



ALDERLEY EDGE PARISH COUNCIL

Minutes of the Parish Council meeting Held on Monday 11th December 2017

Present: Cllr R Grantham (Chairman), Cllrs C Browne, M Dudley-Jones, G Hall, C Munro, M Taylorson
Clerk: A Ross
Hall Manager, Press 1, Public 1

Meeting

Commenced: 7:30pm

1. Apologies for Absence.

Cllrs M Garbett, I Higham, R Norbury.

2. To receive Declarations of interest and requests for dispensation to discuss, or discuss and vote on a matter in which a Member or co-opted Member has a Disclosable Pecuniary interest (DPI).

None

3. Public Participation – A period of not more than twenty minutes will be made available for the public to ask questions or submit comments.

None

4. Minutes of the Parish Council meeting of 13th November 2017.

Approval proposed by Councillor R Grantham seconded by Councillor G Hall and carried.

5. To ratify the Plans Committee minutes of 13th November 2017.

Approval proposed by Councillor G Hall seconded by Councillor R Grantham and carried.

6. To ratify the Plans Committee minutes of 4th December 2017.

Approval proposed by Councillor R Grantham seconded by Councillor M Taylorson and carried.

7. To ratify the Finance Committee minutes of 9th October 2017.

Approval proposed by Councillor C Browne seconded by Councillor R Grantham and carried.

8. To receive a report from the Clerk.

The report was noted. It was agreed the Clerk would arrange the visit to the CCTV control room for Monday 8th January.

9. To receive a report from the Hall Manager and approve the bar wastage and discounts from 1st August to 30th November in the total amount of £177.85

The report was noted. The hall manager explained the reason for the wastage/discounts and all were agreed. It was further agreed that the cost of £150 to re-imburse a hall user for damage to property be approved. The terms and conditions for hall use have now been updated to include the right to dispose of left items 7 days after an event.

10. To approve accounts for payment in the total amount of £18995.37

Approval proposed by Councillor R Grantham seconded by Councillor M Dudley-Jones and carried.

11. To confirm the latest Assessment of Risks.

Approval proposed by Councillor R Grantham seconded by Councillor G Hall and carried.

12. To adopt the new Reserves policy circulated to all councillors before the meeting.

This item was deferred until the January meeting.

13. To discuss the threatened closure of Alderley Edge Library.

Cllr Browne reported that he has attended several meetings with officers from CEC and the relevant cabinet member. He obtained a breakdown of the costs that the library is currently incurring which includes £48,000 per year for staffing and £24,000 for running costs - £7,500 of which is business rates, £5409 for emergency building repair and £4823 for the cleaning contract. A number of residents have contacted him with a view to joining a group of volunteers to help run the library and one of the things CEC have said is that if a community group comes forward with a proposal to help staff the library going forward then that might be something that they would look at favourably, however some level of financing to help with ongoing running costs would still need to be found. He will meet later this week with representatives from the Edge Association and some local residents to see whether there is a way that this can realistically be progressed. Finding further finance going forward as an annual commitment might be more difficult but all options will be explored. There was a discussion about how busy and well used the library is and the fact there is a covenant in place which restricts the use of that building for any purpose other than a public lending library and associated Cheshire County Council use until 2050.

14. To agree the need for a tree survey of the three allotment sites and the Festival Hall car park at a cost of £480.

Approval proposed by Councillor R Grantham seconded by Councillor M Taylorson and carried.

15. To discuss the CCTV on London Rd and arrange a possible visit to the control room.

Cllr Grantham and Hall met with the CCTV manager a few weeks ago to discuss CCTV in the village. There are currently three CCTV cameras on London Road but unfortunately they did not pick up clear images of the culprits involved in a recent vandalism incident. The incident appears to have occurred at the time when they were switching over to the new system and training people on it. The Parish Council has been assured that the new system will be much better and a meeting has been arranged for them to visit the control room on 8th January to look at it. The costs to the Parish Council will remain the same.

16. To receive a report on the final costs of the Festival Hall refurbishment.

Cllr Hall read from a prepared report:

Report attached.

