

Borough Council of  
**King's Lynn &  
West Norfolk**



# Cabinet

## Agenda

Friday, 24th June, 2022  
at 10.00 am

in the

Council Chamber  
Town Hall  
Saturday Market Place  
King's Lynn

Also available to view on Zoom and available for the public to view on [WestNorfolkBC on You Tube](#)





King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX  
Telephone: 01553 616200

**CABINET AGENDA**

**DATE: CABINET - FRIDAY, 24TH JUNE, 2022**

**VENUE: COUNCIL CHAMBER, TOWN HALL, SATURDAY  
MARKET PLACE, KING'S LYNN PE30 5DQ**

**TIME: 10.00 am**

As required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 - Item 11 below will be considered in private.

Should you wish to make any representations in relation to the meeting being held in private for the consideration of the above item, you should contact Democratic Services

**1. APOLOGIES**

To receive apologies for absence.

**2. URGENT BUSINESS**

To consider any business, which by reason of special circumstances, the Chair proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

**3. DECLARATIONS OF INTEREST**

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply

observing the meeting from the public seating area.

4. **CHAIR'S CORRESPONDENCE**

To receive any Chair's correspondence.

5. **MEMBERS PRESENT UNDER STANDING ORDER 34**

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

Members wishing to speak pursuant to Standing Order 34 should inform the Chair of their intention to do so and on what items they wish to be heard before a decision on that item is taken.

6. **MATTERS REFERRED TO CABINET FROM OTHER BODIES**

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda.

7. **LEVELLING UP FUND APPLICATION** (Pages 6 - 27)

8. **NORFOLK COUNTY COUNCIL LEVELLING UP BID** (Pages 28 - 42)

9. **KING'S LYNN TOWN DEAL GUILDHALL & CREATIVE HUB BUSINESS CASE** (Pages 43 - 105)

10. **EXCLUSION OF THE PRESS AND PUBLIC**

The Cabinet is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the item below on the grounds that it involves the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**PRIVATE ITEM**

Details of any representations received about why the following reports should be considered in public will be reported at the meeting.

11. **EXEMPT FINANCIAL INFORMATION FOR THE GUILDHALL REPORT**  
(Pages 106 - 109)

To: Members of the Cabinet

Councillors R Blunt, S Dark (Chair), A Dickinson, P Kunes, A Lawrence,  
B Long, G Middleton (Vice-Chair) and S Sandell

For Further information, please contact:

Sam Winter, Democratic Services Manager 01553 616327  
Borough Council of King's Lynn & West Norfolk  
King's Court, Chapel Street  
King's Lynn PE30 1EX

**GENERAL EXCEPTION NOTICE TO THE CHAIR OF THE CORPORATE PERFORMANCE PANEL OF A KEY DECISION TO BE MADE BY THE CABINET NOT PREVIOUSLY INCLUDED ON THE PUBLISHED FORWARD PLAN**

Under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, local authorities are required to publish a Forward Plan of key decisions to be made by the Executive at least 28 clear days before the date of the meeting at which the decision is to be taken.

In the event that the publication of the intention to make a key decision at least 28 days before the meeting is impracticable, the local authority must inform the Chair of the relevant overview and scrutiny committee (Corporate Performance Panel) of “*the matter about which the decision is to be made*”, in accordance with Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

The following notice is hereby provided:

**Matter about which the decision is to be made**

Cabinet intends to make the following key decision at its meeting on 24 June 2022:

*To decide which project to submit as a bid to the government’s Levelling Up Fund round 2 prospectus by 6<sup>th</sup> July 2022.*

For reference, the proposed recommendations are set out below:

**Recommendations**

1. To approve submission of the Oasis project under round 2 of the Levelling Up Fund as set out in the report to government by 6 July 2022.
2. Delegated authority is granted to the Chief Executive and S151 Officer, in consultation with the Leader, Deputy Leader and Portfolio Holder for Finance to agree the final application to be submitted to government by 6 July 2022.
3. To approve the budget as set out in the report to undertake further due diligence and development of project delivery requirements for the Oasis project in the period up to the outcome of the bid which is expected at the end of 2022.
4. Subject to the successful outcome of the bid, a separate report to be brought to Cabinet to approve the final scope of the Oasis project and to amend the capital programme for 2022-26 to incorporate the match funding and delivery requirements of the project.

**Reason for Decision**

To secure investment in the borough to support the ambitions to level up West Norfolk.

**Reasons why compliance with Regulation 9 was impracticable**

The Council’s constitution defines a key decision as follows:

*an executive decision which is likely –*

*(a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the Council’s budget for the service or function to which the decision relates; or*

*(b) to be significant in terms of its effect on communities living or working in the area comprising two or more wards and electoral divisions in the Council’s areas where significant under a) above is £500,000 or more and significant under b) above is one third of the resident population in a ward.*

The decision to be taken by Cabinet does not fall within part (a) of the definition of a key decision



## REPORT TO CABINET

<b>Open</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		<del>YES</del> /NO	
		Is it a Key Decision		YES/NO	
Lead Member: Cllr Stuart Dark E-mail: <a href="mailto:cllr.stuart.dark@west-norfolk.gov.uk">cllr.stuart.dark@west-norfolk.gov.uk</a>			Other Cabinet Members consulted: Cllr Angie Dickinson		
Lead Officer: Lorraine Gore E-mail: <a href="mailto:Lorraine.gore@west-norfolk.gov.uk">Lorraine.gore@west-norfolk.gov.uk</a>			Other Members consulted:		
Lead Officer: Lorraine Gore E-mail: <a href="mailto:Lorraine.gore@west-norfolk.gov.uk">Lorraine.gore@west-norfolk.gov.uk</a>			Other Officers consulted: S151 Officer, Monitoring Officer		
Financial Implications YES	Policy/ Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications YES	Environmental Considerations YES

Date of meeting: 24 June 2022

### LEVELLING UP FUND APPLICATION

#### Summary

This report provides an overview of the government's Levelling Up Fund round 2 prospectus and requirements and opportunity for the Borough Council to submit an application, as a category, location by 6<sup>th</sup> July 2022.

#### Recommendations

1. To approve submission of the Oasis project under round 2 of the Levelling Up Fund as set out in the report.
2. Delegated authority is granted to the Chief Executive and S151 Officer, in consultation with the Leader, Deputy Leader and Portfolio Holder for Finance to agree the final application to be submitted to government by 6 July 2022.
3. To approve the budget as set out in the report to undertake further due diligence and development of project delivery requirements for the Oasis project in the period up to the outcome of the bid which is expected at the end of 2022.
4. Subject to the successful outcome of the bid, a separate report to be brought to Cabinet to approve the final scope of the Oasis project and to amend the capital programme for 2022-26 to incorporate the match funding and delivery requirements of the project.

#### Reason for Decision

To secure investment in the borough to support the ambitions to level up West Norfolk.

