**Report Purpose:**

South Park Pavilion

**Author**

Cllr Sandy Livingstone and Town Clerk

**Proposed Development**

Development like the proposed development in South Park typically take 3-4 years to realise and are challenging.

The proposed two storey design for the pavilion and the Public Works Loan of £1.25m the Council proposes to borrow to complete the development reflects the outcome of two public consultations, one on the design of the pavilion in particular the two storey building, and the other seeking guidance from our residents that they wished the Council to proceed with the loan application.

This is an investment in our town, South Park is a special location, it needs to be built with an eye to ensuring it longevity, by ensuring it is a gathering place for the community, a space for events and is operated on a commercial footing to ensure it  generates sufficient activity and turnover to cover its costs and can be properly maintained. The current design is 'eye-catching' it has also satisfied the requirements of Cheshire East planners who will set a high bar for any building in this location.

The Council has openly tendered and secured its professional Design Team led by Bower Matin Architects, and our Contractor Jones Construction. We have also taken appropriate professional advice on VAT matters, legal advice, and a hospitality specialist. The hospitality specialist has advised on the best layout for the building to achieve the greatest footfall and turnover, with the kitchen being relocated to the top floor, the ground floor cafe being leased to the private cafe operator, and the Council taking control of the first-floor events space. They have also confirmed that a regular series of events, weddings, meetings and corporate use will support the turnover required to ensure the longevity of the building.

**Current Status**

South Park was gifted to the town and placed under the control of a charitable trust, the South Park Recreation Ground with an objective of limiting development in the park. When Cheshire East was formed; responsibility transferred to Cheshire East; who are the sole trustees.

At this time we are at an impasse. We await final details and agreement of the lease, license and confirmation that the building can proceed and would not breach the charitable objections of the Trust. Special dispensation was sought for the nursery in the park, given there has been two previous pavilions in the park there is a question of whether this would be required.  Cheshire East indicated these issues would be resolved by the Dec 2024, which as extended to late April 2025. We do not expect a resolution until at least the end of the summer.  In this regard that Cheshire East's planning and estates departments face a common challenge to other Councils across the North West, where resources are stretched due to budget challenges.

The Public Works Loan was due to be drawn down by early June 2025, however we have managed to get a one year extension and await the official approval letter.

The tender prices received from Jones are only held for a three month period and are now due to be reviewed and revised.

At this stage we are not in a position to proceed.

**Construction of the Pavilion**

The current agreed budget is £1.86m this includes provision of £1.6m for construction.

Given life to building that will stand the test of time is a challenge. Several risks have been realised over the last six months, additional foundation work is required due to the ground conditions, the main electrical supply requires to be upgraded, and the building has been re-designed to relocate the kitchen to the first floor.

Jones Construction and our Design Team have been undertaking a value engineering review. They have considered the potential to retain the current external shape and design to avoid a fresh planning application, and the introduction of a smaller first floor or a single storey. Neither of these options are deemed to be value for money, by the chair of the Working Group Councillor Sandy Livingstone who is a Chartered Surveyor. The current tender price that requires some final clarification by the Council is £1.84m. Once fees, fit out and an increased level of contingency sum are added a revised budget of £2.2-2.3m, subject to final clarification is a realistic expectation.

The Town Clerk has confirmed that we have sufficient reserves in addition to the £1.25m PWLB loan, the £533k of earmarked reserves to commit to the delivery of the project should Councillors wish to.

**Options**

On the assumptions that Councillors feel that the level of public support is sufficient to ensure we should continue to progress this development then there are three options to consider

**Option 1 Proceed with the Current Two Storey Design (with PWLB loan of £1.25m)**

This design provides a quality design, has planning approval, and provides the range of facilities that will allow community use and events to be run. Proceeding with this design and the current design team would require areview by the Working Group to ensure that there are no further unexpected risks and that the capacity of this team to realise the development in line with the construction programme proposed by Jones.

On the presumption that assurance can be provided, a final tender price agreed, and the license and lease are finalised by Cheshire East over the summer, then provisionally construction could start in late September with the building being open in June 2026.

**Option 2 Re-design and Develop a revised Two Storey Building (assumes PWLB of £1.4m)**

If we are not assured by the review of the current design, then we would end our relationship with the current design team and work with Jones to prepare a revised design two storey design with the aim to reduce risk and increase certainty. This would require us to seek advice that is reasonable for the Council to adopt this approach without us seeking fresh tenders.

This is likely to require a revised planning application to be submitted, which will result in 6-9 month delay, with construction potentially starting in July 2026 and the building being open in May 2027.

**Option 3 Re-design and Develop a revised Single Storey Building (assumes no PWLB loan)**

A two storey design provides a building that can be actively used by the community, and has the flexibility of an events and meeting space that will support income generation. We can however consider reverting to a single storey building and delivering a building fully funded by the Council. Assuming a £1m budget then a building of 200-250m2 could be developed which would include a cafe, toilets and some limited storage space for the community.

We would end our relationship with the current design team and work with Jones to prepare a revised design. This would require us to seek advice that is reasonable for the Council to adopt this approach without us seeking fresh tenders.

This is likely to require a revised planning application to be submitted, which will result in 6–9-month delay, with construction potentially starting in July 2026 and the building being open in March 2027.

It is proposed that the Working Group meets with the current Design Team to seek assurance on that there are no further risks that haven't been considered, and that the Town Clerk continues to pursue Cheshire East to resolve the lease and charitable trust issues outlined above.  A full report will then be provided to the Council on the recommended option and approach.