

ANGUS COUNCIL – 8 SEPTEMBER 2022

**MONIFIETH COMMUNITY HUB & MONIFIETH LIBRARY – COSTS, FUNDING & CONSULTATION
UPDATE**

**JOINT REPORT BY THE DIRECTOR OF FINANCE AND THE DIRECTOR OF STRATEGIC POLICY,
TRANSFORMATION AND PUBLIC SECTOR REFORM**

ABSTRACT

This report advises the Council of the latest position on the provision of a community hub facility in Monifieth being pursued by Monifieth Community Resource Group (MCRG) and of the investigations undertaken to incorporate the Monifieth Public Library within the proposed community hub. The report provides an update on the costs, funding and outcomes from a recent consultation on the proposals.

1. RECOMMENDATIONS

1.1 It is recommended that the Council:

- (i) Have due regard and consideration to the output from the consultation undertaken on the possible relocation of the current library and ACCESS service to the proposed community hub as set out in Section 5 and Appendix 2 of this report;
- (ii) Note the latest update on estimated project costs and funding for both a standalone community hub and a combined hub and library/ACCESS facility as set out in Sections 6 and 7 of this report;
- (iii) Note the assessment of key risks and mitigation measures set out in Section 10;
- (iv) Note that Monifieth Community Resource Group (MCRG) remain very supportive of the proposal to have a combined community hub and library/ACCESS facility given the community, operational and financial benefits which can come from co-location;
- (v) Approve the redirection of the 2021/22 Place Based Investment Programme funding from the Seaton Park, Arbroath project to the MCRG community hub project as set out in paragraph 7.2;
- (vi) Approve the relocation of Monifieth Library and ACCESS services to the new community hub facility at the Blue Seaway subject to the conditions set out in Section 12 and on the basis of the approach to meeting the projected funding shortfall set out in paragraph 8.4;
- (vii) note that a further report will be provided to members for approval in early 2023 confirming the final costs and funding package prior to contracts being signed; and
- (viii) note that future arrangements for the existing library building will be the subject of a separate report in due course.

2. ALIGNMENT TO THE COUNCIL PLAN

2.1 This report contributes to the following strategic priorities in the Angus Council Plan, we want:

- To maximise inclusion and reduce inequalities
- Our communities to be strong, resilient and led by citizens
- Angus Council to be efficient and effective

3. BACKGROUND

- 3.1 The Monifieth Community Resource Group (MCRG) has for a number of years been working to deliver a community hub facility in the town. This was originally planned to be on the site of Invertay House (car park) and then latterly via a Community Asset Transfer for the Invertay House building itself. The CAT was withdrawn when Big Lottery funding wasn't secured. The MCRG have since redesigned the project for a site in Council ownership near to the Blue Seaway in Monifieth. MCRG currently occupy and lease on a short term basis from the Council a portacabin (The Cabin) on the Invertay House site.
- 3.2 Through Report 390/21 submitted to the Angus Council meeting of 16 December 2021 members approved funding of £250,000 for the MCRG community hub project from the Council's 2021/22 Place Based Investment Programme (PBIP). That £250,000 of funding was, at that time, expected to allow the project to go ahead based on a total project cost of £1.150 million. Report 390/21 also approved funding from the 2021/22 PBIP of £200,000 to the community-led Seaton Park, Arbroath all-weather pitch project, that funding being part of the funding required to complete phase 1A of that project by the Showcase the Street group.
- 3.3 Report 38/22 submitted to the Angus Council meeting of 10 February 2022 advised members of a potential option to relocate Monifieth Library and ACCESS services to be part of the new MCRG led community hub. The Council approved to progress these proposals in principle. A sum of £675,000 had previously been set aside in the Council's capital budget for the integration of Library and ACCESS services in Monifieth.
- 3.4 During July a public consultation has been undertaken on the proposals to relocate Monifieth Library and ACCESS services to the planned community hub. Further detail on the consultation and the results from it are contained in Section 5 below.
- 3.5 This report provides an update on the proposed community hub / library project and seeks members decision on whether to progress with the project based on the latest cost and funding information and the results of the consultation undertaken.