## 1 Background



- 1.1 In March 2022, the government launched round 2 of the Levelling Up Fund (LUF), designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.
- 1.2 The LUF forms part of the package of government's fiscal measures to support the [Levelling Up White Paper](#) published on 2 February 2022 to level up every corner of the UK. It is underpinned by 12 ambitious missions over 10 years and tracked by an annual report that will monitor levelling up progress aimed at addressing regional disparities across the UK, reduce crime in the worst-affected areas, put more money in the pockets of those who need it most, and transform the UK economy by generating higher paid, higher skilled jobs and new investment.
- 1.3 Round 2 of LUF will focus on the same three investment themes as the first round, in particular, the Fund will look to support:
- **Transport investments** including (but not limited to) public transport, active travel, bridge repairs, bus priority, local road improvements and major structural maintenance, and accessibility improvements. The government are seeking proposals for high-impact small, medium and, by exception, large local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth, and improve the safety, security and overall experience of transport users.
  - **Regeneration and town centre investment**, upgrade eyesore buildings and dated infrastructure; acquire and regenerate brownfield sites; invest in secure community infrastructure and crime reduction; and bring public services and safe, accessible community spaces into town and city centres.
  - **Cultural investment** maintaining, regenerating, or creatively repurposing existing cultural, creative, heritage and sporting assets, or creating new assets that serve those purposes including theatres, museums, galleries, production facilities, libraries, visitor attractions (and associated green spaces), sports and athletics facilities, heritage buildings and sites, and assets that support the visitor economy.
- 1.4 LUF is a single stage, competitive funding programme for all of the UK and is expected to be highly competitive and oversubscribed, particularly for places that have not been eligible for other funding programmes like Towns Fund. Each bid can apply for up to £20m. Eligible applications must submit their full bids for this second round, with all supporting documentation by Wednesday 6 July.
- 1.5 Authorities have been encouraged to submit the most robust and deliverable projects as possible. It is important that bids which will have the greatest likelihood of success as judged against strict eligibility criteria are prioritised.

- 1.6 Government have applied an 'Index of Priority Places' recognising the level of need required to 'level up.' West Norfolk has been identified as a category 1 area and as a result has received £125,000 of capacity funding to support the preparation of an application to round 2 of LUF. Due to tight timescales and no capacity funding being provided under round 1, it was agreed with Cabinet not to submit a West Norfolk bid in 2021 but plan towards a submission to a subsequent round.
- 1.7 Given the current focus on submission of the business cases for securing the £25m Town Fund projects and limited officer the capacity, the officers view was to look to consider opportunities to bid for projects in subsequent rounds of LUF. However, we now understand that there may not be any further rounds and it is considered prudent to submit a bid to round 2 to be in with a chance of securing funding, rather than miss round 2 and find that there are no future rounds.
- 1.8 The applications will be the strongest possible given the tight timescales.
- 1.9 Upper tier authorities can apply under a separate 'Transport only' strand of LUF for up to £50m. Discussion have been on going with Norfolk County Council on their proposals for LUF. A separate report on the agenda outlines the Norfolk County council LUF bid which is focused on West Norfolk will be presented.

## **2 Levelling Up Fund Criteria**

- 2.1 An applicant may submit a bid for an individual project or a package bid, consisting of up to a maximum of three projects. Package bids must clearly explain how their component elements are aligned with each other and represent a coherent set of interventions. They can include a mix of projects from the Fund's three investment themes set out in section 1.3 equivalent to the total number of whole and partial constituencies within their boundaries; for West Norfolk it is 2.
- 2.2 MPs have a formal role in the bidding process to reflect their valuable local perspective. All MPs can provide formal priority support to **one** bid. In West Norfolk's case, the district covers 2 constituencies for North West Norfolk (James Wild MP) and South West Norfolk (Elizabeth Truss MP); therefore entitling the council to make 2 bids. However, South West Norfolk constituency also covers the partial district area of Breckland; it is understood that Elizabeth Truss MP is supporting an application by Breckland District Council under this round. Early engagement with James Wild MP on potential bid for the North West Norfolk constituency has been undertaken in preparation of the proposals.
- 2.3 Investment proposals should focus on supporting high priority and high impact projects that will make a visible positive difference to local areas. There will be a three staged approach to assessment and decision making;

### **Stage 1 – Gateway**

- Pass/Fail against minimum criteria including bid amount, spend in 2022/23, subsidy control and S151 Sign off.

### **Stage 2 Assessment & Shortlisting**

- **Characteristics of place;** the priority of place index (category 1 for West Norfolk), representing the area of highest need.
- **Economic Case:** how the bid represents good value for money. A range of benefits can be considered in a value for money appraisal of projects, including both quantitative and qualitative benefits. This includes the potential to boost local economic growth, environmental benefits (including contribution to achieving the UK government's net zero carbon commitments and improving local air quality), greater employment opportunities, reduced travel times to key services, increased footfall in town and city centres, crime reduction, improved health and wellbeing, and social value to local communities.
- **Deliverability;** evidence of robust management and delivery plans including a procurement strategy, project management (including skills and experience) governance structures, risk management, project costings, and monitoring and evaluation. Project spend can start in 2022/23 and projects are to be completed by 31 March 2025. In circumstances by exception this could be 2026.
- **Strategic fit;** how the bid supports the economic, community and cultural priorities of the local area and will further the area's long-term levelling up plans, complementing national (including delivering net zero carbon emissions and improving air quality), regional and local strategies and investments. Evidence of engagement and stakeholder support for the proposal.

**Stage 3 Decision Making:** once bids have been assessed and moderated, and the shortlist is drawn up, Ministers will make funding decisions.

### **3 West Norfolk LUF Preferred Option**

- 3.1 It is recommended to Cabinet that a replacement for the Oasis leisure centre in Hunstanton is submitted under round 2 of the Levelling Up Fund. This project would provide a new leisure and entertainment centre on a new site which would include and expand on the existing provision to meet the needs of the growing local communities and serve to support, grow and extend the season for the extremely important tourism economy of the area.
- 3.2 Appendix 1 sets out the key areas for this project which are required to be included in the business case.
- 3.3 The project fits the cultural investment theme of the Levelling Up fund with particular emphasis on:
  - creating new sporting assets including visitor attractions, sports and athletics facilities and assets that support the visitor economy.
- 3.4 The replacement for the Oasis is a high priority for this council. It has already been identified that this aging building, which was originally built as a seasonal facility, will require significant investment in maintenance over the short-medium term. A new building, built to modern standards, will provide environmental benefits which will contribute to the borough's net zero carbon commitments. The financial benefits in reduced running costs will achieve

year on year savings and the extended range of activities provided will generate additional income.

