

REPORT

SUBJECT:	MUCH (Magor & Undy Community Hub) Report
MEETING:	Cabinet
DATE:	27th July 2022
DIVISION/WARDS AFFECTED:	Magor East and Undy, Magor West

1. PURPOSE:

- 1.1 To seek approval for the construction of a new community hub at the site known as 'Three Fields' in Magor and Undy.
- 1.2 To enter a long lease agreement with the 'MUCH' Community Group, for occupation and management of the site.

2. RECOMMENDATIONS:

- 2.1 To add the £2,864,316 development of the Magor and Undy Community Hub to the capital programme.
- 2.2 To delegate responsibility to the Chief Officer for Resources and Cabinet Member for Resources for approval of the business case and lease terms with the MUCH group, inclusive of a rent-free period of two years.
- 2.3 That the development is conditional upon granting of £400,000 additional contribution from Welsh Government's Economic Stimulus Fund,
- 2.4 That the development is funded via £800,000 S106 contributions from the Rockfield Farm development, and £222,120 advanced call on the Vinegar Hill development's S106 contribution.

3. KEY ISSUES:

Project Background

- 3.1 Since 1993, various local community groups have pursued the development of a new community facility in Magor and Undy. As established by the Open Spaces Study in 2008, Magor with Undy has a shortfall of provision of

recreation space and many of the existing village halls are not suitable or of sufficient size to accommodate many local user groups.

- 3.2 The 'Three Fields Site' in Magor, accessed via the B4245, was identified as the preferred location for development because of its central position, situated between two villages on a flat, level site with good access. The site benefits from cycle and footpath links to the Magor Village Square, and is in the ownership of the Council.
- 3.3 In May 2008 outline planning permission was granted for the erection of the new community facility, new vehicular access and car park on site. In June 2009 full planning permission was granted, however the local community group were unable to source adequate funding to progress the scheme.
- 3.4 Since 2009, Monmouthshire County Council has collaborated with local community groups to revive the scheme, and an updated planning consent was granted for the community hub development in August 2018 (DM/2018/00910). Extensive residential engagement and consultation has helped shape and inform the design of the building.
- 3.5 The approved scheme included a sustainably designed community hub facility that will cater for a wide range of social, cultural, recreational and sporting activities. The Hub facility and multi-purpose hall will offer spaces for community use and commercial events, as well as potential for small business growth. It is also proposed that the hall will offer an interface between the proposed Magor & Undy Walkway station, which will create employment opportunities as well as support job creation.
- 3.6 The building is designed to meet BREEAM 'Excellent' Standards. This will include the adoption of a low carbon 'green' design based on durability and resilience, inclusive of energy efficient solutions such as solar PV and air source heat pump.
- 3.7 In order to arrive at a total construction cost, a construction partner (Kier Construction) has been procured via the SCAPE Framework and detailed design works undertaken. Following open market testing and a value engineering exercise, the construction cost has been determined to be £2,579,829.
- 3.8 Construction of the community hall is scheduled to last 43 weeks. If approved, construction will commence in September 2022, with targeted completion in July 2023. An early works order has been placed to fix construction costs and maintain the construction program's proposed commencement date.

The MUCH Group

- 3.9 In 2016 the 'MUCH group' was created, a charitable incorporate organization of local volunteers with the purpose of developing and maintaining the community hub. As governed by the rules and regulations of the charity commissions, a board of trustees has been established which currently also doubles-up as a management team. The MUCH group work closely with both the County and Community councils, other local groups (e.g. The 'Magor Station' group and the Living Levels partnership) and involves residents in decisions and activities of the project.
- 3.10 The MUCH group, under its previous name of the Three Fields Community Trust, instigated a community-wide postal consultation in 2016 that received over 750+ responses. The survey results directed the visions and aims of 'the Hub', including the necessity to support social, education and recreational activities. A further survey was undertaken in late 2019/2020 that reaffirmed the aspiration to see a community hub developed.
- 3.11 The MUCH group have a longstanding interest in occupying and managing the proposed community hub, for the direct promotion of community use. The MUCH group manage existing properties in Magor (including Undy Memorial Hall), and this site will afford improved connectivity and publicity of the local offerings.
- 3.12 It is the recommendation of this report that a 25 year lease is granted to the MUCH group for occupation of the site. Entering a lease agreement of this length will enable the MUCH group to pursue additional grants for wider site improvements.
- 3.13 Given MCC is not required to underwrite the cost of development, and in order to support the MUCH group in establishing a successful and sustainable business model, it is recommended that two years rent free is granted upon completion of the build. Subject to approval of the business plan, a market rent will be introduced in year 3 of the MUCH group's occupation. As a registered charity, the MUCH group will be eligible for rental grant.
- 3.14 A business case has been provided by the MUCH group (Appendix B) to evidence their intended use of the facility and sustainable business model. The budget/cash flow forecast has been assessed against a comparable community hall. As per the recommendations of this report, MCC will continue to work with the MUCH group to ensure the predicted expenditure is sufficiently robust.

