

# REPORT TO ASSETS AND OPERATIONS COMMITTEE

## MARKET HALL REFURBISHMENT LESSONS LEARNED

### REVIEW



**Report Reference** A-26-03  
**Meeting Date** 18<sup>th</sup> May 2026  
**Agenda Item** 9  
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## 1.0 BACKGROUND

Between 2023 and 2025 the council undertook a project to deliver a renovation of Knutsford Market Hall. This report reviews the delivery of the project (one successful, one aborted) and identifies learning for future projects.

All members and officers were invited to provide input into the review.

The review focuses on the delivery of the projects not the ongoing operation of the facility.

## 2.0 ORIGINAL PROJECT

### 2.1 PROJECT BACKGROUND

In 2014, the Town Council took freehold ownership of the Market Hall. As part of the business case for transfer, the Town Council recognised that it required significant investment to modernise it. This need for substantial investment was discussed repeatedly over the ensuing decade. The council initially looked to renovate rather than redevelop the site, this changed following a working group in 2017 which saw plans for a rebuild and development of apartments created and taken to public consultation. This project (and other building projects) was paused in 2019 – it was not picked back up until 2021. After the scheme was costed in 2021 it was shelved and the council appointed a new architect to develop a scheme of remodelling. This was costed in 2022 and in early 2023 it was agreed that, due to the costs, a reduced scheme should be prepared.

In Summer 2023, the Community Ownership Fund was announced by the government. It provided an opportunity for organisations, including town councils, to bid for funds to save community assets. At the same time the Shared Prosperity Fund (administered by Cheshire East Council) invited applications.

The Town Council was successful in two applications, receiving £560,000 from the Community Ownership Fund and £160,000 from the Shared Prosperity Fund.

### 2.2 PROJECT BUDGET

The 2022 scheme had been costed by a quantity surveyor as Stage 2 Cost Estimate with accuracy of +/- 10%. The costing suggested a project cost of £538k - £657k, this included a contingency budget but excluded professional fees. The costs had been calculated to Q1 of 2023.

The grant applications were based on this costing exercise, with an uplift to account for additional inflation to Q1 of 2024 and a £70k sum for professional fees. The total figure which formed the basis of the applications was £700k. Tendering was undertaken in August 2024 and two returns were received, each around £900k. With professional fees on top, the total likely budget was £950k, or 32% above the available funds.

### 2.3 PROJECT TIMELINE

The Community Ownership Fund had a strict timeline requirement for projects to be completed within 12 months. Whilst there was some flexibility for minor overruns, the scheme expected the project to be largely finished within the 12-month period from the award of the grant. For this project that period was late September 2023 to late September 2024. The project timeline in the funding bid was as follows:

Month	Activity
July 2023	Submission of Community Ownership Fund Application
September 2023	Approval received from COF (assumed)
September 2023	Architect to develop plans to RIBA 3
October 2023	Pre-application public consultation
December 2023	Submission of Planning Application
January 2023	Architect to develop plans to RIBA 4
January 2023	Tendering commenced
March 2024	Planning Approval Achieved
April 2024	Contractor appointed
June 2024	Works Commenced (3-4 month duration)
October 2024	Handover and reopening

The award of the grant was reported to the November 2023 Full Council meeting where it approved the progression of the project as outlined in the business case.

The project started at RIBA 2<sup>1</sup> - Concept Design. The first stage of work, starting in October, was therefore RIBA 3 – Spatial Coordination, which culminated with the planning application. A consultant structural engineer was appointed in November and the planning application was submitted in late January 2025. Additional work was undertaken in February in response to planning application queries (e.g. development of a bird strike plan and construction management plan) and RIBA 4 – Technical Design then commenced c. March 2025. RIBA 4 took around three months with a first draft tender pack prepared at the end of June, this was refined in July and issued in August. The tender pack comprised 83 documents including detailed specifications and structural engineer plans; the closing date for tenders was 30<sup>th</sup> August. The project timelines submitted with the returned tenders indicated a construction phase of six months.

During these phases, there was also a significant amount of work undertaken on plans for alternative market accommodation. The intention was to utilise 60 King Street – which delayed progress from Bruntwood in looking at alternative uses of the building. Concurrently, it requires a significant amount of staff time planning and preparing for the temporary market – efforts that were later aborted. This diverted staff time from a range of day-to-day activity and other projects.

A preliminary value engineering exercise was undertaken to assess if there was a scheme which could be delivered within the budget and timeframe. This required abandonment of the demolition and

<sup>1</sup> The RIBA plan of work is the 7 stages of a building project, from definition to use.

rebuilding of the frontage which comprised a significant amount of both the cost and time as well as the greatest area of risk. A revised case was submitted to the Ministry of Housing Communities and Local Government (MHCLG) in mid-September 2024 and in late September they advised they would not fund the revised project and expressed frustration at the late notification of delays to the project.

## **2.4 REVIEW**

For almost a decade, the council failed to agree a plan for investment in the Market Hall despite recognising that it was necessary. It is uncertain whether, had the council not secured this funding, it would have progressed the renovation it later achieved. The council has recognised this and is taking a more proactive approach with developing its council offices improvement plan and asset management plans.

It is evident that the budget was insufficient for the project. The budget was based on the best available information – a costing exercise undertaken by a quantity surveyor – but proved to be significantly out of step with returned tenders. It is notable that only two tenders were returned and other contractors declined to tender due to the short timeframe of the tendering exercise, however both submitted tenders were extremely close in cost.

