

Report Purpose:

South Park Pavilion

Author

Town Clerk and South Park Pavilion Working Group

Background

Following the decision at Full Council on 9 March 2026, Stephen Hooker was appointed as Project Manager to provide coordination across design development, cost management, programme alignment, and risk.

The construction tender process commenced on 20 March 2026 and closed on 24 April 2026.

For context, at Full Council on 28 July 2025, the previous estimated construction cost (2025) was £1,979,000, inclusive of 5% allowance for tax and inflation variability. The total project budget, including all associated costs, was estimated at £2,304,500, with a contingency allowance of £100,000. At that meeting, Council resolved to pause progression of the project and requested that the South Park Working Group review the design with a view to delivering a revised two-storey building.

In August 2025, Cllr Livingstone and the Clerk met with the appointed architects and agreed the following approach, which was subsequently reported to Full Council on 22 September 2025:

The objective is to achieve a two-storey building at a cost not exceeding £1.6 million, with a target aspiration of £1.4 million to allow for contingency, even if this requires a modest reduction in overall floor area.

It was decided to add the kitchen to the tender specification this time, unlike the previous tender and accordingly the cost of the kitchen (up to £100,000) was added to the budget.

Recent Tender Outcome

Five compliant submissions were received, which have been evaluated and scored by the panel.

All five tenders received are significantly above the Council's approved budget. The construction-only tender prices ranged from £2,156,619.81 to £2,461,626.05. These figures exclude a number of further essential costs including professional fees, furniture and contingency.

Financial Position

The Council's approved budget for this project as a whole was set out in the December 2025 budget, as £1,950,000.

The approved funding was structured as follows:

- Public Works Loan: £1,250,000
- Earmarked Reserves: £486,322
- General Reserves: £213,678

However, the lowest tender received exceeds the total approved budget before allowing for additional essential project costs, including:

- Professional fees (design team, project management, quantity surveying and legal costs)
- Fit-out, fixtures and equipment
- Contingency allowance for risk and inflationary pressures

Additional Constraints Identified

During final stages of project review, it was identified that the pavilion electrical supply also feeds the pond aerator and the bowling green.

These dependencies were not identified within the electrical upgrade design or associated costings. Temporary generator provision may therefore be required to maintain these services while the electrical upgrade is completed.

This introduces further complexity, risk and additional unbudgeted cost at a very late stage in the process.

The project has highlighted a number of challenges associated with the current asset transfer approach with Cheshire East Council, particularly in relation to legal processes, communication and asset understanding.

Key issues identified include:

- Delays in communication and decision-making, particularly in obtaining responses from legal services, which has made it difficult to progress key agreements such as the lease within required timelines.
- The use of a standardised “one size fits all” lease, which required significant amendment to reflect the specific operational requirements of the South Park site, adding complexity and delay.
- Lack of clarity within certain lease provisions, including requirements for approvals (for example, in relation to café operators) without a clearly defined process, rationale, or identified decision-making route within Cheshire East Council.
- Limited detailed understanding of the asset at the point of transfer, particularly in relation to utilities and infrastructure. In this case, key interdependencies across the park—such as shared electrical supplies—were not fully identified at an early stage, resulting in late-stage risks and additional cost pressures.

These issues have increased overall project risk.

While wider construction inflation and market volatility have contributed to the tender outcome, the scale of the variance between the approved budget and the tender returns indicates that the current design and specification are not capable of being delivered within the Council's financial envelope.

The subsequent value engineering process has identified potential savings; however, these are not sufficiently certain to address the fundamental affordability concern. In addition, some of the options considered would require significant changes to the scheme and the approved business plan. These include, for example, the removal of the Sedum roof, a reduction in the overall building size, and substantial changes to the kitchen specification, including the potential requirement for the café operator to fund their own kitchen fit-out and equipment in return for reduced rent.

Conclusion on Current Scheme

The tender returns are significantly in excess of the approved budget. Together with the late identification of additional infrastructure constraints, it is clear that there is a risk that the current pavilion scheme cannot be delivered within the Council's approved financial envelope without exposing the Council to unacceptable additional risk.

The Council has carefully considered the overall scale, complexity, and risk profile of the proposed building. As the project has progressed, it has become clear that the size and specification of the scheme bring with them a level of financial and construction risk that is difficult to justify in the current climate

The range of emerging uncertainties relating to utilities infrastructure, combined with tender submissions being significantly higher than anticipated and continuing increases in construction costs, means that the project in its current design presents a substantial financial risk and potential liability for the Council. There is a considerable risk of further cost escalation and pressure on the Council's limited reserves.