4. PROJECT UPDATE

- 4.1 Work to design and cost the proposed combined community hub facility and library/access provision has been undertaken over the last few months and while the work confirms that an integrated and flexible combined facility can be achieved as had been agreed in principle in February the costs of doing so are now significantly higher than had been expected. This rise in costs is due to what has turned out to be a significant underestimate of the full costs for the originally intended community hub facility rather than as a consequence of the proposed inclusion of the library/access services. The escalation in costs is also in part due to market conditions including inflation and supply chain issues which have been seen across the construction industry.
- 4.2 The original standalone community hub proposal has been the subject of a number of redesign and value engineering exercises over the last couple of years to try to deliver an affordable project. The COVID-19 pandemic, closure of some previously available grant funding sources and now market conditions have made delivery of an affordable project very challenging for the MCRG which is a volunteer run group. With construction inflation still at such high levels there is a need to decide now whether the project is still financially viable and affordable both for MCRG and the Council. If it is considered to be financially viable it is important to move to tendering as quickly as possible before costs escalate further.
- 4.3 It is important to emphasise that the community hub proposal – with or without the inclusion of library and ACCESS services remains a community led initiative – the building will be operated by MCRG with the Council/ANGUSalve being a tenant. ANGUSalve's service provision needs have been incorporated into the updated design for a new combined community hub and library/ACCESS facility. ANGUSalve senior officers have worked closely with MCRG's design team (AIM Design) to ensure the proposed combined facility will meet the needs of both ANGUSalve and MCRG.

- 4.4 Appendices 1a to 1c provide plans of what the combined facility is expected to look like and the use of space within the building. These revised designs do not at this stage have planning permission.

5. CONSULTATION PROCESS & OUTCOMES

- 5.1 An initial meeting was held with Monifieth Community Council following approval of report number 38/22 by Angus Council that agreed to investigate the opportunity to integrate the library with the community facility being developed by MCRG. The outcome of that meeting was positive and it was agreed there was a need to engage more widely with the community of Monifieth. The engagement exercise was delayed due to the emerging gap in funding to deliver the community facility in order to understand if a project of this nature was still a viable option but went ahead in July.
- 5.2 The public consultation undertaken on the proposal to relocate Monifieth Library to the proposed community hub at the Blue Seaway ran between 19 and 25 July 2022. The public were invited to Monifieth Library from Tuesday 19 – Saturday 23 July 2022 during opening hours to see and hear more on the plans and provide their views. There were also specific engagement sessions where representatives from the Library / Monifieth Community Resource Group were available to discuss the proposals. These included:
- Monifieth Library: Tuesday 19 July, 3pm-5pm
 - Monifieth Library: Thursday 21 July, 11am -1pm
 - Monifieth Community Cabin: Sunday 24 July, 11am -1pm

Members of the community were also able to view the plans and leave their feedback online.

- 5.3 In total only 24 responses to the consultation were received (12 online and 12 in-person) with a range of views expressed and issues raised. Some consultees were positive about the proposed relocation of the library but others had concerns and did not support the proposal. The number of respondents is low relative to the total population of Monifieth but they do provide a useful source of information and comments for members to have regard to in considering this report and deciding on next steps.
- 5.4 The full consultation results are provided in Appendix 2 broken down across the 3 questions asked then into themes and then into positive and negative comments. Common issues emerging included concerns about moving the library away from the High Street; concerns about accessibility to the new community hub under the railway; concerns about the impact on older people accessing the library and questions about how the new facility would operate.
- 5.5 It is recommended that members of Council have due regard to the output from the consultation undertaken as set out in Appendix 2 in deciding whether to progress with a relocation of Monifieth Library as is being recommended.

6. UPDATED COSTS

- 6.1 AIM Design have obtained a cost estimate for both the standalone community hub and the combined hub/library and ACCESS option from a local contractor and this has been checked for reasonableness by a firm of chartered surveyors acting as cost consultants. This is based on a high level tender submitted in April 2021 for the standalone facility and an updated estimate of that original indicative tender to now incorporate the library and ACCESS services both of which have been adjusted for inflation using the recognised industry standard Building Cost Information Service (BCIS) index. BCIS inflation has been based on projections to quarter 4 of 2023 and assumes the project will be half way through its construction during that quarter.
- 6.2 Table 1 below provides the current best estimates of the costs of both a standalone community hub and the combined facility. The updated estimate although based on a high level tender adjusted for inflation is only an estimate which given the volatile nature of market conditions could change, potentially significantly, by the time a full and final tender price is obtained early next calendar year.

Table 1 – Movement in Estimated Costs

	Community Hub £000	Hub with Library/ACCESS £000
Previous Cost Estimate	1,150	1,825*
Updated Estimate	1,518	2,087
Increase in Estimated Costs	368	262

* - there wasn't a previous cost estimate for the combined facility but for comparison purposes this figure is based on the previous cost estimate for the standalone community hub (£1.150m) plus the Council's budget provision for the upgrading of Monifieth library (£0.675m).

- 6.3 As can be seen from Table 1 there has been an increase of £368,000 (32%) in the estimated costs of the standalone community hub project. As stated above this increase arises from a combination of an underestimated full cost for the originally intended community hub facility and market conditions. Table 1 also shows that the additional cost of bringing library and ACCESS services into the community hub as part of a larger building is £0.569 million (£2.087 million minus £1.518 million).
- 6.4 While the pure extra cost of the larger facility is £0.569 million the cost consultants for the project have also undertaken a cost apportionment exercise to calculate how much of the total cost of the combined hub and Library/ACCESS facility could be considered to fall to MCRG and the Council for the Library/ACCESS element. This is based on sharing and apportioning costs including common costs e.g. external works, drainage and communal areas. This shows a split of the total estimated cost of £2.087 million of £1.213 million to MCRG and £0.874 million to the Council.
- 6.5 What this means is that the Council's contribution to the funding of the larger facility can be considered to be a minimum of £0.569 million and a maximum of £0.874 million depending on the approach adopted. The Council has previously set aside funding of £0.675 million in the capital budget for the upgrading of Monifieth Library and it is proposed that all of this funding be put towards the cost of delivering the combined facility.
- 6.6 The costs shown in Table 1 cover all costs associated with providing the new facility including landscaping, car parking provision and basic fit out costs for toilets, kitchen and library. MCRG will have additional costs to meet to provide fitness suite equipment and other furniture and equipment but have identified funding options through grant providers for such costs. It is likely that some further costs not included in Table 1 will be incurred as part of the relocation of library and ACCESS services e.g. removal costs, equipment replacement costs, new storage facilities, etc. which would need to be borne by the Council or ANGUSalive. For the purposes of this report an allowance of £20,000 for these other costs has been assumed for costing / budgeting purposes.
- 6.7 At this point the only other potential costs which are expected to arise if the combined hub and library project is agreed are associated with making improvements to the access routes to the new facility and in particular addressing concerns raised through the consultation process regarding access routes under the railway. Roads colleagues estimate that improvement works could cost between £50,000 and £75,000 but believe such works and costs could be fully funded through the ring-fenced capital grant funding the Council receives annually from the Scottish Government for Cycling, Walking and Safer Routes (CWSR). All of the CWSR funding for 2022/23 has been committed but 2023/24 funding (which has still to be confirmed) could be used as a possible funding source.

7. FUNDING AVAILABLE

- 7.1 At the time of writing this report a number of funding sources are confirmed while others remain pending and therefore uncertain. Some of these funding sources have spending timescales which need to be managed and create a further element of risk. Some funding secured by MCRG has already been incurred on design fees and other costs to date including £60,000 of the original £300,000 funding from Angus Council pledged many years ago.