- 3.5 The replacement Oasis project will make a visible positive difference to the local area and the wider borough. The new facility will serve the growing local community, reducing travel distances and associated costs to other leisure facilities in King's Lynn, and hence making a positive impact on the environment. Plus an anticipated increase in participation levels from the more local provision with a positive impact on social value and isolation for local communities. The new facility will continue to be operated by Alive West Norfolk under the current arrangements and it can be expected that there will be a positive financial impact to the overall arrangements.
- 3.6 The project, alongside other interventions being considered to support local cycling and walking, can also help to make Hunstanton a year-round visitor destination, having a positive impact on employment opportunities.
- 3.7 The covid pandemic has highlighted health and well-being challenges for our local communities and it is considered that the replacement Oasis project, with no loss of current facilities and an extended offer of new activities will have a positive impact on health and well-being.
- 3.8 The replacement for the Oasis leisure facility is in line with the Hunstanton Town Centre and Southern Seafront Masterplan (2008) and Hunstanton Prospectus (2017) and supports government's Net Zero policy.
- 3.9 The project is in line with the Corporate Business Plan objectives:
- Delivering growth in the economy and with local housing
  - Protecting and enhancing the environment including tackling climate change
  - Creating and maintaining good quality places that make a positive difference to people's lives
  - Helping to improve the health and wellbeing of our communities
- 3.10 This project to deliver a replacement leisure and entertainment facility on a new site provides potential to open-up the existing site for inward investment and transformational change. A further report will be required to Cabinet for any proposals for the existing site.
- 3.11 The existing Oasis will continue to operate during the construction of the new facility therefore there will be no loss of provision. The application will include provision for the new facility on a site owned by the Borough Council, but this does not preclude the examination of alternative sites as the further due diligence and project development is undertaken in the period up to the outcome. In addition, the aspiration is to provide further leisure and entertainment facilities as part of the project when future scoping demonstrates a financial return or funding opportunities allow.
- 3.12 This project requires a significant estimated financial commitment of £29m. There are no other funding pots currently available to support this level of funding for this type of project and this is a further reason that it is considered that this project should be recommended to be submitted under round 2 of the Levelling Up Fund.

- 3.13 In early engagement with James Wild, MP it was highlighted that due to the Towns Fund investment of £25m in King's Lynn there was a preference for a project to be brought forward which secured investment outside King's Lynn. The project for the replacement of the Oasis leisure facility has the support of James Wild, MP.
- 3.14 A recent consultation exercise with the public on the proposed project for a replacement for the Oasis leisure centre closed on 12<sup>th</sup> June. 1040 responses were received in just 2 weeks, with 625 (64%) keen to be engaged on future development. This is a very high level of engagement in a survey which demonstrates the local engagement and support for this project and a strong platform for future engagement. Initial engagement headlines are set out below. The full consultation findings report is currently being finalised and will be published as supplementary information for the Regeneration and Development Panel and Cabinet ahead of these meetings on 23<sup>rd</sup> and 24<sup>th</sup> June respectively:
- **Interest and appetite for engagement:**  
This consultation has seen significant interest and engagement with over 1,000 people taking part in just over two weeks. This indicates that there is significant interest in the Oasis and its future development, a sentiment reinforced by the large number of people who want to continue to be informed and involved.
  - **Case for improvement:**  
There is clearly a case for improving the Oasis with feedback that highlights negative and neutral perceptions of the facilities quality and choice. Qualitative feedback is also themed around enhancing the current offer in terms of the building, the facilities, the classes, and the overall experience.
  - **Potential:**  
Coupled with the case for improvement is the potential to increase usage and satisfaction. The consultation reveals that a percentage of respondents never or rarely use the Oasis; through improving the centre and its offer, there is opportunity to attract new users and increase the frequency of visits amongst existing users.
  - **Swimming:**  
Swimming is the main reason for use amongst respondents, and alongside that, it is one of the main areas of focus for improvements within the feedback.
  - **Non-users:**  
The key theme why people do not use the Oasis is around its lack of appeal. Remarks emerged around it being tired, old, rundown, and in need of an upgrade. The swimming facilities also emerged as a significant theme, being in need of enhancement. Distance, cost, and parking were mentioned by respondents, and a sense emerged that the standard of the Oasis did not merit the travel and in some cases, the cost involved.

- 3.15 Hunstanton Town Council and the Hunstanton Advisory Group have also been consulted and are supportive of a replacement for the Oasis leisure centre.
- 3.16 The draft application form, which includes sections covering strategic fit, economic case and delivery (management, financial and commercial cases) is currently being prepared with the resourcing assistance of Norfolk County Council and it is anticipated that this information will be available week commencing 20 June 2022 and will be published as late supplementary information for the Regeneration and Development Panel and Cabinet ahead of these meetings on 23<sup>rd</sup> and 24<sup>th</sup> June respectively.
- 3.17 In order to undertake the further due diligence and development of project delivery requirements on the preferred project in the period up to the outcome of the bid it is recommended that £100,000 is allocated from existing reserves set aside for resourcing and project development work. There are existing topographical surveys for the identified site which were undertaken as part of the One Public Estate work in 2018 which would either still be relevant or can be updated rather than needing to start from scratch, thus reducing costs.

#### **4 Other Options Considered**

- 4.1 The Nar Ouse infrastructure project would facilitate the provision of the western highway infrastructure and remediation of employment land for the final plots E and F. The project would produce an 'oven ready' development platform in demand from developers and business occupiers.
- 4.2 Appendix 1 sets out the key areas for this project which are required to be included in the business case.
- 4.3 The project fits the regeneration and town centre investment theme of the Levelling Up fund with particular emphasis on:
- Regenerate brownfield sites
- 4.4 The Nar Ouse infrastructure project is in line with the vision and objectives set out in the King's Lynn Town Investment Plan, approved by government in 2021 under the mission to;
- *'new opportunities for skills and jobs for our young people and all those affected by covid-19 – needing to reskill, linked to demand from local employers and opportunities in local sectors.'*
  - *'growing innovative businesses – attracted by our connectivity and high quality of life and supported by the networks and collaborative support that businesses need.'*
- 4.5 The project is in line with the Corporate Business Plan objectives:
- Delivering growth in the economy and with local housing
  - Creating and maintaining good quality places that make a positive difference to people's lives.

- 4.6 The Nar Ouse infrastructure project will provide the potential to boost local economic growth and employment opportunities within an existing identified key brown field site in King's Lynn. The potential for new business development and business expansion will have a positive financial impact in growth of business rates. The opportunity to open-up development land for new business premises to be built incorporating modern methods of construction will contribute to the borough's net zero carbon commitments.
- 4.7 This Nar Ouse infrastructure project requires an estimated financial commitment of £8m. It has been identified that there are other potential funding opportunities, including Brownfield Land release Fund (Closed in April but likely to open again next year) which may be more suitable to bid to for this project rather than submit this project to the 2<sup>nd</sup> round of the Levelling Up Fund.
- 4.8 The Nar Ouse infrastructure project is not supported as the preferred project by James Wild, MP, for submission to the 2<sup>nd</sup> round of the Levelling Up Fund.
- 4.9 There is existing stakeholder consultation which was undertaken as part of the feasibility work for the Innovation and Collaborator (ICI) undertaken in July 2021 which is relevant to the Nar Ouse infrastructure project, in particular there is a very limited speculative development pipeline other than the Nar Ouse Enterprise Zone
- 4.10 The draft application form, which includes sections covering strategic fit, economic case and delivery (management, financial and commercial cases) is currently being prepared with the resourcing assistance of Norfolk County Council and it is anticipated that this information will be available week commencing 20 June 2022 and will be published as late supplementary information for the Regeneration and Development Panel and Cabinet ahead of these meetings on 23<sup>rd</sup> and 24<sup>th</sup> June respectively.
- 4.11 The Nar Ouse infrastructure project is not the preferred option for submission to the 2<sup>nd</sup> round of the Levelling Up Fund, but this project will continue to be developed and alternative funding opportunities sought for delivery of the project, subject to further reports to Cabinet.
- 4.12 The ICI project was an approved project under the original Town Deal Heads of Terms offer from government, but due the stage of development at that time, it was agreed not to be confirmed for progression under the Town Deal. The ICI project has also not been progressed as at option for submission to the 2<sup>nd</sup> round of the Levelling Up Fund. This project will continue to be developed and alternative funding opportunities sought for delivery of the project, subject to further reports to Cabinet.