Taking all of these considerations into account, it is concluded that proceeding with the current scheme would not be a prudent use of public funds. On this basis, the recommendation is that the Council does not proceed with the current scheme, as it is not financially viable or deliverable and MTC does not draw down the public works loan.

Alternative Approach – Park Hub Concept

Macclesfield Town Council remains committed to delivering a facility that residents want within this flagship park. The South Park Pavilion Working group therefore recommends that Council considers an alternative "Park Hub" approach. It is envisaged that this could be completed without the loan.

The idea is for a multi-use park hub that combines essential facilities with a flexible, covered public space to support events and everyday use. There would be a building containing public toilets, including a fully accessible Changing Places toilet,

alongside storage for event equipment and a utility room with a large industrial sink and water supply. This block would also house electrical infrastructure to service the wider site, allowing for safe and reliable power connections for market stalls and events.

Attached to this would be a large permanent roofed canopy structure, designed as a flexible space for markets, pop-up food and drink stalls, community events, information days, training sessions, and informal public use. One or more serviced food van pitches could be provided, allowing the Council to licence rotating food, drink or community vendors without taking on the cost and operational risk of running a permanent café.

The overall aim is to create a simple but adaptable space that can host regular markets and events while also functioning as an everyday social and community hub within the park.

The alternative would still provide a recognisable South Park Pavilion facility, but in a simpler, lower-cost and more flexible form. The intention would be to develop a scheme capable of being funded from existing reserves and/or other available funding sources, without reliance on the currently approved Public Works Loan. A detailed cost plan would need to be prepared before any final commitment is made.

Indicative visualisations of the alternative South Park Pavilion / Park Hub concept are included at Appendix 1. These are illustrative only and are intended to support discussion on scale, use and design principles. They do not represent a final design or costed scheme.

Public engagement

Given the change in direction, the Council should undertake some public engagement before committing to a final alternative scheme.

This would allow residents to understand the financial trade-offs and provide a steer on what level of facility they consider proportionate and deliverable.

Proposed Way Forward

One of the wider lessons from this project is that complex park infrastructure projects require earlier and more structured collaboration between Cheshire East Council and Macclesfield Town Council, particularly where utilities, legal agreements, operational responsibilities and future maintenance obligations are interdependent.

MTC would wish for:

- Shared project vision and understanding of constraints from the beginning.
- Decision-making where both Councils are represented “around the table” in a meaningful way

A practical example of this type of partnership already exists to an extent; Macclesfield Town Council capital-funded the public toilets in the Indoor Market within a Cheshire East Council asset. Both Councils promote the facility, and the result is a well-used, accessible public asset contributing to a more vibrant indoor

market environment. This demonstrates how it could work without requiring full asset transfer.

For an asset in South Park, in simple terms it could look like this:

- MTC could provide the capital funding to CEC through a formal grant arrangement.
- CEC could manage the procurement process MTC representatives forming part of the project decision-making and evaluation panel.
- CEC could oversee the construction phase.
- Following completion, MTC could assume responsibility for the day-to-day management and operation of the facility.
- MTC could manage bookings, community access, staffing arrangements, and enquiries relating to the facility.
- CEC could retain responsibility for structural maintenance.
- Joint marketing and promotional activity could be undertaken to maximise usage of the facility and support wider town centre and park objectives.
- A formal partnership or service level agreement could be developed to clearly define responsibilities, financial commitments, governance arrangements, and maintenance obligations.

This model recognises that, in complex cases such as South Park, delivery is not simply a matter of asset transfer but requires ongoing collaboration and a shared understanding of how the asset operates in practice. It also ensures that both Councils remain actively involved and retain a sense of ownership throughout, rather than responsibility being passed from one authority to another with expectations assumed after transfer.

Recommendations

It is recommended that Council:

- Notes the appointment of Stephen Hooker as Project Manager and the completion of the tender process.
- Acknowledges that all tender submissions significantly exceed the available budget and that the current pavilion scheme is not financially deliverable.
- Approves that the Council does not proceed with the current pavilion project.
- Approves that the Council does not draw down the approved loan for this scheme.
- Supports engagement with Cheshire East Council to explore a hybrid, collaborative delivery approach for a park hub facility.

Appendix 1:



