the country that is financially self-sustaining. Some pools appear to operate at better than break-even, but this is only where a separate facility such as a town centre car park or a high-end restaurant is used to cross-subsidise the operating loss of the outdoor pool itself. In the context of

Abbey Fields, ignoring capital costs, the report concludes that the construction of a 25 metre lido would offer a reduction in the net operating costs of around £14,000 per annum. The proposal to construct a new family pool would offer the more significant reduction in net operating costs of around £62,000 per annum.

Recommendation 2.3

- 3.8 In order to decide which of the options should be presented for further development by this report, it has been necessary to consider a number of factors. These include the results of the stakeholder and public consultation; the affordability of the various options; the design and planning implications of the designs; the strategic demand for sport; and the operational considerations of running the facilities in the future.
- 3.9 As was noted in the previous report to Executive in September 2018, it is not considered appropriate to refurbish the existing Castle Farm Recreation Centre. The existing facility would create too many constraints on the future design, and would not be substantially cheaper than the option to re-build. It is therefore proposed to demolish the existing Centre and construct a new 'dry-side' sports centre on the site. A 'dry-side' sports centre is one that does not include a swimming pool in the facility mix. The centre will have a sports hall big enough to accommodate 6 badminton courts, an 80 station fitness gym and 2 studios for exercise and fitness classes, along with all the appropriate changing rooms, reception areas and other ancillary facilities. The responses to the public consultation have proposed a number of additional features for this site, and these will be appraised by the design team at the next stage.
- 3.10 In terms of strategic need, the increase in the size of the sports hall from 4 to 6 badminton courts fulfils the local requirement for additional courts, as identified by the Sport England Facility Planning Model.
- 3.11 The demolition of the existing Castle Farm Recreation Centre will mean that the Scouts and Guides who are accommodated on the first floor of the existing building will need to be re-housed in new accommodation. The Council has a responsibility to re-house the Scouts and Guides as they contributed to the cost of the construction of the existing Castle Farm Recreation Centre. The District Council has been looking across Kenilworth for an alternative home for the Scouts and Guides that currently meet at Castle Farm, but has been unable to find an appropriate venue so far. This means that at the current time it is likely that the new accommodation for the Scouts and Guides will need to be provided on the Castle Farm site.
- 3.12 It is therefore proposed in recommendation 2.3 to proceed with option 2 from the stakeholder and public consultation exercise for the Castle Farm Recreation Centre site. This is the demolition of the existing centre and the construction of a new sports centre, with the Scouts and Guides accommodated in a separate building on the same site.

Recommendation 2.4

- 3.13 Both of the options for Abbey Fields Swimming Pool provided as part of the public consultation exercise include the retention and enhancement of the existing indoor 25 metre swimming pool. Both options also include the remodelling and significant improvement of the general circulation areas in the

building, including changing rooms, reception, café and other ancillary facilities. This remodelling will make it possible to relocate the pool plant building and therefore open up views down the lake from the external terrace. The external terrace can also act as a café area, allowing both café customers and swimmers using the external terrace to have views down the lake. The security of the facility in this area will be preserved with the use of a transparent screen. Both options also include the replacement of all mechanical and electrical equipment and installations that have reached the end of their useful life. Both options also sought to find a new use for the old bowls pavilion in the children's playground next to the Swimming Pool, and to improve the tennis courts in Abbey Fields. The differences between the options relate to the use to be made of the area currently occupied by the outdoor fun pool and paddling pool.