17. To approve £3500 maximum for brand new till system.

The Hall Manager explained that EPOS had contacted her 2 weeks ago to say that the till system would no longer be supported after 31st December as they were being bought by another company called Athena who will bring in their own software. After discussion it was agreed the Parish Council would draft a letter to EPOS questioning the legality of terminating the contract at such short notice.

It was agreed that the decision on expenditure be deferred until the January meeting to allow more time to obtain quotes.

18. Reports from Councillors.

Cllr Browne reported he had attended a CEC budget meeting for members. One of the issues CEC has is that in 2014 Council Tax receipts funded about half of the costs of the services provided, by 2020 their target is to get that to fund two thirds of the services they provide. There are two main reasons for this, the first one is a reduction in the Revenue Support Grant, which is money that local authorities get back from central government, which in the current year has been approximately £30m. Next year it will be only £15.6m and then £10.4m the year after. The other reason is that business rates are not exclusively retained by them.

CEC only get to keep 30% of the money it collects whilst Liverpool by contrast receives 130%. As a result they are looking to increase the amount they raise through Council Tax next year by 7%, that doesn't mean that Council Tax bills are going up by 7%. Council Tax bills are going up by 4.99%, CEC have calculated that they can raise the amount of Council Tax they collect reliant upon them building an additional 1800 homes. They are projecting forwards to a 3% increase in Council Tax in 2019/20 and the same again in 2020/21.

He also reported the CEC Director of Legal Services and Monitoring Officer (who was suspended and being investigated) has resigned; a 70 metre section of Wilmslow Road will be completely resurfaced in February half term and Heyes Lane will be included in next year's capital budget; the old carousel notice-board in the Parade has been removed and a new notice board has been ordered to go on the low wall outside Waitrose. His next surgery is Friday 22nd December at 10am in Aldeli.

Meeting Closed: 8.33pm

ACTION SUMMARY

Undertaken By	Detail	When For
RG/GH	Write letter to EPOS regarding tills	As soon as possible

Councillor R Grantham
CHAIRMAN

Medical Centre

Summary Report to Parish Council November 2017

Introduction

We have in the last few weeks completed the building work on the Festival Hall, so it is timely for me to report now on the total costs of the project.

Because there is a lot of information, I have divided this report into three sections.

Today I will report on the Medical Centre. In December I will report on the Festival Hall. In January 2018 I will draw conclusions relating to the whole project and its impact on the Council's finances.

This report sets out what the current Parish Council inherited and how it has managed the challenges, as well as providing background on how the new Medical Centre was finally completed.

I would like to start by talking about the scale of and complexity of this project.

Scale of the project

I believe that most Parish Councils of the size and resources of Alderley Edge's would take the view that a project of this size and complexity would be beyond their scope. Nine volunteer, part time Councillors, together with a part time Clerk, is a very small group to draw on for what has been (and continues to be) a very costly and complex project.

Let me put this in context: Prior to embarking on this project the largest single expenditure made by the PC was £30,000 for Christmas Lights.

This project was 100 times larger, requiring expenditure of £3 million. In spite of this massive leap in size there is no evidence that the scale of this challenge was recognized by those initiating it; and it was embarked on without the detailed planning – including an assessment of the risks - that it required.

Complexity

This is a highly complex site. The Medical Centre is not just the GP Practice. It also houses four other tenants: a Pharmacy, a Harley Street Pregnancy consultancy, a Pilates suite and a Personal Trainer/Physiotherapist. In addition it houses the community Festival Hall.

No documentation

At this stage I should make one very important point, which applies to all aspects of the Medical Centre and Festival Hall project:

We did not inherit a single document from our predecessors showing how they planned to complete this project, no detailed costings, no assessment of the risks, no analysis of how they would resource what was a major project. I have been involved in many projects during my career, from petrochemical plants to IT implementations and software development. I have never witnessed a project so poorly documented and planned.

The only document that we do have is the Conservative Party leaflet issued just before the May election, which is attached to this report.

I shall be using this to compare Actual vs Promised Costs.

I shall also be referring to page 2 of the Building Contract, which is also attached to this report.

Medical Centre costs exceeded budget by £370,000

The final cost of the Medical Centre over the period May 2015 to October 2017 were **£2,369,243**, compared with a figure of **£2,000,000**, which was promised by the outgoing Conservative Parish Council to be the maximum cost.

