

RECOMMENDATIONS TO CABINET 7 JULY 2025 FROM THE REGENERATION AND ENVIRONMENT PANEL MEETING HELD ON 1 JULY 2025

RD18: CABINET REPORT – GUILDHALL AND CREATIVE HUB

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At the request of the Chair, officers presented the Business Case as included in the Agenda explaining that the Guildhall was a unique heritage asset, landmark performance venue and the largest surviving medieval Guildhall. Officers set out the ambition for the attraction and what it would cater for.

The Economic benefits and significant opportunities that the project would bring were also highlighted by officers.

The Chair invited questions and comments from those present relating to the Business Case.

Councillor Collingham asked how much had been spent on consultants and asked if consultation had taken place with organisations such as the King's Lynn Festival.

Officers explained that cost of consultants was £2.5m and detail was included in the Agenda along with details of the economic return. It was stressed that the sustainability of the site was the core objectives, therefore it was important to sweat assets as much as possible. It was also explained that consultants were required in order to get the best advice.

It was also explained that consultation had taken place with King's Lynn Festival, along with a range of other organisations, and their comments and feedback had been used to inform the Business Case. It was also noted that the Borough Council took over operation of the site in 2023, and within that time, real-time information on attendances had been collected to evidence that the business plan was deliverable.

It was also noted that there was no fee to visit the Guildhall presently, but a donation system was in place. The Chair, Councillor Parish, commented that this could impact the attendance figures. It was clarified that tickets for shows were also sold.

Councillor Sayers asked about the National Trust lease and why the Guildhall was no longer listed as an Asset of Community Value. Officers explained that there were certain protections in place regarding the lease and in the future relisting as an Asset of Community Value could be investigated.

Councillor Ryves referred to a similar project that should be looked at so there was a sense of the scale of the operation. He also asked if Alive West Norfolk were being brought in to utilise their experience of theatre operations. Councillor Ryves also stated that there should be engagement with the Guildhall Trust as they knew the background to the site. Councillor Ryves stated that he feared that this project would result in a large debt to the organisation, or the legacy organisation that would follow after Local Government Reorganisation. Councillor Ryves queried the revenue figures, the cost of borrowing and the benefits of the project.

Councillor Ratcliffe commented that this project would boost King's Lynn as a destination.

The Chair invited the Deputy Leader, Councillor Ring to address the Panel. Councillor Ring reminded the Panel that this was a Town Deal Board Project being supported financially by the Borough Council. It was noted that spend to date had been incurred by the Town Deal Board. Councillor Ring responded to comments made relating to a similar venue elsewhere in the Country and asked Members to note that this was a theatre that had been built from scratch, whereas the Guildhall project was so much more than this and linked in with the strong heritage and cultural offer already in the town. Councillor Ring stated that it was crucial that the offer was promoted and marketed in the correct way going forward.

Councillor Ring also asked the Panel to note that the Shakespeare Guildhall Trust never ran the Guildhall, they were an Action Group and now a defunct body.

Officers responded to comments raised by Councillor Ryves explaining that there was input from Alive West Norfolk Staff and their expertise was being drawn on in preparation for operating.

The Panel were also reminded that the Business Case had been agreed in 2024 and the consideration today was to agree the funding for the project.

The Chair asked officers to provide details of the costs of the project and it was explained that these were outlined in the report. Officers explained that the information was real time tender data and the costs, which had been updated since the Business Case had been agreed accounted for inflation, uplift in tenders and the nature and constraints of the venue. It was explained that the costs included risks and client contingencies.

Councillor Collingham commented that there was not enough data available on attendances and queried how much customers would be willing to pay for cultural events.

Councillor Ryves felt that it would be difficult to achieve attendances and did not feel that seat prices were reflective of King's Lynn. He also had concerns relating to the cost of interest on borrowing. The Deputy Section 151 Officer provided an overview of the cost of borrowing and explained that there were many factors to consider.

Councillor Fry addressed the Panel under Standing Order 34 and in response to her question it was confirmed that £30.5m included all costs incurred to date.

In response to a question from Councillor Bubb, it was explained that it was difficult to compare the Guildhall to other venues in the country as this was a completely unique venue and offer, which is why a bespoke Business Plan had been produced.

In response to a question from Councillor Everett, it was explained that the Business Cases from 2022 and 2024 were green book compliant. Nothing had changed with

the Business Cases, it was the financial case that had been updated and being presented to Members for consideration today.