- 3.14 The responses to the consultation process for Abbey Fields Swimming Pool have been analysed carefully, and the results are shown in detail in Appendix A to this report. In the public consultation process question 11 asked respondents to select either option 1, the indoor family pool, option 2 the retention of the outdoor fun pool, or to select 'no preference'. 38 per cent of all respondents to the survey selected option two - to retain the existing outdoor fun pool and paddling pool. 30 per cent selected option 1 - to install an indoor family/teaching pool. 33 per cent expressed no preference or did not respond to this question. Questions 12 and 13 were open questions that asked "What are your reasons for your answer to the question above" (Question 11) and "Other than the facilities being proposed, what other leisure or family facilities would you like to see at the swimming pool site?" Within the responses to these two questions, a number of respondents referred to the proposal offered by Restore Kenilworth Lido, for a 25 metre outdoor pool. Every response to questions 12 and 13 has been read and every response that mentioned a larger lido positively has been identified. Respondents mentioning a larger lido represented 25 per cent of all respondents. It should be noted that all of these respondents will have already been counted within either the 38 per cent selecting option two, or the 33 per cent that expressed no preference.
- 3.15 It should also be noted that this stakeholder and public consultation exercise was never intended to be undertaken as a scientific process with the use of specialist consultants and a randomised control group to verify the responses received. Nor was it a referendum where respondents were asked to vote for a particular option, and where the most popular option would be selected. It was an opportunity to ask the residents of Kenilworth for their views on a number of options available. These aspects were made clear to the Executive in recommending the consultation process to follow. In these circumstances it should be remembered that the presence of Restore Kenilworth Lido at all but one of the public consultation sessions, with their strong lobbying for a new 25 metre lido and rejection of the two presented options, is likely to have skewed the responses received in favour of the 25 metre lido proposal.
- 3.16 Alongside the public element of the consultation, officers contacted a number of key stakeholders to ask their opinion of the two options presented for consultation. Most stakeholders were also aware of the additional proposal from Restore Kenilworth Lido. The responses from all stakeholders are contained within Sections 8 to 11 of Appendix A. Selecting some representative responses from stakeholders, they responded as follows –

3.16.1 Sport England expressed support for the District Council's drive to improve their facilities and the strategic approach being taken to inform the

programme of improvements, but did not express a preference for either option.

3.16.2 Swim England are the national governing body for the sport of swimming in England. They said "our view is that design option 1, which introduces an indoor learner pool...would be the best option as this type of pool provides the best return on investment of any water space and would enhance the swimming experience most profoundly.... Obviously, the success of the outdoor pool depends entirely on the weather. I appreciate that there is always an ardent lobby to build outdoor pools, and these people are consistent users, however the level of use does not necessarily provide a sustainable model."

3.16.3 Officers held a meeting with the majority of the swimming clubs that currently use the facility. A very useful exchange of information took place. All the clubs present supported option 1, for the creation of the family pool, as this would be most useful to them in terms of providing space for the teaching of swimming. The Junior Triathlon Club said that they would use a 25 metre lido, but that it was unlikely that this would represent the best investment in this building, due to constraints on the use of outside water.

3.16.4 It proved difficult to engage with schools during the consultation period, as it was a busy period of the school year. A detailed interview was undertaken with St John's Primary School. They strongly supported option 1, as it would give them much more flexibility in terms of programming their swim teaching. It would mean that on occasions they could bring mixed ability groups, as beginners could go in the family pool, leaving the main pool for better swimmers to swim lengths. The school do not currently bring better swimmers to swimming lessons, as they cannot swim lengths with the shallow end full of beginners. On other occasions the family pool would enable them to bring twice as many beginners at the same time, which would save on travel costs and school programming issues. They also favoured the arrangements for changing rooms, as this will make their management of swimming sessions much easier. Officers will continue to engage with schools throughout the design process to ensure that their needs are met within the new designs.

3.16.5 The National Association for Swimming Clubs for the Handicapped (NASCH) also favour option 1, as being the option that will provide suitable facilities for people with a disability who wish to learn to swim. They stress the importance of making sure that all aspects of the design of the new facilities considers the needs of swimmers with a disability.

3.17 Another element to be considered in selecting an option for Abbey Fields Swimming Pool is the report by SLC into the two options proposed and the additional proposal. This report concludes that the indoor family pool will improve the financial performance of the Swimming Pool building over four times more effectively than the additional proposal to construct a 25 metre lido. It is particularly interesting to note that, according to the predictions made by SLC about the uplift created by the family pool and the income projections from Everyone Active over the life of the contract, it is possible that this site would break even by year 10 of the contract. This would be a very beneficial situation, as it would remove any subsidy from the site before the end of the current management contract, which should help to secure the site's unquestioned future.

