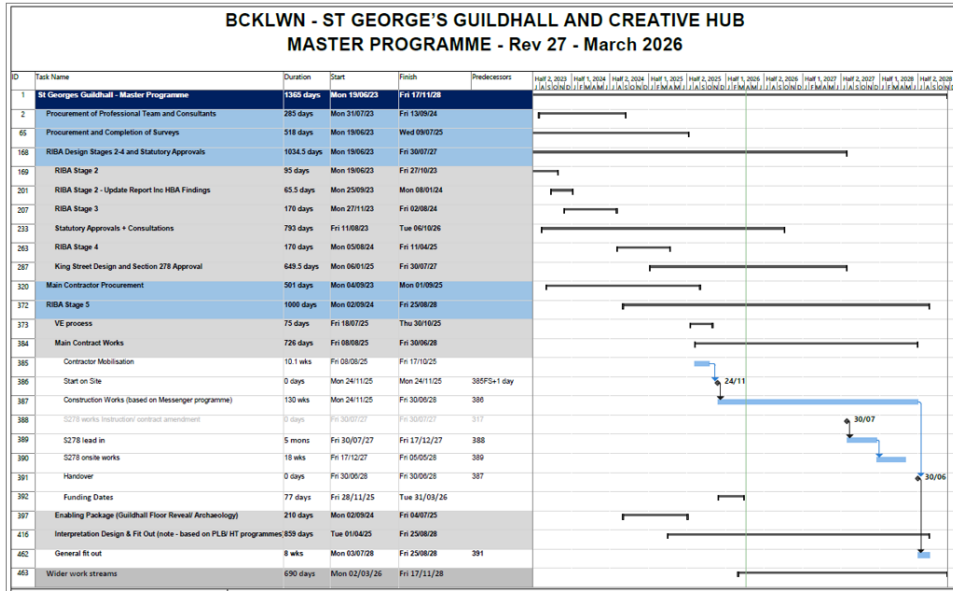


## Guildhall Gantt Chart



## REPORT TO CABINET

<b>Partially Exempt</b>		Would any decisions proposed:				
<b>Any especially affected Wards</b>	Discretionary	Be entirely within Cabinet's powers to decide		YES/NO		
		Need to be recommendations to Council		YES/NO		
		Is it a Key Decision		YES/NO		
Lead Member: Cllr Simon Ring E-mail: <a href="mailto:cllr.simon.ring@West-norfolk.gov.uk">cllr.simon.ring@West-norfolk.gov.uk</a>		Other Cabinet Members consulted: All cabinet members				
Lead Officer: Duncan Hall E-mail: <a href="mailto:Duncan.hall@west-norfolk.gov.uk">Duncan.hall@west-norfolk.gov.uk</a>		Other Members consulted:				
		Other Officers consulted: CEO, S151, Monitoring Officer, Project Officer, Cultural Officer, Regeneration Programmes Manager.				
Financial Implications YES/NO	Policy/ Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO	Environmental Considerations YES/NO	Major Project? YES/NO
<p>If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s) Exempt appendices are exempted under paragraph 3 of Schedule 12A</p> <p>This Cabinet report and the specified appendices at section 14 are publicly published.</p> <p>Appendices 1 and 4-8 are exempt, meaning that they are not publicly published, due to them containing detailed information relating to the financial and business affairs of the Council. This information has been assessed against the test that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Summary details of the information contained in these exempt appendices are, however, contained within the Cabinet report.</p>						

Date of meeting: 7<sup>th</sup> July 2025

### ST GEORGE'S GUILDHALL & CREATIVE HUB MAJOR SCHEME

#### Summary

This report seeks approval to proceed with the St George's Guildhall & Creative Hub Major Project ("the Major Scheme"), which is a Town Deal project, and seeks approval to enter the contract for delivery of the Major Scheme.

To support consideration of these proposals, this report details the final plan – a nationally significant cultural heritage regeneration Major Scheme – including an update on the latest programme outputs, costs, business plan, funding and finance plan for consideration.

The recommended Major Scheme is being brought back to Cabinet and Council for a detailed review, in accordance with Cabinet's decision on 30<sup>th</sup> July 2024. The report also sets out the "stay open and reinstate" position as the alternative option to proceeding with the Major Scheme.

RIBA Stage 4<sup>1</sup> design has now been completed (technical and detailed design), planning and Listed Building consent secured and the main contract tendering exercise has been undertaken to inform the report's recommendations.

The recommended option set out in the report will ensure the Major Scheme can progress in accordance with the Town Deal timeframes and provides confirmation of the cost to deliver the Major Scheme, in line with the vision in the Town Investment Plan, that maximises the benefits of the project to King's Lynn.

### **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)

### **Reason for Decision**

To deliver the transformational St George's Guildhall and Creative Hub Major Scheme, supporting the Council's commitment to heritage, culture, and economic growth. The Major Scheme aims to help grow local businesses, revitalise the town centre, and enhance the leisure offer in the historic heart of King's Lynn, in line with:

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<sup>1</sup> Royal Institute of British Architect Plan of Works Stages

- West Norfolk Economic Strategy (2024),
- Cultural & Heritage Strategy (2025),
- Corporate Strategy (2023), and
- Town Investment Plan (2021).

The Major Scheme will meet the agreed outputs and outcomes of the Towns Fund Programme, as endorsed by the King's Lynn Neighbourhood Board (formerly the Town Board) and the Ministry of Housing, Communities and Local Government (MHCLG).

The Major Scheme will deliver a long-term, sustainable operation to this nationally significant cultural heritage site in addition to addressing the long-term costs liability that the site already represents to the Council. According to the updated Business Plan and Economic Impact Assessment, the Major Scheme is expected to generate circa £30.8 million in economic benefit and create 117 jobs over the initial 15 years period and following this payback period, the Major Scheme will continue to generate income and attract interest and visitors, for many decades to come.