Place Based Investment Programme (PBIP) Funding

- 7.2 Through Report 390/21 members approved funding from the Council's 2021/22 PBIP of £250,000 for the MCRG community hub project and £200,000 to the community-led Seaton Park, Arbroath all-weather pitch project. Unfortunately the Seaton Park group confirmed in May 2022 they were no longer in a position to take up the grant offer to progress their project and in order to avoid the PBIP funding having to be returned it was agreed with Scottish Government that this element of the 2021/22 PBIP funding could be redirected to the MCRG project. For clarity the rules around PBIP funding require spend or commitment within pre-defined timescales or funding will be lost and in this case the Council could not use the Seaton Park funding for a new project only one which had already been committed. Members are asked to approve this redirection of £200,000 of 2021/22 PBIP funding as part of this report.
- 7.3 MCRG also submitted a funding bid of £280,000 from the Council's 2022/23 PBIP funding round but as agreed by the Communities Committee on 16 August that bid was rejected and instead the Group has been recommended to re-apply to the 2023/24 PBIP funding round.
- 7.4 Table 2 summarises the funding position including the position on PBIP funding.

Table 2 – Funding Position as at 19 August 2022

Funding Source	Value £000	Comments
Angus Council	240	Original pledge less spent to date £300k less £60k
Angus Council	60	Additional funding – Changing Places toilet
Angus Council	250	2021/22 PBIP funding (Report 390/21 refers)
Angus Council – S75 Agreement	240	Taylor Wimpey – 13/01184/FULM.
Angus Council – S75 Agreement	92	Ashludie Hospital – 15/00099/FULM.
Robertson Trust	108	Confirmed. Deadline to drawdown extended to December 22. Likely to need further extension. Thought to be low risk if project committed by December or nearing that point.
Other MCRG funds held	58	Some of this funding is already received and some has still to be received but is considered to be low risk.
EB Landfill	50	Confirmed in mid-August
Total Confirmed Funding	1,098	
Angus Council	200	Further allocation of 2021/22 PBIP funding – subject to member approval in this report. Redirection of funds originally for Seaton Park
Revised Funding Available	1,298	

- 7.5 MCRG continue to pursue a number of other funding options for the community hub project as outlined in Table 3 below. These remain only possible sources of funding at this stage which may not materialise either at all or to the full extent of bids made.

Table 3 – Other Funding Being Pursued by MCRG as at 19 August 2022

Funding Source	Value £000	Comments
National Lottery	TBC	MCRG discussing application with Regional representative
Leng Trust	TBC	Trust will only consider an application if funding gap is much smaller than currently

- 7.6 MCRG have also identified other potential funders but some of these funders will only consider applications once a project has been confirmed as going ahead and has the remaining funding in place.

8. FUNDING SHORTFALL AND OPTIONS

- 8.1 Table 4 summarises the position based on the latest costs and funding position described above. It shows that a shortfall of £220,000 exists for the standalone community hub proposal but that reduces to a shortfall of £134,000 for the combined facility if all of the funding previously set aside for the upgrading of the existing Monifieth library is put towards the project. The figures in Table 4 exclude any costs and funding for work on access routes which is expected can be separately procured and funded from ring-fenced capital grant.

Table 4 – Costs, Funding & Shortfall

	Community Hub £000	Hub with Library/ACCESS £000
Updated Estimate (Table 1)	1,518	2,087
Provision for Relocation and Other Costs	n/a	20
Less Existing Funding Available (Table 2)	(1,298)	(1,973)*
Funding Shortfall	220	134

* - includes £675,000 of funding from the Council's capital budget.

8.2 There are a number of potential funding options to address the identified shortfall including:-

- a. Further fundraising by MCRG (Table 3 refers);
- b. Angus Council 2023/24 PBIP funding (paragraph 7.3 refers);
- c. Allocation of additional capital budget funds beyond the £675,000 previously set aside;
- d. Allocation of revenue funding from the Council's uncommitted reserves;
- e. Ring-fencing of capital receipt from the sale of the existing library building (combined facility option only) estimated at between £50,000 and £100,000;
- f. Prudential borrowing paid for from savings in running costs on existing library (combined facility option only)
- g. A combination of a) to f) above

8.3 Given the significant escalation in costs of the standalone community hub and the funding shortfall which now exists on that project Council officers have concerns as to the financial deliverability of that option and the value for money which that option would achieve in comparison to the combined facility. The combined facility also offers the opportunity to share running costs and offers the potential for increased footfall from having different facilities in the same building. This is part of the reason for recommending that the combined facility be the option to be progressed.

8.4 It is recommended that the funding shortfall be addressed as follows:-

1. MCRG should seek to address the funding shortfall through their fundraising and further grant applications to be made.
2. Should, once all of those funding options be exhausted by MCRG, there still remain a funding gap the 2023/24 PBIP funding may be available to cover all or part of any remaining shortfall (subject to decisions by members on 2023/24 PBIP applications).
3. In the event that other projects proposed for 2023/24 PBIP funding are considered higher priority any remaining shortfall could instead be met from ring-fencing of the capital receipt from the sale of the existing library (subject to the necessary approvals for this building becoming surplus).
4. In the event that options 1 to 3 above prove insufficient to address any remaining funding shortfall it would be necessary to use one of the other funding options identified in paragraph 8.2 to deliver the project.

8.5 If members wish to continue to support the standalone facility instead of the combined facility including the library then option 3 above would not be available and that could require some of the other options in paragraph 8.2 to be deployed.

8.6 Subject to the risks highlighted in Section 10 below, based on the latest estimated costs, the funding already in place and the various options for addressing the remaining funding shortfall which exists it is considered to be possible to deliver a financially viable community hub incorporating library and ACCESS services. Delivery of the community hub as a standalone project will be exceptionally difficult without further potentially sizeable Council financial support.

8.7 Assuming members approve one of the project options to go ahead a further report will be brought to members for approval to confirm the final and fully tendered cost and proposed full funding package prior to contracts being signed.

9. OPERATIONAL COSTS & INCOMES FOR NEW FACILITY

- 9.1 MCRG has shared with Council officers their 5 year projections for the estimated running costs and incomes for the new facility – these are based on the standalone facility and further work will therefore be required to update these if members approve the recommendation in this report to progress with the combined hub and library/ACCESS project.
- 9.2 The projections of income by MCRG are based on input from business consultants using experience from other similar projects and have been scrutinised by some of MCRG's funders including the Robertson Trust. Council officers do though have some concerns that these projections may be optimistic particularly with the current squeeze on household incomes. These projections will likely require refinement as will the costs of running the facility which will need to reflect the income which can be generated to offset running costs. Given this position it is proposed that more detailed review work is undertaken with MCRG to refine those cost and income estimates prior to the construction contract being signed.
- 9.3 The largest impact on Council / ANGUSalve running costs from being part of the community hub will be in energy costs and these have been assessed by AIM Design who have looked at a likely Council/ANGUSalve share of those costs in the new building in comparison to the existing library building. That analysis shows an expected saving in energy costs of around 50% (circa £4-£5,000 p.a. based on current energy prices) compared to the current library. Savings relative to the current library building in maintenance costs can also be anticipated. It is however expected that the Council will incur a share of depreciation charges which do not apply as a real cost in the current library. It is currently expected that the new facility will be eligible for full relief on non-domestic rates costs as both MCRG and ANGUSalve are charities but this will need to be confirmed with the Assessor. The initial assessment is that the investment in a new facility will be no worse than cost neutral compared to current running costs for the library but this will be confirmed as part of the next phase of work and prior to the construction contract being signed.
- 9.4 At this stage further work is required on how building running costs will be shared between MCRG and the Council/ANGUSalve but this work will be completed well before any construction contracts are signed off.

10. RISK ISSUES

- 10.1 There are a number of risks for the Council to consider in determining whether to proceed with either the standalone community hub or combined hub facility including library and ACCESS services. These are outlined in Table 5 below along with mitigation measures which may be able to reduce such risks. The risks inevitably consider more negative potential issues and outcomes but these should be considered alongside the many positive outcomes which can come from a community led initiative such as this. The proposals for Monifieth if successful could be a model for the future delivery of community/placed based services with communities working alongside the Council and ANGUSalve.

Table 5 – Key Risks & Potential Mitigations

Risk	Mitigation Measures
Project cost increases – this is a significant risk in current construction market conditions. There is no guarantee that current cost estimates will be those which come through the final tendering process and this could jeopardise the project.	<ul style="list-style-type: none"> a. The intention is to procure the project using a design and build approach to deliver more cost certainty at as early a stage as possible. b. A local contractor has been working with MCRG to try to deliver an affordable project and cost consultants have been used to confirm reasonableness of current cost estimate. c. Industry standard BCIS index used to project future prices.
Provisional sums prove to be insufficient - some of the cost estimates are based on provisional (lump) sums rather than detailed specifications so there is a risk that such	<ul style="list-style-type: none"> a. Further work to be done to firm up specification and prices before contract award.

<p>sums prove insufficient in practice. Savings against those sums may also be possible.</p>	<p>b. Potential to amend scope of some aspects to contain costs if required.</p>
<p>Delays in project delivery impact on existing funding commitments. There is a significant risk that any further delays in delivering either the standalone or combined facility will result in the loss of funding currently in place but which has time limits placed upon it for use.</p>	<p>a. This report seeks a clear way forward for the next steps on this project. If the combined facility is approved work to progress that option will begin immediately to minimise any delays b. Approval of this report will also provide an unambiguous commitment to the project</p>
<p>Unexpected issues during construction phase – a variety of issues can arise on a construction project such as this including the impact of weather events, unexpected ground conditions, delays in securing materials or permissions, etc.</p>	<p>a. Project will be closely managed including oversight of MCRG project manager by Council Assets team. b. Contingency built into current cost estimate to provide some protection for unexpected costs.</p>
<p>Failure to secure further external funding by MCRG – this risk is considered to be quite high given pressures on external funders and the fairly modest amount raised so far from external sources</p>	<p>a. Support is being provided by Council officers to help with grant applications b. Fallback funding options have been identified should external funding not be secured c. No contracts will be signed and no Council funding will be released until full funding package is in place and has been agreed by Council</p>
<p>Request for further Council financial support – it is likely that the Council will be asked to make up any final funding shortfall should one arise on the project. As a volunteer group MCRG have limited ability to raise significant funds themselves so if construction costs increase for whatever reason that is likely to require further financial support from the Council. Once construction begins the likelihood of this risk arising increases.</p>	<p>a. No contracts will be signed and no Council funding will be released until full funding package is in place and has been agreed by Council b. Project will be closely managed including oversight of MCRG project manager by Council Assets team c. Fallback funding options have been identified should external funding not be secured</p>
<p>Failure to secure external funding for fitness suite equipment and other furniture and equipment by MCRG. Failure to secure funding for e.g. fitness suite equipment will impact income generation potential and therefore net running costs.</p>	<p>a. Some MCRG furniture and equipment from the Cabin could be re-used if required. b. MCRG have investigated in detail external funding sources for this type of provision and are confident of securing support. c. ANGUSalve providing advice given their knowledge in this area</p>
<p>Operational Costs – running costs will be shared between MCRG and ANGUSalve. There is a risk that running costs could be higher than expected. Non-domestic rates costs will require to be closely examined as there is a cap on the amount of rates relief ANGUSalve can receive.</p>	<p>a. MCRG have prepared a 5 year projection for costs and incomes which show small surpluses being made each year b. There is potentially some scope to reduce running costs should that be necessary e.g. using volunteers rather than paid staff more than is currently planned c. Energy cost estimates are based on current energy prices provided by a specialist consultant</p>
<p>Operational Incomes – this is a significant potential risk for a number of reasons including:-</p> <ul style="list-style-type: none"> • No facility of this scale is currently available in Monifieth so real world usage 	<p>a. MCRG have prepared a 5 year projection for costs and incomes which show small surpluses being made each year</p>