- 3.18 In terms of strategic need, the option to build an indoor family and teaching pool would meet Sport England's strategic assessment that the District requires additional water space equivalent to 1.8 lanes of a 25 metre swimming pool. This is the increase in provision predicted by the Sport England Facilities Planning Model as being required in order to provide for the increased population expected to be resident in Kenilworth and surrounding areas by the end of the current Local Plan period in 2029. The Facilities Planning Model includes an allowance for all existing swimming pools in the area. It also allows for all planned swimming pools for the area in the future, including the new swimming pool that has been constructed at Warwick University which will open in Spring 2019. The option to retain the existing outdoor pools and the additional proposal to provide a 25 metre lido do not meet this strategic need as Sport England does not count outdoor swimming water within its Facilities Planning Model, as the facility is usually only available in the summer months.
- 3.19 Taking account of the reasonably even spread in public response between the two options at Abbey Fields and the expression of no preference or missing the question, and the slightly lower response for the 25 metre lido proposal, it could be argued that the public element of the consultation shows a general support across each of the options, with no one option or proposal significantly more popular than any other. The report from SLC makes it clear that option 1 represents the most financially beneficial alternative. The view of Sports and Leisure Management Ltd (trading as Everyone Active) is also that option 1 represents the best solution, both in terms of the financial performance of the building and the number of people that could use the pool and participate in swimming activities. The strategic need for sports facilities would support option 1 at Abbey Fields, as it provides sufficient additional water space to fulfil the additional need created by new residents moving to the area during the period of the current Local Plan.
- 3.20 In view of paragraphs 3.13 to 3.19, it is proposed in recommendation 2.4 to proceed with option 1 at Abbey Fields Swimming Pool. This is the construction of an indoor family and teaching pool which can be used throughout the year, but which also has the capacity to open up access to an outdoor terrace during hot weather. This design will be developed during the next stage, taking on board many of the comments received from the public during the consultation exercise. Within this design concept, there is always a conflict between opening up the facility on a hot day in summer, and making a construction that is robust and sealed enough to provide appropriate atmospheric control during the winter. The architect has been set the task of opening the building as much as possible in summer, whilst being able to seal the area sufficiently in winter to ensure a pleasant atmosphere is provided by appropriate and cost-effective mechanical and electrical systems.

Recommendations 2.5 and 2.6

- 3.21 If Executive agrees to move forward with the two options proposed in recommendations 2.3 to 2.4 then the next step of the project will be to continue the design process through RIBA stage 2 and up to the end of RIBA stage 3. In order to do this work it will be necessary to make funds available to employ the design team to undertake this work. There is current funding available within the Leisure Options Reserve to continue this design work for the remainder of the current financial year. This roughly equates to the completion of RIBA stage 2. The source of the additional funding required to

continue the project to the end of RIBA stage 3 is not currently identified. This is discussed further in paragraph 5.1 of this report.

- 3.22 The Council has already procured a contract for the project management and design of this project. Mace Ltd and their project partners secured this contract through the Crown Commercial Services framework, which is an appropriate procurement process for this work. The nature of the contract is such that Mace and the project management and design team have been retained for the whole of the project process from the beginning of RIBA stage 1 to the end of RIBA stage 7. However, there are break clauses at the end of each RIBA stage. It is therefore fully appropriate to instruct Mace and their colleagues to take this project forward to the end of RIBA stage 2 at the present time, as sufficient funds exist to cover this work. Recommendation 2.5 seeks to identify additional funds in the Budget Report in February 2019 to carry this work through to the end of RIBA stage 3. This report seeks authority to proceed to RIBA stage 3 without referring back to Executive, if funding can be found, as RIBA stage 2 will be completed during the 'purdah' period for the forthcoming local elections in May 2019.

Recommendation 2.7

- 3.23 The Council considers that it is very important to ensure that all new constructions should seek to minimise their impact on the environment as much as possible. Although it may not be possible, for a number of valid economic and practical reasons, to achieve carbon neutrality in all cases, it is important that any deviation away from environmental optimisation should be considered carefully before being approved.
- 3.24 The design team will therefore be instructed to study what options are available to maximise the environmental performance of the building, both in terms of construction and operation. They will need to present a report to the officers on the project team which identifies what these options are, what they will cost or save in capital and revenue terms, and what alternatives there are that will have different impacts. In some cases it may be necessary to accept a less than optimal environmental solution, when other factors are considered, but the presumption should be that environmental performance is maximised in each case.