## **1. Background**

- 1.1 The St George's Guildhall and Creative Hub is one of a number of projects agreed to proceed by the King's Lynn Town Board (now called the Neighbourhood Board) under the Towns Fund Programme to drive economic growth. Achieving this growth through enhancing the cultural offer forms one of the key components of the Town Investment Plan (2021). It is the flagship project of the Towns Fund Programme. The Towns Fund Programme seeks to enhance visitor appeal for the town centre and additionally help reactivate underutilized valuable heritage assets.
- 1.2 The Guildhall site comprises buildings constructed and modified in different time periods. In broad terms, the northern units are in the ownership of the National Trust, leased to the Council, and the southern buildings are freehold, owned by the Council. The RIBA 4 Design Report sets out the latest detailed design for all buildings across the site Appendix 3.
- 1.3 The ambition for the Guildhall site, is to be a thriving heritage attraction by day, and by night, the Guildhall site will become an entertainment space for its many audiences. The Business Plan sets out in detail the many uses of the site that make up its range of income streams. Appendix 1- (Exempt).
- 1.4 Summary of Project Chronology

- Project was agreed to proceed by the King's Lynn Town Board given the proposed cultural offer alignment to the Town Investment Plan (2021).
- Cabinet endorsed the Project as a priority 24<sup>th</sup> August 2021 as part of the Towns Fund Programme.
- April 2022, Cabinet and Full Council approve underwriting commitment to support securing the Town Deal funding and approve the establishment of a Charitable Incorporated Organisation (CIO) as the long-term operating solution for the project.
- June 2022, Cabinet and Town Deal Board agreed the (HM Treasury Green Book compliant) Business Case to secure the Town Deal funding.
- September 2022, DLUHC (MHCLG) approves Business Case to secure £8.1m from Town Deal funding.
- A report to Cabinet 30<sup>th</sup> July 2024 covered project options, updated business plan, and revised Towns Fund outputs. It was agreed to return with an updated, latest funding position and financial implications, for the Borough Council to consider.
- July 2024, Cabinet resolved to approve the progression of the RIBA 4 "Full Major Scheme". Cabinet also resolved to support the Funding Strategy and commencement of the main contractor procurement process.
- Project Adjustment Request (PAR) approved with revised Business Case by MHCLG, the King's Lynn Town Board and Cabinet September 2024.
- Project Adjustment Request (PAR) approval by King's Lynn Neighbourhood Board (formally Town Deal Board) and Borough Council (delegated decision 6 June 2025), to reallocate £2m from the Riverfront Project to the Guildhall Major Project. Approval from MHCLG expected 4 July 2025.

1.5 This report sets out the benefits of the Major Scheme, the capacity for the scheme to be delivered and how the scheme will be financed, as follows:

**Section 2** - Outcomes, outputs, and economic benefits of the Major Scheme

**Section 3** – The Deliverability of the Major Scheme, including final design and procurement of the Main Contract

**Section 4** – Project Options: 'the Major Scheme' or the 'Stay Open and Reinstall'

**Section 5** - The finance and funding strategy and guidance on both options.

## 2. The Major Scheme – Outcomes, Outputs, and Economic Benefits.

- 2.1 The vision for the site is, for St. George’s Guildhall to become a major visitor attraction. The refurbishment project gives the opportunity to restore the historic and theatrical assets of this unique space.
- 2.2 The RIBA Stage 4 Major Scheme continues to support the approved Business Case outputs, for new jobs, improved facilities, training and education activities, enhancement to greenspace, new office and substantial uplifts in visitor footfall numbers to the town and wider region. See below.

<b>Business Case Target Outputs</b>	<b>July 2025</b>
Number of temporary FT jobs supported during project implementation	55
Number of full-time equivalent (FTE) permanent jobs created through the projects*	34
Number of improved cultural facilities	8
Amount of capacity of new or improved training or education facilities (annual school, evening, summer school visits)	10,300
# of derelict buildings refurbished	6
# of heritage buildings renovated/restored	10
# of enterprises receiving non-financial support	50
# of potential entrepreneurs assisted to be enterprise ready	60
Amount of existing parks/greenspace/outdoor improved	1572 m2
Amount of new office space	825 m2
Mandatory indicator - Year on Year monthly % change in footfall	1680%
NEW – Improvements to Public Realm King Street (subject to planning)	350 m2

Economic Benefits generated by the Major Scheme

- 2.3 An Economic Impact Assessment (EIA) report, Appendix 2, was published in 2024 by economists Stantec. They produced a full Major Scheme Gross Value Added (GVA) impact calculation for construction, operational and jobs supported by wider visitor spend, that combine the impact to the Borough over the first 15 years to a value of:

	Benefits	Jobs
Operational Impact	£9.3m	17
Construction Impact	£6.85m	55
Visitor Spend	£14.65m	45
<b>15 Year Impact</b>	<b>£30.8m</b>	<b>117</b>

**Operational jobs** are created and/or sustained by the Guildhall's activity, including, those directly employed on the Guildhall site, at firms in the supply chain and induced jobs as a consequence of the sites combined benefits.

**Construction temporary jobs** are created by the capital expenditure on the Guildhall, and numerous other related business activities such as building materials, steel, architectural services, legal services and insurance, resulting in job creation in the local economy.

**Visitors created jobs** and economic activity. They are attracted to the area to visit Guildhall, but then stay in the area and go on to spend more money visiting other attractions, restaurants and staying at local accommodation.

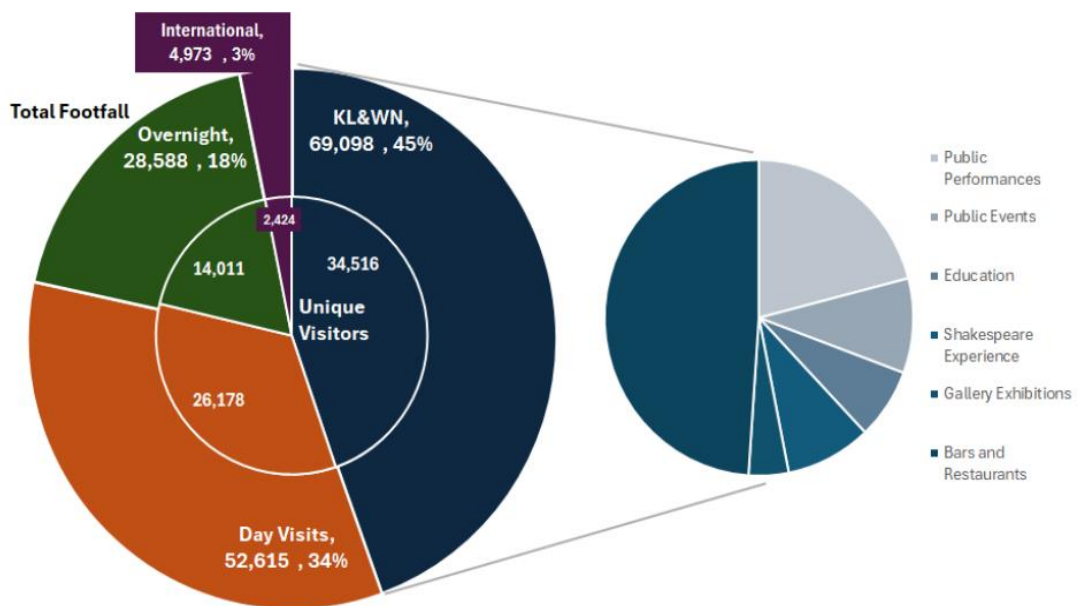
### Visitors to Kings Lynn

- 2.4 The approved Business Case identified a strong cultural and artistic sector within King's Lynn, but that they lacked a home. It has been demonstrated that there is significant demand for such facilities, which the Major Scheme aims to deliver.
- 2.5 The Economists noted that "the Major Scheme" will drive regeneration of a historic cultural asset that can lead to an improvement of the night-time economy and attractiveness for young people of this historic town.
- 2.6 There is very high interest from the public in the project. Between September 2023 and May 2025, news of the project had reached over **454 million people** globally (this figure excludes Chinese media which has carried the stories, but for which we have no figures). If the Borough wished to purchase this level of coverage it would have cost in excess of **£5.94 million<sup>2</sup>**. This is free publicity, generated by the project, for the benefit of King's Lynn and West Norfolk.
- 2.7 International Visitors: International visitors, make up only 3% of total and unique visits (Stantec Report Appendix 2), but their impact due to a higher propensity to spend, both at the Guildhall and more widely in the town, mean their impact is outsized relative to local visitors.

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<sup>2</sup> This figure is calculated using the known cost of advertising on the websites, TV, radio and print media, which have carried the stories about the Guildhall and is an industry standard calculation.

Figure 10 – Forecasted Visits to the Guildhall by Location or Origin and Attraction Visited



### Further Social Value

2.8 During the construction work there will be spend on local labour and supply chain companies, from King’s Lynn and the wider West Norfolk area. Specific trusted sub-contractors and specialist Heritage firms will underpin the site wide activities and its expected links to the College of West Anglia and the Boost Project will support student educational and training opportunities. Other social value benefits will be:

- New apprenticeships will also be employed on the site
- Skills days on site for college students
- Heritage skills workshops
- Work experience
- Training for ex-service personnel
- Multi-million pound estimated investment, via local subcontractors.
- Social Value Key Performance Indicators (KPI’s) will drive action plans and positive change locally.
- Competitions for local children to engage with history and use the generational opportunity to see the progress of the development on the doorstep.

The Council will continue to work with the successful contractor on further developing the social value outcomes to align with the Council’s priorities, such as the Care Leavers Covenant.

## 2.9 Communication and Engagement Strategy

- Since September 2023 has been very successful at reaching all three areas identified in the plans to drive a local, regional, national and international set of objectives. (Dr Harriet Foster local engagement report Appendix 10).
  - Local engagement has seen a large range of positive news stories in the area, with a news interest timetable prepared to use over coming months.
  - Regionally there has been successful engagement with both the public and funders from the region: ACE have co-funded the Heritage and Cultural Strategy Appendix 11.
  - National and International communications have seen a really strong impact also. The successful campaign has seen hundreds of millions of people worldwide engaging with the Guildhall project. 454m viewings so far.
  - Increase in visitor numbers from 9596 total in 2022, to 28,928 in 2024 generated by the Learning and Engagement Programme, funded through the Shared Prosperity Fund, Norfolk & Norwich Festival and Borough Council.

## **3. Deliverability - Project Progress, state of readiness.**

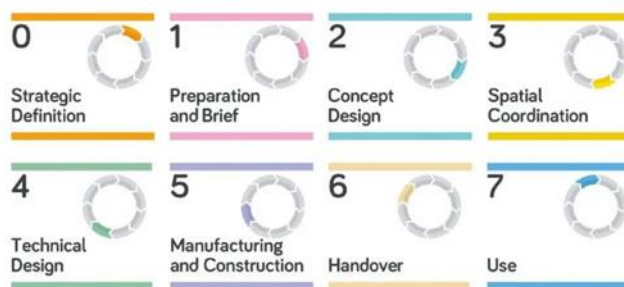
### Design Progress since the July 2024

- 3.1 Between July 2024 and the April 2025, the Project has completed the RIBA 4 (technical/detailed) stage of the design. The [planning application](#) and [listed buildings application](#) were both approved 7<sup>th</sup> October 2024. Officers and the Project Team continue to discharge all pre-commencement and pre-opening conditions as required (further details in section 9.1).
- 3.1.1 Design work has continued to focus on the increased understanding of the historic buildings across the site and their archaeological significance. The Historic Buildings Analysis (HBA) and Conservation Management Plan (CMP), were completed to allow the findings to be incorporated into the development of the project, as set out in the RIBA 4 Design. These documents were submitted as part of the planning and listed buildings application.
- 3.1.2 During RIBA 4 it was agreed to introduce improvements to King Street public realm directly adjacent to the site which has widened the project scope and has now been incorporated into the Major Scheme. This will significantly help with public access, orientation of visitors to the site, and the operational requirements as set out in the Business Plan. The RIBA 4 Design Report covers these plans.

3.1.3 Shakespeare Visitor Experience (Interpretation) design using consultants PLB Design has progressed to the end of the concept, and spatial coordination design stage (RIBA 3). This captures the critical messages, story-telling priorities, and routing around the Guildhall and main site. The detailed design stage will commence once the decision on the overall Major Scheme direction is agreed by members.

3.1.4 The Guildhall Major Project is following the RIBA work stages to support the delivery of the project. The project is at the end of stage 4 and ready post Council to progress into the fifth stage, construction.

RIBA Project Stages 0-7:



3.1.5 Resilience and sustainability environmental designs have been built into the Major Scheme using, air source heat pumps, photovoltaics, building insulation, smart building controls, and switching away from mains gas across all refurbished buildings.

### Enabling Works

3.1.6 The site closed to the public in February 2025, to allow, ahead of the Main Contract, for the removal of the existing theatre above the medieval floor. This activity has significantly reduced the risk of a major early archaeological discovery which impacts on the price and works programme. The tendered contract costs incurred for this enabling work were £212,249k.

### Value Engineering

3.2 The Project Team have undertaken a series of coordinated value engineering exercises. The Main Contract will be an opportunity to draw together a range of additional cost reduction ideas, that the Major Scheme will look to explore fully with the successful contractor during the delivery stage of the project.

3.3 There are a range of reasons for the escalation in costs for the Major Scheme. Inflation within the construction market continues to see

significant uplifts in material and labour costs. The Guildhall, due to the specialist nature of the works on heritage buildings, faces a very limited supply of expert tradespeople. Bidders have advised of longer programmes due to the complexity of the Major Scheme and its access, and egress restrictions for the works on site.

- 3.4 The largest uplift has been seen in the mechanical, electrical, and utilities costs for the project. Contract preliminaries costs have also gone up by a significant value, due to the overall extension of the construction works programme. Section 5.1 contains further details.

### Main Contract Award

- 3.5 Cabinet authorised the procurement of a contractor to deliver the Major Scheme in July 2024. The procurement activity included an extensive market review to find competent, experienced teams, that had the necessary specialist skills and experience to deliver the Major Scheme.

- 3.6 The procurement exercise has been undertaken and a preferred bidder has been selected based on their scoring against the evaluation criteria. The recommendation is to award the contract to 'Bidder A'. The identify of Bidder A will be confirmed once the Main Contract has been entered. Bidder A provided a compliant bid (procurement legislative tests), pricing schedule, and construction programme. A Tender Evaluation Summary is set out at Appendix 4 (Exempt).

### 3.8 Charitable Incorporated Organisation (CIO)

The July 2024 Cabinet report advised, in detail, on the progression and status of the CIO since the inception of the project (July 2024 Cabinet Report Section 2.2.5).

- 3.8.1 It continues to be advised that the CIO will provide the best option available to support the long-term requirements of the site. This comes with considerations, including allowing the new CIO to build-up reserves to obtain financial stability; a strong fundraising plan to begin growing the new organization's capacity before it begins operating the facility. The priority is to ensure that the handover from Borough ownership to the CIO is efficient and allows the venue to thrive. This handover is expected over the next 2 to 3 years.

## 4. Project Options.

### 4.1 Project Options comparison

The report to Cabinet in July 2024 provided a range of project options for consideration on the preferred Major Scheme to take forward. It set out three options in detail; 1) deliver the full Scheme 2) phase the delivery 3) 'do nothing', although noting that the 'do nothing' option does entail doing something. Cabinet approved the progression of the 'preferred Full Scheme' now known as 'The Major Scheme'. To inform the decision required by Cabinet and Full Council in this report, officers have updated the consideration to 'do nothing' (now known as 'Stay Open And Reinstate') in order to make a fully informed decision on the financial aspects of the recommendations.

4.2 Business plan headlines for the Guildhall Major Scheme are summarised in table 4.7 below. Genecon published the latest high-level guidance on visitor numbers, income stream projections, ticketing pricing tiered strategy, catering, staffing, and overhead assumptions about targets for charitable donations, for the CIO to deliver each year. Noted as a strong scheme, with a mutually reinforcing mix of reliable revenue generating commercial services, it is capable of attracting philanthropic support, and higher risk/reward activities attracting visitors to the site, now that there is increased flexibility and resilience to the Major Scheme.

4.3 The table below sets out the benefits, scope, operational and funding implications of both options; "The Major Scheme" and "Stay Open & Reinstate."

Option	Economic Benefits	Design Scope	Business Plan	Finance & Funding												
<p>Guildhall Major Scheme.</p>	<p>Full Major Scheme Gross Value Added (GVA) impact of construction jobs, operational jobs and jobs supported by wider visitor spend, is expected to generate circa £30.8 million in economic benefit and create 117 jobs over the initial 15 years period and following this payback period The Major Scheme will continue to generate income and develop interest in the site, for many decades to come. Stantec EIA 2024</p> <p>Specific outputs include;</p> <table border="1" data-bbox="371 684 887 961"> <tr> <td>Operational Impact</td> <td>£9.3m</td> <td>17</td> </tr> <tr> <td>Construction Impact</td> <td>£6.85m</td> <td>55</td> </tr> <tr> <td>Visitor Spend</td> <td>£14.65m</td> <td>45</td> </tr> <tr> <td><b>“15-year impact”</b></td> <td><b>£30.8m</b></td> <td><b>117</b></td> </tr> </table> <p>This is a strong figure based on heritage and visitor investments of this type.</p> <p>Achieves Town Deal outputs and outcomes</p>	Operational Impact	£9.3m	17	Construction Impact	£6.85m	55	Visitor Spend	£14.65m	45	<b>“15-year impact”</b>	<b>£30.8m</b>	<b>117</b>	<ul style="list-style-type: none"> <li>• A remodelled Guildhall</li> <li>• Undercroft (below the Guildhall) to create a flexible venue</li> <li>• The formation of creative hubs consisting of units of various sizes and locations</li> <li>• Re-purposed historic warehouses and barns to support new flexible performance, office, arts venues</li> <li>• Newly formed exhibition and gallery space in the White Barn and on-going use of the Fermoy Gallery</li> <li>• Creation of a new foyer and Café hub to form heart of the site</li> <li>• Refurbishment of the former Riverside Restaurant with 60 indoor and 70 outdoor covers</li> <li>• Step free access, to all the key public and performance spaces</li> <li>• Changing Places facility on site</li> <li>• Enhanced areas of public realm and landscaping</li> <li>• Public access improvements to King Street public realm</li> <li>• The creation of an exemplar sustainable heritage redevelopment</li> <li>• Enable the venue to leverage its historic links to deliver both performance and heritage experiences</li> <li>• An international tourist and heritage offering, drawing people from home and abroad by utilising the heritage of the site to its fullest.</li> </ul>	<p>(Economists Genecon July 2024 report)</p> <ul style="list-style-type: none"> <li>• Total annual footfall at steady state (year 3) projected at 168,709 comprising <b>77,130</b> unique visitors to the site. Various sensitivity scenarios including costs, revenue and visitor numbers for Shakespeare experience (e.g. 44,259 low-case/70,900 visitors high-case) were applied to the site and the respective impacts can be seen in the report attached appendix 1 – exempt.</li> <li>• Creative Hub Strategy has targeted a tenant curation approach, with public-facing creative enterprise leases in ground floor courtyard spaces and creative industry workspace and artist studios in upper floors to generate a balance of footfall and higher value rental income</li> <li>• Tiered ticketing strategy proposed, increasing the value of premium seats (£40) whilst protecting affordable tickets for local audiences (£5). Gift aid also applied to a proportion (33%) of Shakespeare Experience Tickets to increase revenue</li> <li>• Catering revenue for Riverside Restaurant lease raising contribution from £51,421 to £59,000 p/a. Café projections linked more closely to visitor projections with a more conservative estimation of casual visitors leading to a small reduction in contribution from £79,478 to £78,817.</li> <li>• Staffing and overheads – increase in anticipated staffing requirements, along with adjustments to wages to account for inflation since 2022. Overall staffing cost increased by £77,147</li> <li>• Projected surplus of <b>£95,204</b> in a steady state Year 3 seen. These compare favourably with the estimated costs that the Council incur to maintain the site and open for basic activities at (£362k pa)</li> <li>• The operating model will require that the CIO raises at least £125,000-</li> </ul>	<p><b>£16m</b> funding required to achieve (please see finance section 5), requiring a managed financial risk to the Council in the interim.</p>
Operational Impact	£9.3m	17														
Construction Impact	£6.85m	55														
Visitor Spend	£14.65m	45														
<b>“15-year impact”</b>	<b>£30.8m</b>	<b>117</b>														

			£130,000 in grants and donations per annum.													
Option	Economic Benefits	Design Scope	Business Plan	Finance & Funding												
<p>Or “Stay Open &amp; Reinstate.”</p>	<p>No positive uplift in economic benefit to the current status and operation.</p> <p>Benefits, outputs and outcomes directly and indirectly, will not be achieved for the site and local economy.</p> <p>Increasing risk that the Borough’s external reputation with funders will be diminished.</p>	<p>In this scenario no works would be undertaken to deliver the Guildhall and Creative Hub vision.</p> <p><u>Immediate Repairs</u> As advised in July 2024 Cabinet assessed and costed at <b>£0.46m</b> (2024) based on the most recent survey of the site.</p> <p><u>Long-term repairs.</u> It has been estimated that the site over the remaining 25 years of the lease, should anticipate setting aside in total, <b>£4m</b> to cover any substantive repairs.</p> <p>The advice has been developed using a review of previous quinquennial inspections in 2005, 2011, and 2023, and costing advice from AMA Cost Consultants. The guidance considers inflation rates, future-proofing against unforeseen repairs and economic fluctuations, as well as the application of a deterioration factor to support any future Council decision-making discussions.</p> <p>Return the theatre to a basic operation with minimum building control compliance and accessibility requirements.</p>	<p>The Council would continue to be responsible for the existing operational costs of looking after the site, which include, rates, licensing, insurances, net of any rental contribution from any future tenants for the remaining period of the lease with the National Trust up to 22<sup>nd</sup> July 2050.</p> <p>Annual running costs, averaged over the last two full years (23/24 and 24/25) are currently <b>£362k</b> pa (including the activity and education programme, existing theatre, gallery and exhibitions in the Fermoy). Potential rent contributions from new tenants taking up found space will be limited, due to infrastructure and hygiene compliance matters in the closed restaurant).</p> <p>Future rental income will continue to be very low. Assuming a 2% inflationary index is applied to the remaining 25 years of the lease, then <b>£11.3m</b> will be required to cover the site operation.</p> <p>There will be a requirement to return the theatre that was approved, to be removed as part of the delivery risk mitigation plan as reported to Town Board. This base refit would deliver the minimum expected design and compliance matters needed to reopen to the public. This has been estimated at <b>£3.31m</b>.</p> <p>To provide level access into the theatre further works to Number 29 King Street will be required which would cost an additional <b>£0.375m</b> to complete. This only covers 1 lift for audience access to the theatre not the planned 90% of site becoming accessible under the Major Major Scheme. Total of <b>£3.7m</b></p> <p>Budget to do this cannot be drawn down from the Towns Fund so the Council will need to provide funding for this activity over the next year.</p>	<p>The King’s Lynn Borough Council would need to secure internal funding to complete the immediate repairs as well as the long-term repair costs, as Town Deal funding would not be eligible to use on a Major Scheme that does not generate an economic benefit.</p> <p>The costs to return the stripped-out theatre to a basic operational level will also be required from the Borough Council.</p> <p>Financing will need to be found by the Council to meet maintenance obligations for the remaining duration of the lease (see section 4), in addition to the annual running costs.</p> <p>Actual costs for May-25 plus June-July 25 budget for Towns Fund for Stay Open and Reinstate, are c£2.6m up to 30th July 25.</p> <table border="0" data-bbox="2175 1008 2769 1197"> <tr> <td></td> <td style="text-align: right;"><b>£m's</b></td> </tr> <tr> <td>Reinstate Guildhall back to operational use</td> <td style="text-align: right;">£3.7m Capital</td> </tr> <tr> <td>Immediate Repairs</td> <td style="text-align: right;">£0.46m Revenue</td> </tr> <tr> <td>Long term Repair obligation</td> <td style="text-align: right;">£4.0m Revenue</td> </tr> <tr> <td>Annual Running costs x 25 years</td> <td style="text-align: right;">£11.3m Revenue</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>£19.5m</b></td> </tr> </table> <p><b>Overall Total £19.5m</b></p>		<b>£m's</b>	Reinstate Guildhall back to operational use	£3.7m Capital	Immediate Repairs	£0.46m Revenue	Long term Repair obligation	£4.0m Revenue	Annual Running costs x 25 years	£11.3m Revenue	<b>Total</b>	<b>£19.5m</b>
	<b>£m's</b>															
Reinstate Guildhall back to operational use	£3.7m Capital															
Immediate Repairs	£0.46m Revenue															
Long term Repair obligation	£4.0m Revenue															
Annual Running costs x 25 years	£11.3m Revenue															
<b>Total</b>	<b>£19.5m</b>															