This is a difference of £369,243 or 18.5%.

Why were costs so much higher than promised?

Whilst cost overruns on such projects are not uncommon, what is unusual about this scheme is that the additional costs could have been predicted by the previous Conservative Parish Council.

The extra costs did not arise because of any unexpected problems, nor because we changed the specification. Nor did we make any changes to the agreements already on the table in May 2015.

The differences arose because key costs on the Medical Centre had been overlooked by the previous Parish Council and because of a failure to plan the Medical Centre Second Floor. In addition, the implications of the costs on the Council's cash flow were not properly understood and addressed by those responsible. I will cover this further later on.

Credit for initiating the project

I would not wish to proceed without giving our predecessors credit for their original initiative. Without that we would not now have a state of the art Medical Centre in our village. The previous Parish Council deserve credit for this, but not – as the report clearly demonstrates - for the way in which they executed the project.

Missed costs

The full report makes clear – and supports with evidence – that those responsible on the previous Parish Council did not plan, document nor understand the practical and financial implications of the project they started. A simple example of this is given by comparing two key documents:

The first is Conservative party election leaflet from early May 2015, which states that the Medical Centre was **guaranteed to cost no more than £2,000,000**:



The second is taken from page 2 of the Building Contract – a document which was in the hands of the Conservative Councillors (and which they had already tacitly agreed) by end April 2015.

This contract clearly states on Page 2 that **the agreed cost is not £2 million, as claimed, but £2,162,165**:

Article 2: Contract Sum

The Employer shall pay the Contractor at the times and in the manner specified in the Conditions the VAT-exclusive sum of two million, one hundred and sixty two thousand and one hundred and sixty five pounds (£2,162,165) ("the Contract Sum") or such other sum as shall become payable under this Contract.

Note that both these documents existed at the same time - just before the elections in May 2015.

Other missed costs

Other costs not budgeted for were:

- **Professional Fees missed:** The previous Council omitted provision for legal costs (for example to cover leases for the Pharmacy and 2nd floor tenants). It also failed to cost in project management fees payable to Arcus, the company whom they themselves had appointed to manage the build on

behalf of the PC. They had also made no provision for letting agent and management services fees for the Pharmacy and Second Floor tenants.

- **Security Costs missed:** The NHS required that the new Medical Centre should meet national building security standards. These are laid down in a process called Secured by Design, which is administered by the Police. This called for a 2.1m (7ft) wire mesh fence around three sides of the site, with security gates. The previous Parish Council did not accept this, but rather than renegotiate it, they simply removed all provision for it from the budget – exposing the PC to non-compliance with its Lease agreement with the NHS.

We dealt with this issue by renegotiating with the NHS and the Police to remove the 7ft fence completely from 2 sides of the site and to reduce the height on the third side to 1.8m (6ft). This significantly reduced the costs.

- **Second Floor costs missed:** The previous PC had also made no allowance for bringing the second floor of the Medical Centre into a lettable condition. The basic contract only provided for the second floor to be left as an unfinished shell – not a specification that would allow it to attract tenants. The new PC therefore had to add funding for lighting, ceilings, toilets and washrooms, floor coverings and heating.

- **No Contingency allowance:** Finally there was no contingency allowance – a fundamental requirement on a project like this – to cover unforeseen additional costs.

Fortunately the detailed planning by Jones Contracts and by the Medical Practice meant that additional, unbudgeted costs relating to the specification of the surgery itself were minimal.

The only unbudgeted costs were those that were solely in the hands of the former Parish Councillors.

In total these extra costs added a further £207,078 to the £162,165 missed from the original build contract, making a total project cost of £2,369,243, compared with a promised cost of £2,000,000.

A breakdown of these costs is shown in the attachment to this report.

How the new Parish Council dealt with the funding crisis

The full report sets out the detail of the pressures the new PC was under. It could not delay the project because there was a strict deadline to meet. At the same time we had – within days of the election – identified a £400,000 shortfall. Add to this zero handover from our predecessors and it should be clear that this was a challenging situation.