## **5 Financial Implications**

- 5.1 A requirement of LUF is to demonstrate a minimum of 10% financial match contribution to the projects. The capital programme will require amending to accommodate any match funding required and will need to follow the necessary governance process for approval. Any increase to the capital programme places an additional burden on the revenue budget as legislation requires the Council to set aside a minimum provision to repay debt.



5.2 Each bid is up to a value of £20m. Any costs in excess of this must be met by the Council. This is a significant risk to the council in light of the increase in costs and inflation that the economy is currently experiencing. The council is currently estimating a gap in the revenue budget in 2025/2026 so needs to ensure appropriate mitigations are in place to prevent placing additional burden on the council's finances.

5.3 The funding implications for the preferred project to replace the Oasis leisure centre are set out in the table below:

<b>Project</b>	<b>Estimated Cost</b>	<b>Minimum 10% Contribution Required</b>	<b>Estimated funding required to support project</b>
Oasis	£29m	£2.9m	£9m

5.4 The council will need to explore options for the additional funding required which will be undertaken as part of the further due diligence work required. However, to provide some understanding of the financial requirements, if the council were to borrow from PWLB, the cost of the loan over 25 years would be as follows:

<b>Loan Type</b>	<b>Annual payment</b>	<b>Total Cost</b>	<b>PWLB Interest Rate</b>	<b>Notes</b>
Annuity	£531.4k	£13.3m	3.25%	Equal payment method where the principle increases each year with corresponding reduction in interest payments
Maturity	£298.0k	£16.4m	3.31%	Interest only payments assuming principle is repaid at end of the loan period
Equal Instalment Plan	£648k reducing to £371.5k	£12.7m	3.2%	Payment method where equal principle payment is made but interest payment reduces over time

5.5 The above figures are based on current PWLB rates at the time of producing this report but provide an indication of the cost of borrowing at this level. However, it should be noted that interest rates are forecast to increase further in the short term and this will need to be taken into account when developing the detailed financials around this proposal.

5.6 It is not yet clear what the financial impact will be to ongoing revenue budgets. There is an expectation that due to a potential reduction in operating costs of a new facility, there will be year on year savings. In addition to this, it is anticipated that due to the extended offer at the proposed new facility, this will generate an additional income stream. The financials will be set out in more detail in the development of the final business case.

5.7 Any impact in the current financial year will need financial resources identified. £100k has been identified from reserves to support the development of the business case as already set out in this report. Once the business case is developed, a further report will be presented to Cabinet which will set out any further financial implications for both capital and

revenue budgets for consideration and incorporation into the Council's Budget and Medium-Term Financial Plan.

- 5.8 There are also other funding organisations that provide grant support to the Leisure and Culture sector which may meet the terms and conditions for match funding of the Levelling Up Fund. Officers will therefore seek to explore other third-party funding opportunities where possible to support the business case.

## **6 Personnel Implications**

- 6.1 A key consideration in the development and assessment of the bids by government is the Council's capacity to deliver the project. Given the existing significant scale of the Town Deal programme already underway, to be delivered by March 2026, it is anticipated that additional internal and external resources will be required to undertake further due diligence and development of the project delivery requirements for the preferred project as set out above. These resourcing costs to be met from the budget set out at 3.17 above.

## **7 Environmental Considerations**

- 7.1 Government policy and bids must demonstrate the importance of consideration to net zero in the development and delivery of all projects, consider promoting clean growth investment to deliver decarbonisation, improved air quality and health and economic growth objectives in their design, to contribute to the council's Climate Change policy and move towards carbon reduction.

## **8 Statutory Considerations**

- 8.1 If the bid is approved, all appropriate permissions and consents required to implement the project will be sought and obtained in line with statutory requirements.

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

- 9.1 Equality Impact Assessment pre-screening form is attached to this report. This shows that a full impact assessment is not required at this stage.

## **10 Risk Management Implications**

- 10.1 Given the focus on submission of the business cases for securing the £25m Town Fund projects the capacity to submit a West Norfolk bid to round 2 had been considered challenging and that a bid would therefore be developed for a subsequent round. However, we now understand that there may not be any further rounds. With resourcing assistance from Norfolk County Council, business cases as outlined in the report have been developed to enable a bid to be submitted by the deadline of 6<sup>th</sup> July 2022.
- 10.2 It is considered prudent to submit a bid to round 2 to be in with a chance of securing funding, rather than miss round 2 and find that there are no future rounds. However, it should be noted that given the short timescales to complete the business cases there will still be further due diligence and development of project delivery requirements work to undertake. This work will continue following submission to Government on 6th July 2022 and leading up to the announcement of the outcome of round 2 expected by the end of the year. Subject to the successful outcome of the bid, a separate report will be brought to Cabinet to approve the final scope of the Oasis project and to amend the capital programme for 2022-26 to incorporate the match funding and delivery requirements of the project.

10.2 Key risks to be considered;

Risk	Impact/Mitigation	Likelihood
Project Due Diligence	<p>Insufficient time to develop project comprehensively results in insufficient level of due diligence that may result in impact on costs, deliverability and project risks later down the line.</p> <p>Mitigation: Further due diligence and development of project delivery requirements work will be undertaken. This work will continue following submission to Government on 6th July 2022 and leading up to the announcement of the outcome of round 2 expected by the end of the year. A further report will be required to Cabinet. Topographical surveys were previous undertaken as detailed in the report. A budget to be allocated to fund this work as detailed in the report.</p>	High
Project Costs and overruns	<p>Insufficient time to develop project comprehensively through detailed feasibility to assess constraints and risks associated with project and ensure a robust cost plan is prepared. Result in potential cost overruns on project if project budget not scoped sufficiently to cover unknown risks and constraints.</p> <p>Mitigation: ensure costs are continually monitored at key milestones before proceeding to next stage. Consider options to scale projects. See also comments under project due diligence.</p>	Medium