<p>is difficult to gauge before the facility opens</p> <ul style="list-style-type: none"> • The cost of living crisis may impact on usage as people prioritise spending away from leisure pursuits • Some of the assumed usage levels and pricing appear to Council officers to be on the optimistic side <p>If incomes are below estimates to a significant degree MCRG may not be able to cover the running costs of the community hub potentially leading to requests for financial help or closure of the facility.</p>	<ul style="list-style-type: none"> b. Consultation and engagement with the local community suggests high interest and usage of the facilities c. Co-location with the library could generate additional footfall compared to a standalone facility d. MCRG projections have been provided by a business consultant based on similar facilities like the Friock Hub.
<p>Failure to agree ANGUSalve shares of running costs – further work is required to agree a basis for sharing running costs if members approve the combined hub and library/ACCESS project.</p>	<ul style="list-style-type: none"> a. Risk considered low as basis for cost sharing will need to be agreed before project commences and contracts are signed. b. Should be relatively easy to apportion running costs using standard industry approaches
<p>Failure of community hub as an operation – there is a risk the new community hub is unable to be sustained operationally with input from volunteers or financially over the medium to long term. This would leave the Council with an unused building on its land if the standalone hub goes forward and leave the Council with the whole of the running costs for the building if it no longer functions as a self-financing community hub.</p>	<ul style="list-style-type: none"> a. There is limited competition for the facilities on offer which is why the community have pursued it as a project b. MCRG have shown extraordinary resilience to date in seeking to deliver this project c. Financial projections are based on the best estimates available

11. DECISIONS REQUIRED BY COUNCIL

- 11.1 The project – either as a standalone community hub or combined facility including library and ACCESS services is now at a crucial point which requires a decision from the Council. MCRG are very supportive of the proposal to have a combined community hub and library/ACCESS facility given the community, operational and financial benefits which can come from co-location.
- 11.2 If members wish to progress with the combined facility as per the recommendations in this report, that will require a new planning application and building warrant process which will take time and incur costs. In order to complete the planning process, undertake the required procurement process and have a contractor in place to begin construction during 2023, a decision is required now on whether to progress with that option. If this option is pursued the approach to addressing the currently estimated funding shortfall (paragraph 8.4 refers) is recommended be applied.
- 11.3 If members are not minded to pursue the combined facility a decision is required on whether to continue to support the development of a standalone community hub in the knowledge that MCRG may not be able to close the significant funding gap without further Council funding most likely through the 2023/24 PBIP funding round. If no project goes ahead £450,000 of 2021/22 PBIP funding would likely need to be returned unused to the Scottish Government and alternative uses found for the S75 Agreement funding currently committed to the project.

12. CONDITIONS TO BE FULFILLED

- 12.1 If members are supportive of moving ahead with either the integrated facility including library and ACCESS services or the standalone community hub it is recommended that this be subject to a number of conditions being fulfilled as follows:-

- a) A final confirmed tender cost being established for delivery of the project which includes a project contingency budget which is suitable for a project of this nature;
- b) The final design incorporating a Changing in Places toilet;
- c) A confirmed funding package for the full cost of the project being established;
- d) There being no project start or tender acceptance until the full funding package is confirmed;
- e) A legal agreement (if one is required) to allow the S75 Agreement funding to be paid over to MCRG having been agreed;
- f) The heads of terms for the lease of the ground having been agreed;
- g) Operational running costs and income projections having been reviewed and agreed which confirm the facility can be financially sustainable;
- h) Arrangements for sharing running costs having been agreed (combined facility option only);
and
- i) The project going ahead in the next 12 months (i.e. construction to commence by 30 September 2023), otherwise the Council funding would need to be reassessed

12.2 Many of the above conditions will require the input from Council officers so addressing the conditions will be done in partnership with MCRG. It is envisaged that the Council's funding will be released in stages to reflect the progress of the project but this will be on a basis which does not compromise MCRG's cash flow position.

13. FINANCIAL IMPLICATIONS

13.1 The financial implications for the Council are as described in the body of the report.

14. EQUALITIES IMPLICATIONS

14.1 An equalities impact assessment has been undertaken and is attached as Appendix 3.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices

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