To keep the Medical Centre on track we:

- contacted Cheshire East and secured their assurances of help should we need it
- contacted our MP and received his assurances of support if required especially in relation to any potential problems that might arise with the NHS grant
- drew up a detailed monthly cash flow forecast modeling income and expenditure through to 2022
- engaged in extensive project review meetings with the builders and other professional advisors to keep the project on track
- applied for and secured an additional £0.5m funding from PWLB
- appointed letting agents to manage the 2nd floor lettings and a separate agent with experience of Pharmacies to manage dealings with the Pharmacy

Completion of the Medical Centre

Through this intensive work program we were able to complete the build of the Medical Centre with sign-off by the NHS a week before the deadline at end March 2016.

Thanks

As a community we need to express our thanks to Jones Contracts for going well beyond what we as a parish had any right to expect from a building contractor.

I also want to thank our Parish Clerk, Anne Ross, for her extraordinary dedication. I said at the start that this project went well beyond what might reasonably be undertaken by a Parish Council of our size and resources, and a major part of the workload and worry has fallen on our Clerk, who has coped fantastically well with it. We are very grateful.

Conclusions

The content of this report is consistent with what we reported in June 2015, shortly after we took office. However, the key question in all of this still remains unanswered: how could it be that we were told by the former Conservative Parish Council in May 2015 that the Medical Centre would cost no more than £2m, when the building contract, which they had already seen and approved, shows a figure almost £200,000 higher?

Next month I will report on the final costs for the Festival Hall.

Geoff Hall
Vice Chair
Alderley Edge Parish Council
November 2017

Alderley Edge Festival Hall and Medical Centre

Report to Parish Council

Part 2

Festival Hall

December 2017

Introduction

Last month I reported on the final costs of the Medical Centre.

As you will recall, that part of the project exceeded the promised costs by £370,000, or 18%.

We have had to deal with similar problems with the Festival Hall, but - although there are similarities - I wanted to deal with the two parts of the project separately because there are also some key differences.

What has been special about the Festival Hall has been the exceptional level of support we have had from members of our community. It has been hard work and has involved hundreds of man hours to bring about, but we have overcome the challenges to get the building completed. Personally, it has been a pleasure to work with so many generous, skillful and professional individuals. Without them we would not have been able to complete the project and this gives me great hope for the future of the Hall and of our community.

There is, as you will see, still more work to do, but I am confident that we can continue to make a success of this historic venue.

Geoff Hall
Alderley Edge Parish Council
December 2017

Festival Hall Costs Report

Festival Hall costs exceeded 'budget' by 53%

The final costs of the Festival Hall over the period May 2015 to October 2017 were **£825,098**, compared with a projected cost of **£540,000**, **a difference of £285,098 or 53%**.

Credit for initiating the project

As with the Medical Centre, I want to give credit to the previous Parish Council for their original initiative. Without that, it is perfectly possible that the people of Alderley Edge would have lost the Festival Hall to private redevelopment. The previous Parish Council deserve credit for this, but not - as this report clearly demonstrates - for the way in which they executed the project.

Why were costs so much higher than promised?

As with the Medical Centre, the new Parish Council did not benefit from any handover documentation to indicate how the previous Conservative Parish Council planned to complete the Festival Hall.

No specification had been agreed

As of May 2015, when the new Parish Council took over, no specification for the refurbishment had been put in front of Council nor agreed by it. By this time building work was already well advanced. The front of the Hall had been demolished to make way for the Medical Centre and the interior of the Hall itself had been stripped out.

To be at such an advanced stage in the project and not to have a clearly documented and costed specification is outside my experience – and probably that of any householder who has ever commissioned builders to do building work on their own home.

No Business Plan

Before embarking on a build project of this kind it would be standard practice to research the future needs of the community, to consult widely in that community, to take expert advice and to consider alternative options, costing out each of those options in a Business Plan. In this case one would have expected that, amongst these different options, would have been an evaluation of the pros and cons of a complete knock-down and rebuild. There is no evidence in our possession that such a review was carried out.

By May 2015 the Parish Council had owned the Festival Hall for 6 years, having taken it over from Macclesfield Borough Council/Cheshire East in 2009. The first plan for the Hall should have been conducted before that takeover happened.

I will return to this in my third report where I will propose lessons that the Parish Council should take from this project for future reference.