Recommendation 2.8

- 3.25 One of the intended benefits of the redevelopment of the two Kenilworth facilities is to improve the financial performance of the facilities in the future. This improvement in financial performance will mean that it will be possible to negotiate with Sports and Leisure Management Ltd (trading as Everyone Active) to discuss how they might be able to change the concession fee they pay to the Council, the capital they may invest in the facilities and the length of the management contract between the company and the Council.
- 3.26 It has not been possible to commence these negotiations until the decisions contained in recommendations 2.3 and 2.4 of this report were made, as there were too many variables involved in the calculations. If Executive approve recommendations 2.3 and 2.4 of this report then it is appropriate to begin these discussions with Sports and Leisure Management with a view to bringing a further report back to Executive with the results of such negotiations and recommending future actions in this regard.

Recommendation 2.9

- 3.27 It is not possible at the current time to clearly identify all of the funding for these works. As well as the need to begin negotiations with Everyone Active, as shown in paragraphs 3.25 and 3.26 above, there is also uncertainty over the s106 funding to come from various developments, as well as uncertainty over the Government's approach to pooling in the future. It is also not clear if any grants may be achievable for these works, until a thorough review has been undertaken. It is therefore proposed that officers continue their existing work to resolve these issues and obtain greater clarity and certainty on the funding available, in order to report back to Executive at a later date.

Recommendation 2.10

- 3.28 It is good practice to regularly review the risks contained in any capital project of this kind. The updated Risk Register for this project is therefore contained at Appendix D to this report and Executive are asked to note the content of this Register. Furthermore, all capital projects at Warwick District Council have a Project Programme to indicate how long the project will take to deliver. The current Project Programme is attached as Appendix E to this report for the attention of Executive.

4. Policy Framework

4.1 Fit for the Future (FFF)

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

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

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

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

4.2 Supporting Strategies

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

4.2.1 Local Plan

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

4.2.2 Development Brief for land east of Kenilworth

Warwick District Council has also led on the preparation of a Development Brief for land east of Kenilworth covering the strategic housing and education sites. A public consultation on the Development Brief is currently underway. It will close on the 19th January 2019 with a view to adoption of the Brief later in 2019. Officers are working closely with landowners, promoters and other key stakeholders including Warwickshire County Council and Kenilworth Town Council to refine and develop the Brief. Planning applications are anticipated to be received for sites relating to land east of Kenilworth once the Development Brief has been adopted or when it is closer to adoption. A planning application for 640 dwellings has however already been submitted in late August 2018 for much of site H40.

4.2.3 Neighbourhood Plan

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

4.2.3 Indoor Sports Facilities Strategy and Playing Pitch Strategy

These strategies were initially established in 2015, having carried out comprehensive audits of local provision and needs. The Council formally adopted the Strategies which now form part of the base for development of the District's sporting provision. They have been key evidence documents for the Local Plan, in securing s106 contributions from developers to date and in establishing robust relationships with Sport England and national governing bodies of sport. It is essential that these documents remain up to date and at present work is underway to refresh the data that underpins the strategies and refresh them where appropriate. This work will be completed shortly and reported to Members in early 2019.

4.3 Changes to Existing Policies

None

4.4 Impact Assessments

Impact assessments will be a vital part of the design process for any facilities constructed through the Leisure Development Programme. Initial considerations of accessibility and other impacts are part of the ongoing process of good design. Specific assessments will be made at several times during the design process, but they are not recommended at this stage in the process. However, it has already been agreed that enhanced changing facilities for customers with profound needs will be included in the new designs. The 'Changing Places' initiative will be used as an inspiration to ensure that those with profound needs will be able to use the new facilities.

5. Budgetary Framework

- 5.1 The cost of extending the contract with Mace Ltd and their project partners to the end of RIBA stage 3 is up to £750,000. £200,000 of this is proposed to be funded from the Leisure Options Reserve which has an unallocated balance of £290,000. This will be sufficient funds to develop the designs on the two sites up to the end of RIBA stage 2, which will roughly equate to the end of the current financial year, based on current programme. Funding of the balance of

£550,000 will be considered as part of the February 2019 Budget report alongside other Council projects and priorities once the Council's funding position for 2019/20 is more certain. If for any reason this balance could not be found, it would be possible for the Council to legally break the contract with Mace and the design team at the end of RIBA stage 2, within current resources.