Risk	Impact/Mitigation	Likelihood
Affordability	<p>Scheme not had sufficient time to complete thorough costs, due diligence and funding package assessments, resulting in increased costs that cannot be funded or are not affordable within the Council's financial constraints.</p> <p>Mitigation: ensure costs are continually monitored at key milestones before proceeding to next stage. Consider options to scale projects. See also comments under project due diligence.</p>	Medium
Managing stakeholder expectations	<p>Expectations of public and stakeholders are raised and will need to be managed if the projects do not progress.</p> <p>Mitigation: Ensure that expectations are managed in all comms around the LUF bid process.</p>	Medium
Impact on revenue implications	<p>Insufficient time to complete comprehensive due diligence results in high level assumptions on future revenue costs that may not be sufficient, resulting in unaffordable/revenue implications later on in the project.</p> <p>Mitigation: Ensure costs are continually monitored at key milestones before proceeding to next stage. Consider options to scale projects. See also comments under project due diligence.</p>	High
Economic conditions	<p>Wider economic conditions creates uncertainty on level of contingency and inflation to be applied for projects that need to be delivered by 2025. Results in potentially higher costs and insufficient funding to cover shortfall, impacts on project scope and deliverability.</p> <p>Mitigation: ensure projects are developed in sufficient time to have been market tested with up to date costs and intelligence with available contractors and suppliers. See also comments under project due diligence.</p>	High

## **11 Appendices**

Appendix 1 – LUF Project Options Appraisal

## **12 Background Papers**

Levelling Up Fund Prospectus, April 2022 [Levelling Up Fund Round 2: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107121/levelling-up-fund-round-2-prospectus-2022.pdf)

Hunstanton Prospectus, 2017 [Hunstanton prosperity documents | Borough Council of King's Lynn & West Norfolk \(west-norfolk.gov.uk\)](https://www.west-norfolk.gov.uk/media/107121/hunstanton-prospectus-2017.pdf)

King's Lynn Town Investment Plan, 2021

BCKLWN Corporate Plan [Corporate business plan | Corporate business plan | Borough Council of King's Lynn & West Norfolk \(west-norfolk.gov.uk\)](https://www.west-norfolk.gov.uk/media/107121/bcklwn-corporate-plan-2021.pdf)

**Pre-Screening Equality Impact  
Assessment**

Borough Council of  
**King's Lynn &  
West Norfolk**



Name of policy/service/function	King's Lynn Town Deal				
Is this a new or existing policy/service/function?	Existing				
Brief summary/description of the main aims of the policy/service/function being screened.  Please state if this policy/service is rigidly constrained by statutory obligations	Submission of a funding application to a national competitive funding programme for project(s) that would support the government's levelling up agenda.				
<b>Question</b>	<b>Answer</b>				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups <b>according to their different protected characteristic</b>, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability	✓			
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Other (eg low income)	✓			





Appendix 1 LUF Project Options Appraisal

Project	Project Description	Alignment with LUF Outputs & Outcomes	Strategic Fit	Economic Case*	Deliverability
<p><b>Recommended Project</b></p> <p>Leisure and Entertainment Development, Hunstanton</p>	<p>Move the Oasis centre, a key health and leisure facility in Hunstanton, onto a new location.</p> <p>Replacement leisure centre including existing facilities of current Oasis and activity box</p> <p>Est Cost £29m</p>	<ul style="list-style-type: none"> <li>• Sports centre space created or improved</li> <li>• Activity space created or improved</li> <li>• Health facility access improved</li> <li>• Public realm improved</li> <li>• Change in footfall</li> <li>• Change in perception of place</li> <li>• Change in consumer spending</li> <li>• Public amenities/facilities created, improved, or relocated</li> <li>• Change in employment rate</li> </ul>	<ul style="list-style-type: none"> <li>• Hunstanton Prospectus (2017)</li> <li>• Tourism Development Plan</li> <li>• Net Zero</li> <li>• MP and member support</li> <li>• Significant public interest in leisure centre improvements (over 1000 responses to engagement survey) and a clear mandate from the community for improvements</li> <li>• Improvements to resident health</li> <li>• Significant regeneration offer on old site</li> <li>• Unlock private sector investment</li> <li>• Demand for year-round employment</li> <li>• Enhance year-round and evening leisure offer for the community</li> <li>• Option for future transformational cultural offer for positive future opportunities for tourists, day visitors, students and the local community</li> </ul>	<ul style="list-style-type: none"> <li>• Health, wellbeing and social outcomes</li> <li>• Increased local employment</li> <li>• Year-round visitor and resident offer</li> <li>• Local economic growth</li> <li>• Greenhouse Gas reduction benefits</li> <li>• Asset management savings/operational efficiency</li> <li>• Stimulation of private sector investment</li> </ul>	<ul style="list-style-type: none"> <li>• Blueprint for leisure centre build which can be scaled</li> <li>• Partnership with UEA</li> <li>• Over 600 members of the community would like to engage on developments</li> <li>• Bid under development and nearing completion (due to be completed in time for submission)</li> <li>• Further scoping required: No detailed feasibility and due diligence completed</li> <li>• Maximum LUF bid = £20m. Additional costs to be secured by KLWN</li> <li>• No affordable match funding package</li> <li>• No site-specific cost plan prepared</li> </ul>

**Appendix 1 LUF Project Options Appraisal**

<b>Project</b>	<b>Project Description</b>	<b>Alignment with LUF Outputs &amp; Outcomes</b>	<b>Strategic Fit</b>	<b>Economic Case*</b>	<b>Deliverability</b>
Other option considered: Enterprise Zone Infrastructure, King's Lynn	Nar Ouse western highway infrastructure, and employment land remediation of final plots E and F. To produce 'oven ready' development platform in demand from developers and business occupiers  Est Cost £8m	<ul style="list-style-type: none"> <li>-Change in business investment</li> <li>-Change in business sentiment</li> <li>-Land rehabilitated</li> <li>-Newly built roads</li> <li>-New or improved pedestrian paths</li> </ul>	<ul style="list-style-type: none"> <li>-Weaker stakeholder, member and MP support</li> <li>-Priority in the NALP Economic Strategy to bring forward new investment opportunities on Enterprise Zones</li> <li>-Fulfils part 2A of environmental protection act 1990</li> <li>-Facilitate growth in LEP high impact sectors</li> <li>-Town Investment Plan priority to support innovative &amp; growing businesses, particularly in high productivity sectors</li> <li>-Extensive evidence of market failure</li> <li>-Regeneration of brownfield land (20,000 M3)</li> </ul>	<ul style="list-style-type: none"> <li>-Land value uplift</li> <li>Unlock private sector investment</li> <li>-Increased employment: 528 direct and 840 indirect jobs, 11k sqm of business space</li> <li>-Option for innovation and incubation support</li> <li>-Income generation potential of £7.6m</li> <li>-Uplift land value</li> </ul>	<ul style="list-style-type: none"> <li>-Possible challenges with redevelopment given land conditions</li> <li>-Strategic and Economic case bid sections complete, significant resource issues to complete management financial and commercial sections</li> <li>-Planning permission secured</li> <li>-RIBA stage 2 completed</li> <li>-Affordable funding package</li> <li>-Co funding through wider EZ infrastructure Pot B</li> </ul>

*\*At the date of this report, Benefit Cost Ratios have not yet been calculated.*