No breakdown of costs

Because we inherited little or no documentation we are once again reliant on the Conservative Party leaflet issued just before the May 2015 election for evidence of their plans. The election leaflet states that the projected cost for the Festival Hall was £540,000:



Extract from Conservative Party Election leaflet: April/May 2015

There is however no breakdown of this cost, so we cannot identify how it was calculated.

What we did inherit was a spreadsheet drawn up by the then Festival Hall Manager and costed by the builders, listing items that would be desirable. The builders had costed these items, but they added up to almost £700,000 not to the £540,000 claimed:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O															
1																														
2																FESTIVAL HALL REFURBISHMENT														
3																ALDERLEY EDGE														
4																PHASE 1														
5																PHASE 1A														
6																PHASE 2														
7																SCHEDULE OF WORKS FOR OFFICE & MAIN HALL REFURBISHMENT -														
51	dooropenings, c/w doorsets, decoration																													
52																														
53	IX NEW GROUND FLOOR FINISHES																													
54	To bar, cellar, store, ante & entrance area - sheet vinyl flooring with matching																													
55	skirtings, carpet tile to managers, stairs & landings: 600x600 lay in grid																													
56	, 150mm insulation, trims & battens to managers, entrance, store & ante:																													
57	Washable finish suspended ceiling to kitchen & cellar: wall finishes to																													
58	kitchen straighten walls & apply whiterock boarded finish: emulsion paint																													
59	to walls, skirtings & doors glossed: store masonry paint finish																													
60																														
61	X GENERAL WORKS -																													
62	Mechanical & heating works to offices & main hall, comprising																													
63	fan convector to main hall, radiators to ancillary rooms: hot & cold																													
64	services: extract vent to main hall (non recovery): local extract to																													
65	wc's: sanitary, above ground drainage: gas service																													
66	Electrical works to offices & main hall, comprising - enabling/removal																													
67	of existing, Containment, Mains distribution, Fire alarm, data,																													
68	lighting & power, luminaires (PC sum), earthing & bonding, t & c																													
69	Allow for all builders work necessary in carrying out the Mechanical																													
70	& Electrical installation works																													
71	Damp proofing works to offices & extended floor void, with external vent																													
72	upstands: Eco blasting external walls & cleaning: Provision to reduce																													
73	height of extg gd level install edging & gravel margin: provide to sump																													
74	under Hall floor & connect into drainage system: complete asbestos report:																													
75	replacement fascia/soffit boarding																													
76																														
77	£693,331.50																													
78																														
79																														

Extract from spreadsheet showing total projected cost

This total of almost £700,000 excluded the cost of the additional meeting room alongside the Festival Hall entrance foyer (the room now known as the Emerson Suite), which we were told in the Conservative party leaflet would be part of their plan and therefore should have been included in the projected cost of £540,000.

Adding in this cost the total would increase from just under £700,000 to £800,000 – close to the actual final figure of £825,000.

Missed sources of funding

Amongst the skills that the present Parish Council has drawn on from the community has been expertise in fundraising. It is regrettable that this resource was not accessed at an earlier stage in the project as it is likely that the previous Parish Council could have attracted funding from the National Lottery if it had been approached at an early stage in the project.

This view is supported by the experience of the local community of Marthall. In 2007-9 the residents of Marthall replaced their old village hall with a state-of-the-art new building funded by the Lottery (and other sources). I have no doubt that Alderley Edge could have done the same, but this would have required a different approach from the start.

How did the incoming Parish Council deal with the problems?

You will recall that we dealt with the under-budgeting of the Medical Centre costs by increasing the Parish Council's borrowings. This was not an option for the Festival Hall as our cash flow forecasts showed that we would not be able to afford any additional repayments.

We therefore resolved to deal with the problems as follows:

- **Priorities:** First we broke the project down into phases, giving priority to the most critical facilities: the entrance foyer, toilets, main Hall and bar. This would allow us to recommission the Hall as soon as possible, honour existing bookings and bring in revenue.
- **Downgraded specifications:** We also downgraded the specification in those areas where we felt that it would not detract from the proper functioning of the Hall, or where it could later be upgraded when funds allowed.
- **Phasing:** We phased the build, delaying elements of the build, notably the Emerson Suite, the first floor at the back of the building and fitting out the kitchen. The phasing meant that we would only embark on that part of the project once we had funds in place to carry out the work.
- **Business Plan:** We created a Business Plan for the Hall, which was approved in Council in 2017 and which will be updated regularly in the light of operating experience.
- **Festival Hall Advisory Group:** We formed a group of volunteers comprising residents who were willing to offer their time, experience and skills to the project. This meant that we were able to access a range of relevant know-how including: quantity surveying, building project management, property law, architectural restoration and fundraising. We also benefited from these individuals' networks within the local community. The Festival Hall Advisory Board also helped us in seeking out additional sources of funding, which is set out in the next section.