## 4.8 Recommended Option

The Major Scheme presents the best option financially in the long term, whilst providing the optimum business plan for the site to achieve the corporate, economic and cultural objectives;

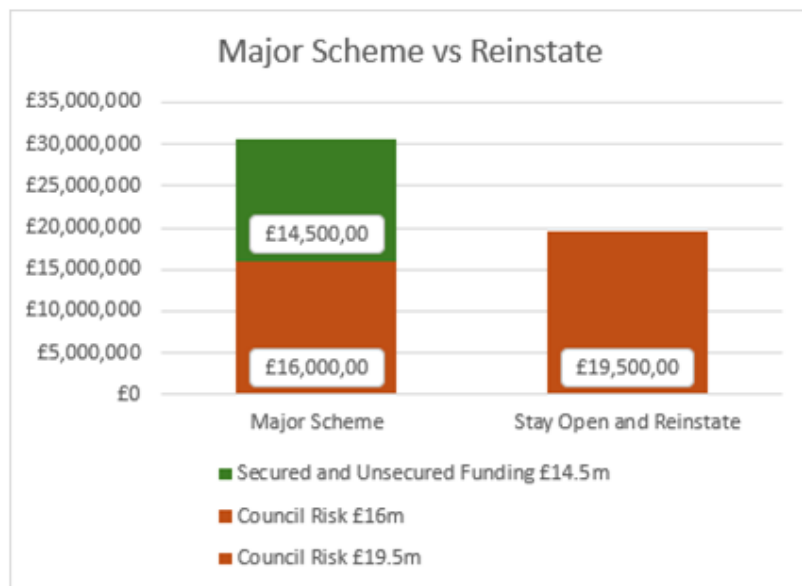
4.8.1 **Cabinet is recommended to approve Option “Guildhall Major Major Scheme”** as outlined in section 4.7 of the report to progress through to completion, based on the financial arrangement detailed in section 5 and Appendix 6 of the report.

4.8.2 This recommendation is made based on the following:

- The Major Scheme provides the best opportunity for the Borough to deliver the agreed economic & social outputs outcomes, as well as the economic benefits set out in the Business plan that aligns with objectives set out in the original Town Investment Plan.
- The Major Scheme ensures the Town has the best opportunity to benefit and capitalise on the unique historic attraction.
- The Major Scheme provides a clear long-term operational plan for the site, with the CIO working towards achieving a sustainable business model for the overall site.
- Whilst noting the borrowing and funding required by the Council, officers continue to identify alternative funding sources which could, in time, be obtained and reduce the longer-term requirements of the Council’s (borrowing capital) finances. Details are outlined in section 5.

4.8.3 Alternatively, if the ‘recommended options’ is not supported, then **option ‘Stay Open and Reinstate’**; will not remove the Council’s long-term commercial liabilities for running the site or the essential repairs and maintenance estimated to cover the duration of the lease (see section 5). **These would not achieve any wider cultural or economic benefit to the Town** and increase the risk that the Borough’s external reputation with funders, to deliver major projects and its commitment to adopted policies, would be questioned.

#### 4.8.4 Council Financial Risk, Major Major Scheme versus Stay Open and Reinstatement.



#### 4.9. Project Programme

Subject to Cabinet decisions being taken in this report, the key dates and programme for the project are set out below;

- 17<sup>th</sup> July 2025 - Full Council

##### **If approved;**

- 18<sup>th</sup> July 2025 – Contractor notification/10-day standstill.
- August - Contract Award/Contract signing all subject to challenge.
- August/Sept 2025 - Main Contractor start on site.
- March 2026 - Town Deal spend or committed costs completed (within Mar-26 spend deadline)
- Shakespeare Experience fit out post contract completion.
- Site Provisional Launch 2028

## 5 Financial Overview and Implications

### 5.1 Changes to development costs

The Guildhall Major Scheme proposal has seen an increase in estimated costs as the works have been developed and progressed to the current RIBA Stage 4, as explained in section 3.8. The Capital Programme currently includes c£12m as reflected in the July 2024 report to Cabinet where c£9m was secured at the time, primarily from the Town Deal Grant Funding.

