

**AGENDA ITEM**

**REPORT TO CABINET**

**16 JANUARY 2025**

**REPORT OF SENIOR  
MANAGEMENT TEAM**

**KEY DECISION**

**Regeneration and Housing - Lead Cabinet Member – Councillor Nigel Cooke**

**Levelling Up Fund Preston Park Museum and Grounds Enhancements**

**SUMMARY**

This report provides an update on progress improvements to Preston Park Museum and Grounds (PPMG) funded through Levelling Up Fund grant (LUF) and seeks a decision to address financial pressures arising from mandatory unforeseen drainage works.

**REASONS FOR RECOMMENDATION(S)/DECISION(S)**

To enable delivery of enhancements in Preston Park under the Levelling Up Fund programme as previously reported to Cabinet in March 2023

**RECOMMENDATIONS**

1. Cabinet recognise the importance of the Aviary, Stockton & Darlington Railway heritage feature and central area to the Preston Park LUF enhancements and commit to supporting their delivery, subject to funding being identified as part of the Medium Term Financial Plan report to Cabinet in February 2025.

**DETAIL**

Background

1. The programme of works as reported to Cabinet in March 2023 consists of
  - a. An extension exhibition and open store space at Preston Park Museum
  - b. Improvement to the café and toilets (including demolition of current block)
  - c. enhancements to car parking
  - d. opportunities for an alternate use for the Aviary
  - e. The creation of a new feature adjacent to the main entrance to celebrate and highlight the Stockton & Darlington Railway (S&DR) heritage and the original route through the Park
2. Following the most recent report to Cabinet on this matter in March 2023, work began on the Museum extension, exhibition space and open store along with increase to parking capacity in early 2024. The scheme is progressing on site with the car park works largely complete and completion and commissioning of the main build due in Spring 2025.
3. Work is also underway on the refurbishment of the existing café building which will see new toilets and changing places facility along with the demolition of the current toilet block complete by June 2025.

4. Initial design work has been undertaken on the reuse of the Aviary, opening it up at surface level, with new planting and seating to create a new space and point of interest. Designs have been developed for the demolition (subject to planning permission) of the dilapidated 1920's South Lodge gatehouse and replace it with a feature to celebrate and highlight the route of the former Stockton & Darlington Railway (S&DR). Enhancements to the central area (adjacent to and between the café and car park) will improve accessibility and movement of vehicles and pedestrians. This work has progressed at a slower pace in cognisance of the emerging budget issues described within this report.

#### Drainage Issues

5. As work has progressed on the Museum extension, it became apparent that the historic drainage infrastructure which serves the current museum building and to which the new build would connect, does not meet current environmental standards and legal requirements.
6. This discovery prompted a period of assessment and exploration of mitigating actions in regard to both temporary and permanent solutions along with discussion with Northumbrian Water Limited.
7. Given the legal requirement to be fully compliant with modern environmental regulations, it quickly became apparent that in order for the facility to be operable both in its current form and following the addition of the extension and exhibition space, an attenuation tank and the addition of a significant length of new drainage as well as a new connection into the nearby network was required and this work was added to the current construction contract.
8. The cost of the temporary drainage solution (which is currently in place) as well the permanent solution described above (currently under construction) amounts to £950,000.

#### Scope of Works

9. The terms of the LUF funding committed the Council to the delivery of the exhibition space, café/toilets and parking, with the Aviary, S&DR feature commemoration and central area not forming part of the bid but emerging more latterly in the programme as opportunities to enhance the park and visitor experience.
10. The core LUF bid could be delivered within the project budget of £12.4m. However, despite some minor value engineering of elements within the exhibition space, the required additional drainage works have exhausted project contingency reserves and the budget reserved for the additional works to the Aviary, S&DR heritage feature and central area.
11. The budget of £12.4m is now fully committed (including fees and contingency) to the exhibition space, car park, toilets and café only, which is in line with the originally envisaged scope of works in the LUF bid.

#### Options

12. There are essentially two options for the PPMG programme of works.

Option 1 - Reduce the scope of project works, excluding the Aviary, a S&DR heritage feature and the central area, resulting in delivery of the exhibition space, car park, café and toilets works within existing budget;

Option 2 – Identify funding within the Council's Medium Term Financial Plan to enable delivery of the full scope of the project, Aviary, a S&DR heritage feature and the central area

13. The cost of the works to the Aviary, S&DR heritage feature and central area as described at paragraph 4, as well as reinstatement of value engineered elements, is estimated at up to £950,000. These sums are estimates that will be confirmed at the point tenders are finalised, alongside provision for professional fees, contingency and provision for some value engineered items. The cost estimates are broken down below

<b>Intervention</b>	<b>Cost Estimate</b>
South Lodge demolition and S&DR Heritage Feature	320,000
Aviary	110,000
Central Area	170,000
Contingency, Fees and VE	350,000
<b>Total</b>	<b>950,000</b>

14. The sum for interventions set out above is above the current approved funding envelope and as such up to £950,000 will need to be identified to deliver these interventions. It is recommended that funding is identified as part of the Medium Term Financial Plan report to Cabinet in February 2025.
15. If Cabinet are minded to approve option 2 to ensure the delivery of Aviary, S&DR heritage feature and central area along with reinstatement of value engineered elements, the final design and tender documentation can be prepared in order to achieve an accurate figure for delivery, with agreement of final contract sums and specification delegated to Director of Regeneration and Inclusive Growth in consultation with Cabinet Member for Regeneration and Housing.
16. If Members are minded to approve Option 1, it should be noted that there will remain a future liability to demolish the structurally unsound South Lodge which will need to be considered in the near future.

## **COMMUNITY IMPACT IMPLICATIONS**

EPIA completed.

## **CORPORATE PARENTING IMPLICATIONS**

There are no direct Corporate Parenting implications arising from this report.

## **FINANCIAL IMPLICATIONS**

To enable the recommendations in this report, the allocation of resources is required which will be fully reflected in the Medium Term Financial Plan report which will be presented to Cabinet and Council in February 2025.

Failing to undertake works at South Lodge could have an impact on S&DR celebrations as a contribution of £200k funding for this intervention was explicitly referenced in the bid to the Arts Council

## **LEGAL IMPLICATIONS**

The Council is contractually obliged to use the LUF Funding towards the elements approved as part of that bid and included within the funding agreement before use on any additional elements or face a risk of clawback or withdrawal of funding.

The decision to approve funding above that already approved in the budget is a non-executive decision and must be made by Council.

### **RISK ASSESSMENT**

Delivery of interventions within this report sit within the current Capital Programme governance framework with project and programme level risks captured and reported through existing management systems. This matter is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

### **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

Ward Councillors Stefan Houghton and Jim Taylor – scheme updates undertaken in recent months and future briefings planned. No direct consultation on the matter covered in this report.

### **BACKGROUND PAPERS**

Report to Cabinet March 2023

**Name of Contact Officer: Iain Robinson**  
**Post Title: Assistant Director Town Centre Development**  
**Telephone No. 01642 526017**  
**Email Address: [iain.robinson@stockton.gov.uk](mailto:iain.robinson@stockton.gov.uk)**