Additional sources of funding

We have been very fortunate in receiving additional sources of funding, without which we would not have been able to complete the work done to date:

- Peter Jones' **Emerson Foundation** very generously donated the cost of building the Emerson Suite – in excess of £100,000 - allowing us to complete that as part of the main build project
- The trustees of the **Alderley Edge Institute Trust** kindly increased their original £100,000 donation by almost £40,000, allowing us to buy staging, and install stage lighting and electric blinds in the Hall
- **A private donor** contributed the £5,000 we needed to install acoustic panels ahead of the annual Music Festival in 2016
- **Alderley Edge School for Girls** kindly donated stage curtains which now hang at the far end of the Hall
- The Festival Hall Advisory Group successfully bid for £47,146 funding from **WREN**, which – together with funding from the Parish Council, a private donor and the Institute Trust – allowed us to complete the refurbishment of the first floor, creating two stylish new public meeting rooms.

- With Parish Council support the **Alderley Edge Orchestra** is currently applying for a £3000 grant from the Manchester Airport Community Fund to provide additional staging, so that the orchestra can make use of the Hall for some of its concerts
- Finally, a successful appeal for **sponsors of historical photos** of old Alderley Edge allowed us to raise £2,400 to pay for 20 framed prints now displayed – and much admired - around the Hall.

Final Costs: Breakdown

Item	Promised Cost	Actual Cost	Difference
Building costs (including Emerson Suite)	£540,000	£716,359	+£176,359
Acoustics, Lighting, Staging, Electric blinds, Curtains, Pictures	0	£36,187	+£36,187
First Floor	0	£72,552	+£72,552
Total	£540,000	£825,098	+£285,098 + 53%

Thanks

As a community we once again need to express our thanks to Jones Contracts for going well beyond what we as a parish had any right to expect from a building contractor. We also need to thank Peter Jones's Emerson Foundation for its generosity in building the Emerson Suite at no cost to residents.

I also want to thank members of the Festival Hall Advisory Group for their support, especially Simon Fenton, whose skills and experience in property redevelopment were invaluable in helping us complete the refurbishment of the First Floor.

I also want once again to thank our Parish Clerk, Anne Ross, for her extraordinary dedication through a very difficult phase in the Parish Council's life, and also our Festival Hall Manager, Catherine Jones for her hard work.

Conclusions

At £825,000 the Festival Hall cost over 50% more than the projected cost. Since we have no breakdown of the original estimate, it is impossible for us to identify precisely where the cost differences arose.

It would appear however that a failure to plan the project in sufficient detail at an early stage lie at the heart of the resulting problems.

Taken together with the Medical Centre, costs for the Festival Hall/Medical Centre project totaled £3.2m compared with the £2.54m promised by the previous Parish Council. This is a difference, of £660,000, an increase of 26% on the promised cost.

Resolving these problems has placed a serious strain on the Parish Council and its finances, but careful cash flow management, together with hard work and the generosity of residents of the village, have allowed us to contain the problems and get the Hall project completed.

The challenges are not over. We still need to invest in new facilities, notably improvements to the stage, stage lighting and kitchen facilities.

Our next target is to raise the £3,000 we need to install ovens in the kitchen. Once we have these we will be able to cater for a wider range of events including community dances, weddings, parties, and so on.

As we increase the use of the Hall we also hope to attract local businesses to get more involved, for example as named sponsors of our well-equipped bar in the main Hall.

And finally.....

Rock n' Roll, Wrestling and a Chevrolet Belair

Two years ago I approached John Wallace from the History Group to see if he might be willing to research and write a short history of the Hall. At the time we thought a small pamphlet might be possible, but John has exceeded our expectations by producing a beautifully designed and highly readable hardback, which I recommend.