This report is requesting an uplift to the Capital Programme to reflect the total project cost of **£30.5m**, following extensive investigation and design work, leading to extension to the scope, as is detailed throughout this report and associated appendices.

As noted below, the funding requirement being requested is **£16.0m**. This is compared to the 'Stay Open And Reinstate' option set out in 4.7, which is estimated to cost circa £19.5m for the remainder for the lease.

A breakdown of the revised project costs are in Appendix 6, Section 1 and Appendix 5 - Exempt.

### 5.2 Funding the Major Scheme

5.2.1 At present £9.2m of funding (which includes £8.1m Towns Fund, £0.75m BCKLWN, N&N Festival and Shared Prosperity contributions) has been secured with £5.3m of unsecured funding expected to come through between July-November 2025 (which includes £2m budget reallocation from Riverfront Town Deal Project to the Guildhall). If the imminent unsecured funding is approved, then £14.5m of funding will be available (of which £0.2m is revenue funding) for the proposed Major Scheme. A breakdown of this secured and anticipated funding, is set out in more detail in Appendix 6, Section 2.

5.2.2 The Funding Strategy (FEI, May 2024) Appendix 7 (Exempt), which sets out the strategy for obtaining continuing external financial support and funding for the Major Scheme, still applies and will be implemented over the next 2+ years to support the scheme requirements. Officers will also continue to identify, explore and pursue further funding opportunities across 8 major and 20+ smaller funders. There is at least £9.75m of upcoming funding opportunities available as set out in Appendix 6, Section 3.

5.2.3 Assuming all funding set out in Appendix 6, Section 2, is secured, the remaining funding requirement will be **£16.0m**, which is now being sought from the Council to

enable delivery of the Major Scheme and realise the full business plan outputs. As explained above, this could be reduced if further funding bids are successful.

5.2.4 In order to fund the remaining amount, the Council is asked to apply resources in accordance with the Council's Capital Strategy and the Treasury Management Strategy and seek to use internal resources and internal borrowing (from working capital cash balances) where possible, before securing external debt. However, due to other major project commitments, it is likely that there will need to be, some sort of loan arrangement between the Council and the Public Works Loan Board. A borrowing table setting out indicative repayment costs for the loan and interest rates, is set out in Appendix 6, Section 4. It is noted that the cost of any such arrangement would be met by the Council.

5.2.5 Once profitable, it is currently intended that the CIO will operate and manage the site. Whilst no date for the handover has been agreed, it is expected to be 3+ years. The decision on whether to handover the site to the CIO will be returned to Cabinet at this time.

### 5.3 Alternative Option – Reinstate and Reopen

5.3.1 The alternative option to re-instate the Guildhall theatre back to operational use, including ongoing costs and repair obligations, totalling **£19.5m** over 25 years.

5.3.2 The immediate capital works are estimated at a cost of £3.7m and the revenue cost is estimated at £15.8m over 25 years, which includes running costs and repair obligations. A further breakdown is provided in Appendix 6, Section 5, which includes the associated cost of borrowing for the capital works.

5.3.3 The expected running costs to the Council of this option, are £2.9m from 2025-26 to 2032-33 (or £11.3m over 25 years of the lease), as the £362k operational costs would need to be re-instated plus inflation, after the works were completed, to bring the site back to operational use. The financial implications of this are set out in Appendix 6, Section 6.

5.3.4 If the Council chooses not to proceed, the cost of the work incurred to date (Jul-25) on the development of the Major Scheme, will be c£2.6m, which is from the Town Deal funding. It should be noted that these costs will not be reclaimed by MHCLG.

### Dilapidations

5.3.5 Obligations under the Lease with the National Trust (which only applies to part of the site within the project scope). The Borough Council has contractual requirements (covenants) and risks under the terms of the existing lease that it has with the National Trust, for part of the overall Guildhall complex. The lease term is lengthy and there will be annual costs associated with simply “holding” the site with the ‘Stay Open and Reinstate’ option. In addition to the annual revenue implications, there will be potential dilapidations claim by the landlord (National Trust), at the end of the lease contractual term.

5.3.6 It should be noted that the assumption has been applied, that the cost of the long-term repair obligation, would have to be met in full, under the terms of lease with the National Trust. There are provisions under the Landlord and Tenant Act 1927 that could be advanced around the time of expiry of the lease to cap the total liability to, effectively, the value of the site. However, there are many variables around this, for example resolving the ensuing dispute about what the true value of the site would be in circa 25 years and accounting for any legislative changes before then. The legal advice received is that the Council should assume the worst-case position of having to fund the full reinstatement cost, which is reflected in the ‘Stay Open & Reinstate’ option.

5.3.7 In addition to lease obligations, the Council must consider its duties and responsibilities to ensure that the special characteristics of the building are not unduly harmed as per section 7 of the Planning (Listed Buildings and Conservation Areas) Act 1990 and paragraph 202 of the National Planning Policy Framework. As custodians of a Grade I listed building, if the Council does not maintain the property, the LPA could consider enforcement action which would have a reputational risk and not set a good example to other property owners of listed buildings. Accordingly, electing to not carry out satisfactory repairs to the Guildhall site has not been explored as an option.

## 6 Policy Implications

- 6.1 The St George’s Guildhall and Creative Hub Project, supports achievement of the following priorities in the [Corporate Strategy 2023 - 2027](#), which contains priorities to;
- Promote growth and prosperity to benefit West Norfolk, including to:
    - Attract new businesses to The Borough to expand the local economy.