Councillor Ryves commented that it was important to scrutinise and assess the benefits set out in the report to ensure they had not been overstated. Officers referred Members to the Economic Impact Assessment included in the report, which provided comparisons and reminded Members of the social value of the project, including contractor spend in designated areas and the use of local organisations and suppliers.

Councillor Anota commented that, although the finances were concerning, the wider benefits needed to be considered and marketing and promotion of the venue would be key.

In response to a question from Councillor Fry under Standing Order 34, it was explained that a value engineering exercise was being undertaken to identify opportunities to drive value. The Business Plan also included a budget for routine maintenance associated with site operations which would be revenue funded.

Councillor Ryves queried the cost of not proceeding with the project being higher than proceeding and that alternative options should be considered.

Officers explained that the objective was to become a sustainable enterprise and that is why there was a mix of offers required on site.

The Chair referred to fundraising going forward and the work of the CIO and it was explained that this would be covered during the exempt part of the meeting.

The Deputy Leader, Councillor Ring commented that it was difficult to fundraise until the Council had committed to the project. He explained that once the Council had shown ambition, support was likely to be forthcoming.

Councillor Ryves commented that he felt that there would be interest in supporting the theatre, but not necessarily the ancillary activities, therefore he queried the sustainability of the project.

The Panel adjourned at 7.30pm and reconvened at 7.40pm

The Chair invited questions and comments from the Panel relating to payback and viability.

Councillor Collingham referred to the age profile of volunteers and Officers explained that there were a wide range of volunteers from different age groups and work was ongoing with the College of West Anglia. It was also explained that officers had looked at the model used by Alive West Norfolk for engaging volunteers.

The Assistant Director explained the Business Plan was intended to be a live document and could be reviewed to respond to customer demands.

Councillor Ratcliffe commented that if volunteers were treated well and supported they were likely to continue long term.

In response to a question from Councillor Ryves, officers agreed to find out the economic benefit of volunteering and circulate to the Panel.

The Chair requested an overview of the CIO and officers explained that they met approximately four times a year and had a good relationship with the Borough Council. The Deputy Leader, Councillor Ring commented that the Trustees were dedicated and excited for the project and he had every confidence in them.

The Chair thanked Members and officers for their participation in the debate and the Panel requested to move into exempt session to discuss the confidential elements of the report.

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Officers provided information and responded to questions relating to the exempt elements of the report including the work of the CIO, fundraising, finances, investment opportunities and the National Trust lease.

The Chair invited all Panel Members to sum up. Panel Members broadly supported the proposal making comments relating to the importance of marketing and promotion, monitoring risks and that this was much needed for the town centre.

Councillor Ryves commented that the project would not be financially viable, but if it was agreed he would support it.

The Chair asked the Panel to consider an additional recommendation to Cabinet, in that the Panel be kept up to date on the project. This was supported by the Panel.

RESOLVED: That the Regeneration and Development Panel support the recommendations to Cabinet as set out below, with an additional recommendation to be added that the Regeneration and Development Panel be kept up to date on progress and receive regular updates on the project.

CABINET RECOMMENDATIONS:

Cabinet resolves, subject to approval of recommendation 6 below:

1. To proceed with the St George's Guildhall & Creative Hub ("the Major Scheme") based on the RIBA Stage 4 design.
2. The total spend of up to £30.5m to deliver the Major Scheme is authorised, to be financed in accordance with the Finance Strategy at Appendix 6 (Exempt), which includes up to £16.0m of borrowing in accordance with the Council's Treasury Management Strategy.
3. The award of the contract to deliver the Major Scheme ("the Main Contract") to 'Bidder A' is approved.
4. Authority is delegated to the Chief Executive in consultation with the Portfolio Holder for Business to approve material changes to the scope of the Major Scheme and/or variations to the Main Contract that are within the approved budget and in accordance with the Local Assurance Framework for this project.

5. Authority is delegated to the Chief Executive to apply for and accept external funding, whether via grants or donations, for the Major Scheme, which, when received, shall be applied towards the Major Scheme and to reduce capital borrowing where outstanding.

Recommendations to Full Council:

6. To amend the Capital Programme for the Major Scheme up to £30.5m and to amend the Medium-Term Financial Strategy in accordance with the Finance Strategy at Appendix 6 (Exempt).