It is also evident that the overall project timeline was overly optimistic, and, in retrospect, unrealistic. The works timeline estimate had been provided by the architect and was out by 2-3 months based on the tender returns. It was clearly unrealistic to move from concept design to commencement of building works in six months; the level of time taken in the design stage provided clear specifications and design requirements for tendering, which provided greater cost certainty but took time to collate.

It was also apparent that the project would not be delivered within the required window by early Summer 2025, when tendering had not started. There should have been engagement with MHCLG at that point to raise this risk and clearer internal communication that this risk had arisen.

The key learnings from this project were:

- a) For major projects there needs to be robust project management practices in place, this would have flagged the project overrun earlier and the communication plan would have ensured a timely cascade of information. It would also have ensured all stakeholders were acutely aware of the timelines that project was working to.
- b) If the council is going to be reliant on external funding for projects, projects need to be developed to an implementable phase before seeking funding. This requires more upfront investment but significantly de-risks projects. Had these works initially been developed to RIBA 3 and planning consent secured, it would likely have been deliverable within the period (subject to value engineering)
- c) For major projects to be delivered, there is either a requirement for additional resource to be provided to prevent excessive internal workload, or a more structured assessment of workload to formally pause other projects and workstreams to ensure both that the major project is not detrimentally impacted and staff workload is appropriately managed.

## **3.0 DELIVERED PROJECT**

### **3.1 PROJECT BACKGROUND**

Following the termination of the previous project, a working group comprising Cllrs Hartley and Johnson and the Town Clerk, Deputy Town Clerk and Town Centre Manager was formed to develop and deliver a revised project. A revised scope was developed and tendered in October 2024 and in mid-November.

### **3.2 PROJECT BUDGET**

The revised project aimed to fit within a funding envelop of the Shared Prosperity Fund grant (£160k). Following procurement, the total cost for the works was £197k, inclusive of a 10% contingency and allowance for professional fees and purchases. Including the £18k spent on the former project, a total project budget of £215k was agreed, with Full Council approving the balance of funds be drawn from reserves.

During the progression of the project, there were a number of additional costs incurred. Additional asbestos was identified in the building, a new extraction system was required and some design/specification elements were adjusted during the project (i.e. creating a raised seating area rather than leaving it as a less useful slope). A heating system was added in and building inspector visits required a change in finishing materials. There were also a small number of cost reductions. In total there was an additional £44k of costs (25%). This saw a total project budget of £241k. The additional cost was funded by successful negotiation with MHCLG to retain the expenditure incurred in the original project (£18k) and retention of the interest earned on the grant funds whilst held (c. £22k) as well as some reprofiling of costs to be drawn from operational budgets (purchase of tables etc). The fit out of one stall was also agreed with the additional costs being recharged to a tenant via a payment plan.

### **3.2 PROJECT DELIVERY**

The revised project necessitated the full closure of the market with no alternative trading space, except for the Market Hall butcher. It was communicated that the market would close from January 2025 to April 2025. The market reopened in mid-April.

There were a number of issues which arose during the project which affected the project timeline and costs; most notably the lack of a principal designer which resulted in some aborted costs when building control raised issues with proposed finishes. There was also a delay caused by additional information being required from the structural engineer to achieve building control approval. The project was delivered broadly in time for reopening in April, although this did not account for final snagging and it was notable that this final snagging has only been concluded in May 2026 (due to the works required and timing it with market operations). Following opening, it quickly became apparent that there was an issue with excessive heat retention in the building.

### **3.3 REVIEW**

This project was delivered slightly over time, this was manageable but impacted snagging and resulted in a rushed exit from the contractor. The project was also over budget and it was fortunate that the additional costs were able to be covered from the retention of funds from the COF grant otherwise it would have required a lower quality output or additional reserves to be released. The overspend was partially caused by the accelerated rate of the design stage of the project and design changes during the works phase.

As with any building of this age, some delays, snagging and cost increases were inevitable and should be expected rather than seen as exceptional. A greater allowance for contingency should have been

allowed for in recognition of this.

Formal project management practices were lacking for this project. This led to some blurring of roles within the working group which oversaw the project. In effect, this working group variably took the role of project sponsor, project manager and change control board without clear definition. At times, this led to internal challenges, whilst at other times it worked effectively. The blurring of roles reduced accountability and negatively impacted on the project.

Due to the tight pressures on time and cost, the quality aspect of the project management triangle was affected at times. Due to the budget limitations, the council cut out some professional services and worked on specifications as the project went along. Most notably this led to additional costs from building control requirements and professional input on the heating system, which would likely have recommended an alternative system which also provided air conditioning, could have prevented ongoing challenges.

The key learnings from this project were:

- a) The project was successfully delivered – it met the objective of delivering a substantial renovation of the Market Hall and addressing the issue of a poor-quality trading environment. It delivered a space that has a wider community benefit.
- b) There should have been formal project management practices implemented at the outset of the project, including clearly defined roles and a formal change control system for managing changes to deliverables.
- c) A stakeholder communications plan would have better managed trader expectations and frustrations during the works.
- d) Clear user requirements and success factors should have been agreed in advance as these would have influenced or explained change decisions throughout the project.
- e) Careful consideration needs to be given to the professional input required into projects from specialist consultants to prevent unforeseen future costs; in particular the council should ensure a principal designer is appointed

#### **4.0 DECISIONS REQUIRED**

The committee should note and discuss the report.