- Support The Borough's new and existing businesses to grow and thrive.
  - Maximise opportunities to transform and regenerate our high streets and heritage assets.
  - Promote West Norfolk as a desirable leisure, cultural and tourism destination.
  - Support a year-round programme of events, festivals and activities for residents and visitors.
- Support our communities, including the desire to
    - Work with partners, and provide access to leisure, cultural and outreach experiences, to reduce isolation, and improve health and wellbeing.
    - Work with schools and colleges to improve educational opportunities, inclusion, attainment, and ambition.
    - Support the Local Voluntary Sector as a vital element of the local community.

6.2 The Project is an intervention originally outlined within the [King's Lynn Town Investment Plan \(TIP\)](#) which was agreed by Cabinet in October 2020. This forms part of the Town Deal with Government and the Guildhall project fits within the 'Growing innovative businesses' theme, within the TIP.

6.3 The Council adopted a Cultural & Heritage Strategy for King's Lynn in March 2025, to bring together an array of creative partners, residents and businesses on the priorities to support the development of the cultural offer and creative industries in the town. The Strategy sets out the priority theme to 'Animate King's Lynn's Heritage' of which the St George's Guildhall is identified as a priority project.

6.4 The West Norfolk Tourism Development Plan (2022-2026) sets out the strategic aims to support:

- Sustainable tourism
- Visitor Accessibility
- Experiential Tourism
- Develop the cultural product

This project is directly aligned with the aims of the Tourism Development Plan.

6.5 The West Norfolk Economic Strategy sets out a vision by 2024/5 for King's Lynn to have 'thriving, connected towns, that are destinations for residents and businesses.'

6.6 The Norfolk Growth Plan was adopted in December 2024 and endorsed by the Borough Council's Cabinet. The Strategy sets

out the vision for Norfolk to be an international and domestic tourism destination for the UK and growing value and expanded offer. The St George's Guildhall and Creative Hub project is specifically identified as a priority under 'Our Places and Communities', to support attractive and resilient market towns and high streets, through creating more cultural and economic opportunities for local communities.

## **7 Personnel Implications**

- 7.1 Staff resources to deliver the project, have been recruited and funded through the Borough Council's operational budgets and further internal costs of £0.4m, will be required due to the extended duration of the programme, e.g. Corporate Projects, Legal, and finance charges. These costs will be capitalised. Professional services continue to be required for the project, e.g. project management, cost management and architectural inputs, to support the construction phases of the project.

## **8 Environmental Considerations**

- 8.1 The St George's Guildhall aims to be an exemplar of sustainable heritage redevelopment and regenerative design, with landscaped courtyards and low-carbon building service systems, incorporating air source heat pumps, photovoltaics, retrofit fabric upgrades to improve energy efficiency, naturally ventilated foyer spaces and creative hubs, measures to encourage sustainable modes of transport, rainwater collection for irrigation, and all new extensions utilising low-carbon construction.
- 8.2 In the interests of decarbonising the Guildhall estate and moving towards a net zero carbon future, air source heat pumps, (ASHP's) are proposed to largely replace the gas heating supply. In early Stage 4, the design team have been able to source the latest more efficient ASHP's to supply the entire heat load without gas top-up.
- 8.3 The Council has a carbon reduction target to be net zero by 2035. This project provides an important opportunity to become an exemplar example of how to upgrade across the range of listed historic buildings across the site.

## **9 Statutory Considerations**

### **9.1 Planning & Listed Buildings Consents**

The site contains Grade1 listed buildings in a conservation area, therefore is subject to specific planning regulations. To support the project timelines for the spend of the Town Deal funding, a full [planning application](#) and [listed buildings application](#), was

submitted in June 2024. Both applications received approval in October 2024. Both planning and listed buildings consents had a number of conditions, that will be discharged ahead of start on site or the full site opening date.

9.2 If the 'Stay Open and Reinstate' option is considered, the Council will need to consider its statutory liabilities under the terms of the lease with the National Trust and its responsibilities and liabilities for the listed buildings within the complete site<sup>3</sup>.

9.3 The development of the RIBA Stage 4 Design complies with the latest regulations, to ensure the recommended option complies with Fire and Building Regulations and also includes major access improvements across the site for the public and staff, within the constraints of the many listed buildings (+90% of site fully accessible). Currently access to the Guildhall and most parts of the site, do not meet the latest building regulations and are prohibitive to a range of wheelchair and pushchair users.

## **10 Equality Impact Assessment (EIA)**

10.1 A pre-screening Equality Impact Assessment (EIA) has been undertaken (June 2024) and this demonstrates that a full EIA is not required for this project. A copy of the pre-screening report is within Appendix 9.

## **11 Risk Management Implications**

11.1 The project has a comprehensive risk register in place. Key RIBA 4 risks and mitigation comments are reported in the RIBA 4 Report Section 2.3 and attached separately. Appendix 8 (Exempt), is a full project risk register.

## **12 Declarations of Interest / Dispensations Granted**

Not applicable

## **13 Background Papers**

## **14 Appendices**

Open:

Appendix 2 Economic Impact Assessment 17 May 2024 Rev 01 – Stantec.

Appendix 3 RIBA 4 design report Rev 01 – Haworth Tompkins.

Appendix 9 Pre-Screening Equality Impact Assessment – May 2025.

Appendix 10 Consultation & Engagement Evaluation

Appendix 11 Heritage and Culture Strategy

Exempt:

Appendix 1 Business Plan July 2024 – Genecon.

Appendix 4 Guildhall Tender Evaluation Summary

Appendix 5 Master Cost Report (summary) Pulse June 2025.

Appendix 6 Finance Strategy

Appendix 7 Funding Strategy 2024 – FEI.

Appendix 8 Risk Register Rev 16 May 2025