**REPORT TO CABINET**

<b>Open</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 Graham Middleton E-mail: <a href="mailto:cllr.graham.middleton@west-norfolk.gov.uk">cllr.graham.middleton@west-norfolk.gov.uk</a>		Other Cabinet Members consulted: Cllr Stuart Dark, Cllr Richard Blunt			
Lead Officer: Lorraine Gore E-mail: <a href="mailto:Lorraine.gore@west-norfolk.gov.uk">Lorraine.gore@west-norfolk.gov.uk</a>		Other Members consulted:			
Lead Officer: Lorraine Gore E-mail: <a href="mailto:Lorraine.gore@west-norfolk.gov.uk">Lorraine.gore@west-norfolk.gov.uk</a>		Other Officers consulted: Duncan Hall, Jemma Curtis			
Financial Implications NO	Policy/ Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment NO If YES: Pre-screening	Risk Management Implications NO	Environmental Considerations YES

Date of meeting: 24 June 2022

**NORFOLK COUNTY COUNCIL LEVELLING UP FUND TRANSPORT APPLICATION**

**Summary**

This report provides an overview of Norfolk County Council's proposed application under the Transport strand of round 2 of the Levelling Up Fund. This report sets out the proposed scheme to be submitted by 6 July 2022 and seeks Borough Council support for the application.

**Recommendations**

1. Cabinet endorses the application being made by Norfolk County Council (appendix 1) and provides a letter of support.
2. In principle support to provide a land value contribution to the scheme, subject to a further report to cabinet once details of the scheme and land required is confirmed, if the application by Norfolk County Council is successful.

**Reason for Decision**

To secure investment to deliver transformation improvements at the Southgates and the Gyratory which are key gateways into King's Lynn and to support delivery of priorities set out in the King's Lynn Town Investment Plan.

## **1 Background**

- 1.1 In March 2022, the government launched round 2 of the Levelling Up Fund (LUF), designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets. Upper tier authorities can apply under a separate 'Transport only' strand of LUF for up to £50m. Transport schemes are expected to deliver or improve cycling and walking infrastructure and include bus priority measures.
- 1.2 Norfolk County Council's proposed submission is proposed to include the Gyratory and Southgates schemes which have been under development as part of the King's Lynn Town Investment Plan and Heritage Action Zone programme. Details of the rationale and approach for the application are set out in appendix 1. If the application is successful, the scheme will provide highways, public transport cycling, walking and public realm infrastructure to support the wider redevelopment and regeneration of the 2 key gateways to the town centre.

## **2 Policy Implications**

- 2.1 The scheme is inline with the Town Investment Plan mission to provide a sustainably connected town, through reduced congestion and better connectivity between the town, its catchment area and residential growth areas, creating safer walking and cycling routes.
- 2.2 The Gyratory scheme is an approved project under the original Town Deal Heads of Terms offer from government under the Active & Clean Connectivity (ACC) Programme. Detailed feasibility has been undertaken by NCC and consultants WSP to develop the scheme over the last year. It was agreed by the Town Deal Board and Cabinet (8 June 2022 report refers) as part of the reprioritization exercise to remove this project from the ACC Town Deal programme and explore other alternative funding sources. This is subject to approval by DLUCH which is expected at the end of June / early July.
- 2.3 The Southgate element of the proposal has been developed through the wider Southgates masterplanning that is underway as part of the Heritage Action Zone programme. Consultants BDP has been commissioned by the Borough Council to prepare a holistic and transformational masterplan and vision for the area. Masterplan options has been developed through a review of work to date, site constraints, government policy on active travel and net zero and stakeholder engagement. A preferred option has been developed which the LUF scheme is based on and will be subject to wider public consultation in the Autumn.
- 2.4 The scheme is strongly aligned with the Corporate Business Plan Vision for;

### **West Norfolk is a place where:**

- businesses and people can flourish
- communities are active and healthy
- residents and visitors can access fulfilling cultural, leisure and sporting activities
- a good quality of life and environment are available to all

The Scheme directly and indirectly supports objectives to;

- Deliver growth in the economy and with local housing
- Create and maintain good quality places that make a positive difference to people's lives.
- deliver on our commitment to be carbon neutral by 2035, or earlier, by implementing the council's carbon reduction strategy and encourage and collaborate with our partners, communities and local businesses to reduce their environmental impact

- 2.5 Supporting NCC's proposal is in line with the Council's aims and objectives set out in the Climate Change Strategy and Action Plan and respond positively to the Climate Change emergency that has been declared by the Council.

## **5 Financial Implications**

- 5.1 There is no direct financial implication to the Borough Council at this stage. Subject to the outcome of the application, a further report will be brought back to cabinet on the implications of the proposal on the Council's land holdings in the area. Norfolk County Council have requested a land contribution to the scheme.

## **6 Personnel Implications**

None for the Borough Council

## **7 Environmental Considerations**

- 7.1 Government policy and bids must demonstrate the importance of consideration to net zero in the development and delivery of all projects, consider promoting clean growth investment to deliver decarbonisation, improved air quality and health and economic growth objectives in their design, to contribute to the council's Climate Change policy and move towards carbon reduction.

## **8 Statutory Considerations**

None for the Borough Council

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

- 9.1 Equality Impact Assessment pre-screening form is attached to this report. This shows that a full impact assessment is not required at this stage.

## **10 Risk Management Implications**

None for the Borough Council

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

## **12 Appendices**

Appendix 1 – Norfolk County Council Cabinet Report

## **13 Background Papers**

Levelling Up Fund Prospectus, April 2022 [Levelling Up Fund Round 2: prospectus - GOV.UK \(www.gov.uk\)](#)  
King's Lynn Town Investment Plan, 2021  
King's Lynn Town Deal Update Cabinet Report, 8 June 2022  
Southgates Masterplanning Cabinet Report, 15 June 2021

**Pre-Screening Equality Impact  
Assessment**

Borough Council of  
**King's Lynn &  
West Norfolk**





Name of policy/service/function	King's Lynn Town Deal				
Is this a new or existing policy/service/function?	Existing				
Brief summary/description of the main aims of the policy/service/function being screened.  Please state if this policy/service is rigidly constrained by statutory obligations	Submission of a funding application to a national competitive funding programme for project(s) that would support the government's levelling up agenda.				
<b>Question</b>	<b>Answer</b>				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups <b>according to their different protected characteristic</b>, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability	✓			
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Other (eg low income)	✓			



# Cabinet

Item No:

## **Report Title: Levelling Up Fund Bid for the Southgates and Gyratory Bus and Active Travel scheme in King's Lynn**

### **Executive Summary / Introduction from Cabinet Member**

Working in partnership with the Borough Council of King's Lynn and West Norfolk (BCKLWN) Norfolk County Council have developed a Transport Strategy which was adopted in spring 2020 which has a number of transport interventions aligned with regeneration aspirations for the town. These include transformational layout changes to the Southgates area and roundabout. Recent masterplanning by BCKLWN has indicated several possible options which dispense with the current roundabout and provide alternative signalised junction forms. The intention of these is to both provide a better layout of land for regeneration development on land the BCKLWN owns and to enable bus priority and Active Travel (walking and cycling) measures to be incorporated into the junction.

