

<b>SUBJECT:</b>	<b>S106 FUNDING – MAGOR GRIP 3 REPORT</b>
<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>7<sup>th</sup> DECEMBER 2016</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>MAGOR AND UNDY</b>

## **1. PURPOSE**

1.1 To seek approval for the commissioning of parts 1 and 2 of the Governance for Railway Investment Projects (GRIP) 3 process from Section 106 capital balances.

## **2. RECOMMENDATIONS**

2.1 that the Council proceeds to commission parts 1 and 2 of the GRIP 3 process (project 97362) for a new walkway rail station in Magor at a total cost of £62,352 utilising funding from Section 106 balances from the Greenmoor Lane, Magor contribution (£32,346) plus financial contributions from Magor with Undy Community Council (£10,000), the Railfuture Fund (£10,000) and the local Magor Rail Group (£1,500);

2.2 that £12,000 be added to budget code 97362 to meet the identified shortfall in funding for part 2 of the GRIP 3 process and this contribution will include further estimated consultancy expenses of £3,494. That these costs are funded by a corresponding contribution from Section 106 balances held by the Council from the Magor West (Kingfisher Rise) development (Finance Code N579);

2.3 that, should the Welsh Government agree to reimburse the funding for part or the whole of GRIP 3, then the funding identified in 2.1 above be reserved to support further stages of the GRIP process for the proposed new Magor Walkway Station, without the need for reference back to Cabinet;

2.4 that the area of benefit for using the remaining balance of the off-site recreation funding from the Kingfisher Rise S106 Agreement (£219,710) be defined as “the administrative boundary of the Magor with Undy Community Council”.

## **3. KEY ISSUES**

3.1 As part of the wider City Regions Transport Plan for South Wales, the possibility of establishing a walkway railway station at Magor is being investigated. This project now features as a key priority in the Council’s Local Transport Plan (approved by Council on 26<sup>th</sup> February 2015) and the Welsh Government’s National Transport Finance Plan.

3.2 Governance arrangements for new projects are set out in the Governance for Railway Investment Projects (GRIP), which describes how projects intended to enhance or renew

parts of the network will be managed. The GRIP process has been designed to ensure best practice and has been developed in partnership with the UK Government and some of the national major professional bodies.

- 3.3 GRIP divides each project down into eight distinct stages and earlier this year the Council commissioned, in partnership with the local Magor Rail Group, Stage 1 (output definition) and Stage 2 (feasibility) from Section 106 funding. This was done on an underwriting basis and the costs incurred were subsequently offset by a Welsh Government grant.
- 3.4 At a recent meeting of the Monmouthshire Strategic Transport Group it was decided to go ahead with parts 1+2 of the GRIP3 stage of developing Magor station. Stage 3 is concerned with option selection and this is broken down into three parts, namely:
- Initial economic appraisal (including demand forecast) £35,443
  - Option selection report £26,909
  - Form 001 and approval in principle (including strategic outline business case) £82,292
- 3.5 The proposal is for parts 1 and 2 to be funded by the Council, in partnership with Magor with Undy Community Council (£10,000), the Railfuture Fund (£10,000) and the local Magor Rail Group (£1,500) at a combined cost of £62,352. A request has been submitted to the Welsh Government for it to fund part 3 at a cost of £82,282.
- 3.6 The costs above are taken from a quotation provided by the specialist firm of consultants which carried out the Stage 1 and 2 reports of the GRIP process.
- 3.7 The Council holds a current Section 106 balance of £32,346 and with the confirmed contributions from the other named partners a total of £53,846 is currently available. This leaves a shortfall of £8,506 plus a small allowance for consultants' expenses. It is therefore proposed to utilise £12,000 of the Section 106 balances held by the Council from the Magor West (Kingfisher Rise) development to cover the shortfall and estimated consultant's expenses. The S106 balances held from that development total £231,710 so, if members agree the recommendations in this report that would leave a remaining balance of £219,710. A further report will be submitted to members in the early part of 2017 with proposals on how to utilise this remaining balance.
- 3.8 The Magor Group is one of a number of groups involved in a collaborative approach designed to bring forward the development of the Three Fields Site. One of the possible locations for the new station is adjacent to the Three Fields Site, where there is already a centrally placed car park alongside the B4245, but it is not possible to forward plan the use of this site as a location for the station until a proper feasibility report is in place.
- 3.9 The estimated build cost for the proposed new walkway station is circa £7 million. As agreed at the last Strategic Transport Group meeting, the Council and the local Magor Group are putting together an application to Network Rail's UK "new station fund" which, if successful, could provide the majority (75%) of the build costs for the new station.

