

# **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
<b>TOTAL</b>		<b>£ 801,986.78</b>	<b>£ 645,966.94</b>

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.