5.2 The current predictions for the cost of the options selected are as follows. They are expressed as a range because it is not possible to accurately predict precise costs at this stage in the design process –

5.2.1 Castle Farm Option 2 – Sports Centre - £10 million to £12 million

5.2.2 Castle Farm Option 2 – New building for Scouts – £2 million to £3 million

5.2.3 Abbey Fields – Option 1 – Indoor family pool - £7 million to £9 million

5.2.4 Total cost for both schemes – £19 million to £24 million

5.3 The possible sources of funding for this cost are currently estimated as –

Source	Site	Amount
Community Infrastructure Levy	Castle Farm	c £4,400,000
Section 106	Abbey Fields	c £2,480,221 to c £2,790,958
Capital contribution from Everyone Active	Both	Unknown
Capital to be borrowed against concession fee uplift from Everyone Active	Both	Unknown (could be c £3m)
Total (maximum to date)		£10,190,000
Estimated Shortfall (based on maximum income to date)		£8,810,000 to £13,810,000

5.4 As with the expenditure figures, it is not possible to be more precise at this time with regard to the funds available for this project. There are a number of caveats and unknowns that could affect the availability of funding. These include –

5.4.1 The figure shown for Community Infrastructure Levy (CIL) is the current figure contained in the Council's '123 List' for CIL. However, this list is refined on an annual basis, and so this figure could go up or down in subsequent years. Officers are proposing that the CIL contribution to this project should increase, but this will be set against competing priorities before being decided.

5.4.2 The amount that will be contributed to this project from Section 106 (s106) funds is not clear at the present time. The amount provided by s106 funds from any given scheme can not be calculated accurately until planning permission is sought. Whilst some money has already been received from developers towards this project, many other projects are not yet at this stage.

The current situation with s106 funding that may be available to this project is shown as Appendix F to this report.

5.4.3 Furthermore, the future of the Government's current pooling restrictions on s106 monies is currently unclear, and this will affect the amount of money available to this project. A decision on the future of "pooling" is anticipated in Spring 2019.

5.4.4 There are three ways that funds may be made available through Sports and Leisure Management Ltd, trading as Everyone Active. They may provide direct capital input into the project. They may offer a larger concession fee after the construction is complete. This would enable the Council to borrow capital against this increased income. They may provide a combination of these two approaches. However, this report proposes the commencement of discussions with Everyone Active on these matters, and so it is not possible to establish what income this may generate at this time.

5.5 Officers involved in the project will continue to define more closely the costs involved in the project, as the design develops. They will also work to clarify and eliminate the uncertainties over available funding shown in paragraphs 5.4.1 to 5.4.4 above, in order to provide a later report to Executive in June 2019 with a clearer steer on affordability. The procurement of a preferred building contractor will also be carried out during this period of the project. It may be decided to procure two building contractors, one for each site, in view of the fact that each construction project will be quite different from the other in character and also so that risk will be spread.

5.6 The precise details of the cost of the construction and the funds available will be made available in a final report in the autumn or winter of 2019 which will identify an agreed price with the preferred contractor(s), an agreed design and construction detail for each centre and the identified sources of funding for the works and contingency before any request for the final go-ahead to sign a contract or contracts with the building contractor(s) is made.

5.7 Within the final report it will be possible to see the overall costs and funding options for the project, along with the on-going revenue costs. It is possible that there will be significant additional on-going revenue costs for the Council, primarily related to the costs of servicing potential borrowing. At that future stage the Council will need to ensure it is in a position to be able to accommodate those additional costs before progressing the project further.

6. Risks

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

- Work does not proceed and so Kenilworth has facilities that are not the equal of facilities in Warwick and Leamington
- Ongoing maintenance issues of existing buildings
- Loss of income from not improving buildings
- Designs are not what are required
- Heritage, car parking and other constraints limit development choices

6.2 A full Risk Workshop will be undertaken with the professional services and design team at the beginning of the RIBA stage 2 design process, before detailed design has commenced. The Risk Register will be completely updated after this Risk Workshop.

7. Alternative Option(s) considered

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

APPENDICES:

- A: Kenilworth Leisure – RIBA stage 1 Statement of Community Engagement
- B: Report from SLC Ltd on the viability of options
- C: Company profile for SLC Ltd
- D: Project Risk Register – updated
- E: Project Programme – updated
- F: Potential Developers’ Contributions – Kenilworth Leisure Project