

7 Worcestershire County Cricket Club (WCCC) – Growing Places agreement

WLEP BOARD RECOMMENDATION

The Board is asked to:

- Note the current position on the Growing Places loan;
- Approve the termination of the loan agreement and the creation of a “social value contract”;
- Delegate responsibility to the WLEP CEO, in conjunction with legal, commercial and finance officers of the County Council to implement the social value contract.

7.1 Background to the WCCC Growing Places Loan agreement

- 7.1.1 The Board will recall that the Growing Places Fund (GPF) was originally introduced to provide loans or grants to accelerate the delivery of projects that would deliver economic outputs and outcomes. Loans were agreed at market rates based on the risk profile of the project with all capital being repaid over an agreed period. The original GPF made available to the LEP totaled £5,518,972 of which £418,515 was revenue.
- 7.1.2 The loan awarded to WCCC was completed in May 2013 to a value of £1.25 million at an interest rate of 2.74%. The loan was due to be repaid in annual instalments commencing in 2016 with loan completion expected to be November 2023.
- 7.1.3 The funding was awarded to regenerate the site comprising circa 0.4 hectares, forming part of the Club Grounds through the demolition of existing club buildings and replacement with new facilities for WCCC including non-members bar and kiosk, executive/corporate suite and conference/function facilities, together with new external spectator facilities, provision of improved vehicular access, disabled parking, substation and enhanced public realm.
- 7.1.4 Due to several external factors including significant flooding of the grounds, rising costs of inflation, and the impact of the pandemic WCCC have not yet repaid most of the principal element of the loan, although interest payments have been maintained. Payment holidays were agreed between the organisations, and currently, £1.4m of the loan remains outstanding.
- 7.1.5 Following discussions between WCCC, WCC and WLEP, the WLEP Board are recommended to agree to convert the loan into a social value agreement.

7.2 Social Value Agreement

- 7.2.1 The proposal is that WCCC will provide WLEP, WCC, district councils and other partners and businesses with access to several opportunities in lieu of cash payments. All opportunities will demonstrate social value and will be delivered as “benefits in kind”.
- 7.2.2 The agreement will cover a period of 5 years, with ability to extend to 6 years should the total value not be fully delivered by the end of year 5, commencing on 1 June 2023, subject to successful completion of contract documentation.
- 7.2.3 The annual value of the contract will be £270k which constitutes the combined value of the principal outstanding loan plus accumulated interest.
- 7.2.4 Examples of the areas which are being considered to be included in the agreement include

- Volunteer Opportunities
- Work experience opportunities
- Career days for schools
- Access to meeting and conference facilities
- Match tickets (for vulnerable groups, school children etc.)
- Marketing and Branding opportunities including social media
- Strength, Balance & Nutrition Sessions
- Exercise opportunities

7.2.5 There are benefits to this approach for all concerned as the WLEP and its partners will have access to considerable opportunities to raise the profile of Worcestershire as a place to live and work, the ability to provide services to its most vulnerable in society and promote the health and well-being opportunities available through cricket. WCCC will also benefit, not only from the reduction in need to repay cash, but in the partnership working it will have with the public and private sectors.

7.3 Next Steps

7.3.1 Subject to approval by the WLEP board, the LEP Chief Executive will work with WCC officers to develop the social value contract in liaison with WCCC to ensure that all offers are able to be delivered and reported upon.

7.3.2 The WLEP board will receive regular updates on delivery of the agreement including outputs delivered and benefits received. The programme will be managed on a day-to-day basis by officers within the commercial team of WCC in close consultation with the WLEP and officers within the Council and Worcestershire Children's First. The offers will also be made available to businesses and district councils.

Steph Simcox
S151 Officer – Accountable Body