## **4. REASONS**

- 4.1 To enable parts 1 and 2 of the GRIP 3 option selection study and report to be commissioned - this will be a critically important factor in determining the feasibility of a walkway railway station being established in Magor in the foreseeable future.
- 4.2 To ensure that there is sufficient funding available to commission and pay for parts 1 and 2 of the GRIP 3 process.
- 4.3 To ensure that the remaining S106 balance from Kingfisher Rise is used to support projects in the Magor with Undy area. The Community Council is committed to working in partnership with the County Council to identify local projects in an effort to ensure that the needs and aspirations of the local community can be realised when the remaining S106 funding is considered for allocation by this Council.

## **5. RESOURCE IMPLICATIONS**

- 5.1 It is proposed to commit the existing Section 106 funding balance of £32,346 to part fund the cost of parts 1 and 2 of the GRIP 3 process – the other contributions towards the estimated costs of parts 1 and 2 will be made by the Magor with Undy Community Council, the Railfuture Fund (via the local group) and the local Magor Group itself. If this is agreed by Cabinet, it will enable parts 1 and 2 to be commissioned by the Council, starting in January 2017.
- 5.2 The local Magor Rail Group has applied to the Great Western Community Fund, Railfutures and also to the Welsh Government for financial assistance towards cost of the GRIP Study. Should any of those applications be successful then the underwriting guarantee proposed in this report would either not be paid or would be repaid in whole or in part, depending upon the amount of external grant aid secured.

## **6. FUTURE GENERATIONS EVALUATION**

- 6.1 See Appendix A

## **7. CONSULTEES**

Cabinet Members	Local County Council Members
Magor with Undy Community Council	Local Magor Rail Group
Strategic Leadership Team	Head of Legal Services
Monitoring Officer	Head of Tourism, Leisure & Culture
Assistant Head of Finance/Deputy S151 Officer	Transport Planning & Policy Officer

The report has been amended to incorporate the views expressed by those that responded to the consultation process.

## **Magor with Undy Community Council Observations**

As part of the consultation process on this report, the Magor with Undy Community Council expressed some concerns and would have preferred that the allocation of all the off-site recreation funding from the Kingfisher Rise S106 Agreement, including the funding for the GRIP 3 study, was dealt with at the same time. However, the Community Council is prepared to support the GRIP 3 funding proposals if the County Council can give an assurance that the remaining balance of £219,710 is used to support recreation projects in the local area. The wording contained in the S106 Agreement states that “the owner agrees with the Council to pay the sum of £2,769 per dwelling for the off-site provision of adult/youth recreation in the area”. Usually in S106 Agreements, the area of benefit is more clearly defined than this. It is this Council’s standard practice to use S106 funding in the area where the funding was derived – the only case where this has been varied is in the case of the Severnside 3G pitch at Caldicot, which is a regional facility. As such, the pitch was funded in part by contributions from S106 Agreements in Caerwent, Portskewett and Magor with Undy. In response to the Community Council’s concerns, an additional recommendation has been included in this report at para 2.4.

### **8. BACKGROUND PAPERS**

Consultants’ letter dated 13<sup>th</sup> July 2016

### **9. AUTHOR**

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