In addition to this, building on the recently adopted Local Cycling and Walking Infrastructure Plan (LCWIP) a scheme has been developed for the central town centre Gyratory focussing on Railway Road that introduces cycle lanes and measures to advantage bus services. The scheme has been developed with input from bus operators, NCC network management staff and taking account of the views of cycle groups. This scheme was going to form part of the King's Lynn Town Deal allocation bid but has been removed to ensure there is sufficient funding for other schemes in the programme.

### **Recommendations:**

- 1. Cabinet is asked to approve in principle the donation of land to support the delivery of the project, should the County LUF bid be successful.**

#### **1. Background and Purpose**

1.1 Levelling up is at the heart of the government's agenda following the pandemic with Government publishing their Levelling Up Fund Round 2: Prospectus on 23 March 2022. This is a capital only competitive Fund and part of a package of funding measures including the Community Renewal Fund, Community Ownership Fund, Plan for Jobs, Freeports programme, Infrastructure Bank, Towns Fund, and the recently announced UK Shared Prosperity Fund (UKSPF).

- 1.2 Government is encouraging bids to focus on supporting high priority and high impact projects that will make a visible positive difference to local areas. Each Norfolk district local authority can submit bids to the Levelling Up Fund under three investment themes: local transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets. However, Norfolk County Council is the Highway Authority for the County and can therefore only submit **one transport-only bid** which must be for at least 90% transport (by value).
- 1.3 The assessment of bids will focus on four criteria: characteristics of places, deliverability, strategic fit with local and Fund priorities, and the economic case.
- 1.4 The second round of funding is open to projects that can demonstrate spend from the Fund in the 2022-23 financial year with the expectation that all funding will be spent by 31 March 2025, and by 2025-26 on an exceptional basis. It is not known at present if there will be further rounds.

## 2. Proposal

- 2.1 The County Council as the Highway Authority can only submit one bid up to £20m (or up to £50m by exception).
- 2.2 Working in partnership with the Borough Council of King's Lynn and West Norfolk (BCKLWN) NCC have developed a Transport Strategy which was adopted in spring 2020 which has a number of transport interventions aligned with regeneration aspirations for the town. These include transformational layout changes to the Southgates area and roundabout. Recent masterplanning by BCKLWN has indicated several feasible options which dispense with the current roundabout and provide alternative signalised junction forms. The intention of these is to both provide a better layout of land for regeneration development on land the BCKLWN owns and to enable bus priority and Active Travel (walking and cycling) enhancements to be incorporated into the junction.
- 2.3 In addition to this, building on the recently adopted Local Cycling and Walking Infrastructure Plan (LCWIP) a scheme has been developed for the central town centre Gyrotory focussing on Railway Road that introduces cycle lanes and measures to advantage bus services. The scheme has been developed with input from bus operators, NCC network management staff and taking account of the views of cycle groups. This scheme was going to form part of the King's Lynn Town Deal allocation bid but has been removed to ensure there is sufficient funding for other schemes in the programme.
- 2.4 Government measured places on an Index of Priority Places to identify their need for investment. This considers the following place characteristics:

- Need for economic recovery and growth (considering productivity, skills, and unemployment).
- Need for improved transport connectivity (considering journey times to employment centres); and
- Need for regeneration (considering commercial and dwellings vacancy rates).

2.5 In Norfolk, the local authorities and their priority category are set out below.

Category 1 places are those scoring as being most in need of levelling-up. This forms part of the bid assessment. North Norfolk was in category 2 during the first round of funding but has subsequently been moved up.

- Great Yarmouth:1
- King's Lynn and West Norfolk:1
- North Norfolk:1
- Breckland:2
- Norwich: 2
- South Norfolk: 2
- Broadland: 3

2.6 The County Council is proposing to submit a *Large transport bid (from a single applicant) over £20 million* for a package of two schemes in King's Lynn, the improvements to the Southgates Roundabout and the Gyratory public transport and Active Travel scheme described above. The roundabout is a key gateway into the town of King's Lynn and suffers from regular peak hour congestion, affecting public transport reliability as well as other travel modes. Navigation through the junction is difficult for people on foot or bicycle. The proposal is for a large transformative improvement which would provide significant benefit to the community by enabling the regeneration of the area using land the BCKLWN has bought. The area is also recognised as needing improvement as it has been subject to Heritage Action Zone (HAZ) funding. As well as significant, transformative benefits to the public realm and streetscene it will benefit the local economy and local community by transforming this key gateway area into the town. The project will improve cycling and walking infrastructure and include bus priority measures.

2.7 A bid to the levelling Up Fund will need to be submitted by 12pm Wednesday 6 July.

2.8 In developing the Southgates element of the scheme, the BCKLWN consultants have engaged with a variety of stakeholders and interests on their Masterplan vision. A log of this activity will be used to support the bid. For the town centre gyratory element, this has been developed over recent months with input from bus operators, NCC network management staff and taking account of the views of cycle groups. The Gyratory element also has the support of the Town Deal (Active and Clean Connectivity Programme) Board and its inclusion delivers a

far stronger bid, as it meets additional outcomes and outputs and elements are deliverable within the timeframe.

2.9 Both scheme elements also align very well with the Town Investment Plan and have good linkages and a strong case for delivering them as a package. These include:

- They are good schemes in isolation both delivering on the current transport agenda but are truly transformational in combination.
- They are located on the Town Deal Active and Clean Connectivity corridor from the West Winch Growth area to the town centre which is also a focus of the Bus Back Better BSIP funding.
- The switch to Active Travel will deliver on Climate Change and Healthy Lifestyle agendas and will have a greater impact in combination providing a sea change to perceptions of travel within the town.

### **3. Impact of the Proposal**

- 3.1 Investment in local transport networks can boost growth, improve connectivity, and making places healthier, greener, safer, and more attractive. This can improve access to jobs whilst supporting cleaner air and greener, healthier travel whilst removing congestion pinch points.
- 3.2 It is estimated that the total cost of the scheme will be more than £20m. Exact costs will be confirmed once detailed modelling is carried out. Initial work to be completed by 6 July in support of the bid should give an initial cost estimate which will be refined further as more work is carried out on subsequent scheme and business case development.
- 3.3 The desired impact of submitting a bid now is not only to secure a commitment to fund but also to raise awareness of our proposal with DfT.
- 3.4 Norfolk County Council have asked their Cabinet to both approve the submission of the bid and to underwrite the 10% local contribution as is suggested for LUF schemes.

### **4. Evidence and Reasons for Decision**

- 4.1 There are several reasons why the County Council is putting forward this bid:
- 4.2 King's Lynn and West Norfolk is a category 1 priority place which means Government feels it is most in need of investment.