- 3.15 If the MUCH groups occupation and management of the building is successful, it is anticipated that formal transfer of the freehold via MCC's Community Asset Transfer policy could be considered in future. This would be subject to formal Cabinet approval.
- 3.16 The proposed lease would be inclusive of the community hall following completion of the build, and adjacent orchard. The car park will be excluded from the lease, in order to retain MCC's ability to support the promotion of the proposed walk-way station.

Funding

- 3.17 In order to support the delivery of the scheme, an application was submitted to Welsh Government via the Economic Stimulus Fund and £1.145million was successfully awarded. The £1.145million award is conditional upon expenditure within the financial year 2022-23, and achievement of BREEAM 'Excellent' Standard.
- 3.18 £800,000 of S106 funding has been awarded for the provision of adult recreation/community facilities at the Three Field site via the nearby Rockfield Farm housing development. A further £222,120 is available via S106 recreation/community facility contribution from the nearby Vinegar Hill housing development.
- 3.19 The MUCH group have successfully applied for funding via the 'Big Lottery', and £334,000 is available to support the schemes construction and fit out.
- 3.20 As a consequence of market volatility and cost increases through the design process, a further application to Welsh Government has been made and in principle an additional £400,000 is to be awarded to assist this schemes delivery.
- 3.21 Subject to confirmation of the increase in Welsh Government contribution, the total project budget is £2,901,120. Any savings to the budget will enable S106 funding to be redistributed to other local projects.

4. OPTIONS APPRAISAL:

In determining how to proceed with the project the following options were considered:

Option	Benefits	Risks
Enter into the construction contract and lease with the MUCH group	<ul style="list-style-type: none"> • Support a long-standing local ambition for the creation of a community hub in the area. • Entering into contract will secure construction costs (subject to provisional sums), minimizing risks associated with volatility in the construction market. • Enable development to proceed without risk of forfeiting the WG funding and required timescales for spend. • The development will be to BREEAM 'Excellent' Standards and align with MCC's climate declaration 	<ul style="list-style-type: none"> • At the time of writing, slow worm translocation is being undertaken and the results could cause programme delays. • Tenant could fail to manage the property and asset returns to MCC as liability. • MCC will be required to fund the shortfall should WG fail to provide the £400k additional contribution.
Redistribute S106 contributions to other schemes. Not proceed with the MUCH development.	<ul style="list-style-type: none"> • S106 funding can be redistributed to other adult recreation projects in the area. 	<ul style="list-style-type: none"> • The WG funding will be lost and therefore scheme no longer viable. • Construction costs would no longer be fixed and further market testing would be required, creating further delays.

5. REASONS:

5.1.1 Given the current financial climate, the Council is seeking to develop opportunities to reduce financial pressures whilst developing and supporting community resilience and new ways of delivering services. The proposed lease of the new property will secure the provision of the new facilities for the benefit of the community.

5.1.2 Development of the community hall would support results of local consultation, working groups, and long-standing aspiration to deliver this project to satisfy local demand, including satisfy a shortfall of recreation space.

5.1.3 The application is in accordance with the Councils adopted Asset Management Plan which when adopted in 2014 set out the intention to support Community Asset Transfer. It is the aspiration of the group that a formal application for the freehold transfer of the asset, via the Community Asset Transfer policy, will be submitted if the scheme is successful.

6. RESOURCE IMPLICATIONS:

6.1 The total cost of the project is approximately £2,864,316, inclusive of construction and client costs. The project budget is £2,901,120, consisting of the following funding awards:

Welsh Government Economic Stimulus Funding - £1,545,000
S106 Contribution via Rockfield Farm development - £800,000
S106 contribution via Vinegar Hill development – £222,120
Lottery grant via the MUCH group - £334,935

- 6.2 Grant of a two year rent free period will remove a potential annual revenue to MCC. The anticipated market rent for the facility is approximately £10,322, however the MUCH group would be eligible for rental grant.

7. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING)

The Equality and Future Generations Evaluation can be found at Appendix B to this report.

8. CONSULTEES:

Cabinet
Strategic Leadership Team
Local Ward Members
Jon Davies – Central Accountancy Finance Manager
Mike Moran – Community Infrastructure Coordinator
Judith Langdon - Head of Community Led Delivery
S106 Working Group

9. BACKGROUND PAPERS:

Appendix A – Redline Plan of the ‘Three Fields’ Site
Appendix B – Draft MUCH Business Plan.
Appendix C – Integrated Impact Assessment

10. AUTHOR:

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11. CONTACT DETAILS:

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