I am ending with this, because it is a perfect example of the exceptional skills and goodwill that exist in our village. We shall continue to rely on them for the future success of this historic building, itself originally built through donations by the residents of Alderley Edge.

Geoff Hall
Alderley Edge Parish Council
December 2017

Festival Hall Donors and Supporters December 2017

Donors

Alderley Edge Institute Trust
Emerson Foundation
WREN
Dr Helen Hall
The Great Brunel Railway Company

Alderley History Group
Ms A Anson and Mr M Garbett
Mrs P Crewe
Mr E Fidler
Granthams Foods
The Hill Family
Mr & Mrs M Lee
Two anonymous donors

Festival Hall Advisory Board

Craig Browne
Alan Davies
Simon Fenton
Geoff Hall
Martin Hallam
Keith Lowe
Christine Munro

Alderley Edge Festival Hall and Medical Centre

Final Report to Parish Council

Part 3

Review of Full Project + Lessons to be learned

January 2018

Report to Alderley Edge Parish Council

January 2018

Before I present the final part of this project to Council, a former Councillor has written to the Clerk asking us to include a piece of text in the Minutes.

We are of course happy to do this, even though the text he has provided does not tell us anything new, and does not address the criticisms of the former Council made in my previous reports.

The text reads as follows:

Prior to the 2015 election, the then Parish Council had set aside £540,000, which was £300,000 as a Dowry from MBC/Cheshire East: £100,000 from the Institute Trust: and £140,000 which the Parish Council had in free funds. Further to that, CEC also released a sum of money from the unpaid annual maintenance grants.

This information was already in the public domain and – far from correcting what I stated in my previous report – actually confirms that the Councillor did not and still does not grasp the problem, even after having it pointed out to him.

For anyone else who still has this problem here are the relevant facts:

- **The previous Council allocated £540,000 to refurbishing the Festival Hall**
- **However, the Council started the work without knowing what the work would cost because it had not agreed a specification for the work to be done**
- **The actual cost - which should have been known by the previous Council long before they started the work - was £825,000**
- **That is why the work cost 53% more than the “projected cost”**

In short, what the Conservatives presented as a “Projected Cost” in its pre-election leaflet was nothing of the kind. It was the total amount that the Council had allocated to the project – far less than was needed to do the job.

Report

Introduction

In November and December I reported on the final costs of the Medical Centre and the Festival Hall.

You will recall that I compared the actual costs with the costs promised in the previous Conservative Parish Council's election leaflet.

In this final report I want to look at the final part of what we were promised – a 140 space car park on the site of the present Heyes Lane allotments.

I then want to look at the lessons to be learned from this project.

The Heyes Lane Car Park

The former Parish Council presented the Heyes Lane Car Park as a simple solution to the village's parking needs – and one which was only being thwarted by the resistance of the Heyes Lane Allotment holders.

However, the reality was very different and I will show that this project would never have succeeded, as there were two other much more serious problems with it.

These were:

1. Finding an alternative site for the Heyes Lane allotments; and
2. Funding the new car park

Let us examine each of these.

1. An alternative site was needed to move the Heyes Lane Allotments to

The PC had to find an alternative site, as the Council has a statutory obligation to provide allotments. Its proposal was to move them to a field at the end of Lydiat Lane.

However, this option would only be possible if a deal was struck for a land swap between Alderley Edge School for Girls and Cheshire East. The PC had no control whatsoever over this deal.

In practice that deal failed to go ahead, so Lydiat Lane immediately ceased to be a viable site. The PC had no alternative site available to it. The Heyes Lane Car Park was therefore immediately dead.

2. Funding for the new Car Park

Even if the Lydiat Lane deal had gone ahead the previous PC still had a major problem. It had to be able to finance the building and operation of the new car park.

The PC claimed that the new car park would cost £280,000 and that this would be funded from the profits generated by the new Medical Centre. This was pure

fiction. Even if the PC had got its costings for the Medical Centre right (and of course it had not) the Medical Centre would not have generated a surplus of £280,000 for many years, if ever. Our own cash flow forecasts confirm this.

The previous PC claimed that the car park could be built for £280,000.

Heyes Lane Car Park Capital Cost

140 spaces at £2,000 per space £280,000

We have found no documentation to show that this figure was anything more than the product of guesswork.

Our own assessment – carried by independent consulting engineers - shows that the cost would have been a minimum of £646,000 and more likely, over £800,000, depending on the surface used.

ORDER OF COST ESTIMATE			
Heyes Lane Car Park (142nr Spaces)			
for			
Alderley Edge Parish Council			
January 2016			
Description		Overall Site Area (m2)	
Gross Site Area		5550	
ITEM	DESCRIPTION	Semi Permeable Cost	Traditional Tarmac Cost
1	FACILITATING WORKS & BUILDING WORKS	£ 590,409.00	£ 475,282.20
2	PRELIMINARIES	£ 70,849.08	£ 57,033.86
3	FEES	£ 67,820.81	£ 54,926.61
4	RISK CONTINGENCY	£ 72,907.89	£ 58,724.27
TOTAL		£ 801,986.78	£ 645,966.94

Other estimates have suggested that, given the drainage problems on the Heyes Lane allotments, and at Lydiat Lane, the actual costs for moving the allotments and building the new car park would have been substantially higher.

Conclusions

Given the high cost of building the car park, coupled with the lack of available funding from the Medical Centre, there was never a viable way of funding the Heyes Lane Car Park – even if the alternative site at Lydiatt Lane had indeed

become available. The 140 space car park promised by the previous Conservative Parish Council was therefore a fantasy, with no realistic prospect of success.

Summary of Costs: Medical Centre, Festival and Heyes Lane Car Park

The bottom line is this:

- We were promised a Medical Centre for a guaranteed maximum cost of £2,000,000. **The actual cost was almost £400,000 higher.**
- We were promised a refurbished Festival Hall for a projected cost of £540,000. **The actual cost was £285,000 higher.**
- We were told that a 140 space car park on the site of the Heyes Lane allotments would cost £280,000. An independent assessment indicates that **the cost would have been at least £400,000 higher, probably more.**

In total this means that we were promised that the Medical Centre, Festival Hall and Heyes Lane Car Park would cost a total of £2.8m.

In reality the Medical Centre, Festival Hall and 140 space Heyes Lane Car Park would actually have cost at least £3.9m - more than £1m higher than the figure promised in the Conservative Election leaflet.

Lessons learned

There are lessons that we and future Parish Councils must take from this project. Each of these recommendations relates to an identified shortcoming in the way the Medical Centre and Festival Hall project was initiated and run by our predecessors.

Asset Transfers

The Parish Council will no doubt come under increasing pressure to take over more assets from Cheshire East, as local government funding is squeezed ever more tightly.

We must treat any such proposals with extreme caution.

Before any such asset transfer is accepted by the Parish Council it must first commit itself to taking the following steps:

1. The PC must consider what risks may be associated with taking over the asset. Every asset also brings liabilities and those liabilities must be carefully assessed.
2. The PC must assess how it will manage the new asset and who will perform the tasks involved – and what cost. The Parish Council has very limited resources and it must clearly recognize this.
3. The PC must consult widely within the community to consider how this asset can be managed and developed to maximize the benefit to residents.
4. The PC must draw up a carefully costed plan, with detailed financial costings and sensitivities so that it is sure that it has allowed for all worst case events.
5. The PC must consider in that plan alternative options that may be preferable to a straight asset transfer to the PC.

Project management

All projects must be carefully managed and documented, with all documents shared with the Clerk, so that the project can be readily picked up by a third party if required.

Where a Parish Councillor leaves office – whether through personal choice, or by being voted out by residents – then they owe a duty of care as public servants to ensure that they support the new Councillors taking over from them. This means handing over any relevant documentation and helping for a reasonable period to resolve any issues that may arise.

Sub-Committees

Where projects are run by sub-committees then the following must apply:

1. There should be clear terms of reference setting out the objectives of the sub-committee, including its discretionary limits.
2. Before setting up such a sub-committee Council must first ensure that the members of the sub-committee have between them the necessary skills to carry out the work and, if not, to ensure that it has access to those skills – drawn from wherever it deems most appropriate, including from volunteers.
3. The sub-committee should report monthly to Council on its progress and be open to challenge from fellow Councillors and the public on any matters of concern they may raise.