- 4.3 The project complements projects underway as part of the district's [King's Lynn Town Deal](#).
- 4.4 Furthermore, the project offers a very strong strategic fit with local plans including [King's Lynn Local Cycling and Walking Plan](#), [Transport for King's Lynn, Norfolk Bus service improvement plan](#), [Local Transport Plan](#) and the [King's Lynn Local Plan](#).
- 4.5 The project will significantly improve cycle, pedestrian and vehicle flow, improve public transport reliability, support modal shift and improve passenger experience.
- 4.6 The project should support the other key themes of the bid: economic recovery and growth, and regeneration.
- 4.7 Delivering to government's required timescale (delivery complete by March 2025, exceptionally by March 2026) is extremely challenging. Developing projects to such a stage that they can be delivered almost immediately should a bid opportunity arise is unrealistic, although elements of the bid, particularly the gyratory works, can be delivered within timescales. The bid will therefore clearly set out what is practicable but will challenge full delivery assumptions. Government will be asked to allow a further exception given the excellent strategic fit with levelling up fund bid criteria. At the time of writing, the business case is being developed which will show early deliverables, a programme for the whole project, and the cost-benefit analysis. Of all potential projects scoped across the county, this proposal is considered to best fit the criteria for this round of levelling up.
- 4.8 Moreover, the project supports Government's strategies [Net Zero Strategy: Build Back Greener](#) and [Levelling Up White Paper](#). It includes a strong public transport and active travel element, which government has made clear should be a key feature of any proposal for which government funding is sought.
- 4.10 The County Council has considered other projects within priority 1 areas. As the County Council only receives one bid it needs to be transformational, fit within all the criteria set out in the guidance and deliver on government's commitments.

## **5. Financial Implications**

- 5.1 At the time of writing the total cost of the scheme to be submitted is still being worked up, but for both elements is likely to total less than £30m. Officers are in discussion with partners on the content of the bid. Consultants WSP have been commissioned to develop the scheme and provide cost estimates. The guidance states "A local contribution of 10% or higher (local authority and/or third party) of the bid costs is encouraged." Match funding is considered to be required to

maximise chances of a successful bid and Norfolk County Council are committing to underwrite this – after a cabinet member review.

5.2 NCC are seeking the land contribution from the Borough Council to be made without charge. This would be the subject of a bid to the Capital programme on receipt of a successful outcome from government.

## **6. Resource Implications**

**7.1 Staff:** Norfolk County Council officers will work alongside the Borough Council of King's Lynn and West Norfolk's and WSP officers to put together a comprehensive and transformational bid that will have a beneficial impact on the local community.

**7.2 Property:** None.

**7.3 IT:** None.

## **7. Other Implications**

**8.1 Legal Implications:** Legal implications of further developing and implementing the scheme will be addressed at that stage. There are no legal implications associated with submitting the bid by 6 July 2022.

**8.2 Human Rights Implications:** None.

**8.3 Equality Impact Assessment (EqIA) (this must be included):** If the decision is agreed and a bid is successful an EQIA will be developed alongside the detailed design process when developing the project.

**8.4 Data Protection Impact Assessments (DPIA):** None.

**8.5 Health and Safety implications (where appropriate):** None.



**8.6 Sustainability implications (where appropriate):** A key objective of the scheme is to improve conditions for and encourage the sustainable transport modes of public transport, walking and cycling.

**8.7 Any Other Implications:** None.

## **8. Risk Implications / Assessment**

9.1 There are risks with ensuring we make the bid as strong as possible, but a project management structure is in place to draw on the relevant expertise.

9.2 There is a risk that the bid will not be successful.

## **9. Select Committee Comments**

9.1 The proposal has not been referred to the Infrastructure and Development Select Committee in advance due to tight timescales relating to bidding for the funding and needing appropriate sign off from the Borough Council of King's Lynn and West Norfolk's committees.

## **10. Recommendations**

**1. Cabinet is asked to approve in principle the donation of land to support the delivery of the project, should the County LUF bid be successful.**

## **12. Background Papers**

12.1 The Levelling Up Fund Round 2: Prospectus can be found [here](#).

12.2 The Levelling Up Fund Round 2: Technical Note can be found [here](#).

### **Officer Contact**

If you have any questions about matters contained within this paper, please get in touch with:

**Officer name:** Matt Tracey

**Telephone no.:** 01603 223275

**Email:** [matt.tracey@norfolk.gov.uk](mailto:matt.tracey@norfolk.gov.uk)



**REPORT TO CABINET**

<b>Open</b>		Would any decisions proposed :			
<b>Any especially affected Wards</b>	Discretionary	Be entirely within Cabinet's powers to decide		YES	
		Need to be recommendations to Council		NO	
		Is it a Key Decision		NO	
Lead Member: Cllr Graham Middleton E-mail: <a href="mailto:cllr.graham.middleton@west-norfolk.gov.uk">cllr.graham.middleton@west-norfolk.gov.uk</a>		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Duncan Hall E-mail: <a href="mailto:Duncan.Hall@west-norfolk.gov.uk">Duncan.Hall@west-norfolk.gov.uk</a> Direct Dial: 01553 Lead Officer: Jemma Curtis E-mail: <a href="mailto:jemma.curtis@west-norfolk.gov.uk">jemma.curtis@west-norfolk.gov.uk</a> Direct Dial: 01553 616716		Other Officers consulted: Chief Executive, Assistant Director & Monitoring Officer, Assistant Director & Section 151 Officer			
Financial Implications Yes	Policy/ Personnel Implications NO	Statutory Implications NO	Equalities Impact Assessment YES If YES: Full Assessment	Risk Management Implications Yes	Environmental Considerations No
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 24 June 2022

**KING'S LYNN TOWN DEAL GUILDHALL & CREATIVE HUB BUSINESS CASE**

<p><b>Summary</b></p> <p>King's Lynn was awarded by Government a £25m 'Town Deal' in June 2021, subject to the completion of business cases for the projects approved under the Heads of Terms offer.</p> <p>The objective of the Towns Fund programme is to drive the sustainable economic regeneration of towns to support long term economic and productivity growth. A Town Deal is a three-way agreement in principle between Government, the lead local authority and the Town Deal Board.</p> <p>This report summarises the business case for the St George's Guildhall and Creative Hub project for approval by the Cabinet in the Council's capacity as the "Accountable Body" to MHCLG and as part of the Council's role on the Town Deal Board.</p> <p><b>Recommendation</b></p> <p>Cabinet is recommended to;</p> <ol style="list-style-type: none"> <li>1. Endorse the draft Business Case as set out in appendix 1.</li> <li>2. Delegated authority is granted to the Chief Executive, the Deputy Leader and the Portfolio Holder for Development and Regeneration to approve the final Business Case in their capacity as representatives of the Council on the Town Deal Board.</li> <li>3. Delegated authority is granted to the Section 151 Officer to approve the final Business Case and sign the Business Case Summary Document for</li> </ol>
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submission to government in the Council's capacity as Accountable Body for the Town Deal.

### **Reason for Decision**

To approve the Business Case as the Accountable Body for the Towns Fund to ensure the funding is secured to deliver the Guildhall & Creative Hub project; to deliver the investment priorities in the Town Investment Plan for King's Lynn and support the long term economic prosperity of the town.

## **1. Background**

- 1.1 On 8 June 2021, the Government offered King's Lynn a Town Deal with a Heads of Terms offer for up to £25m as part of the £3.6bn Towns Fund programme. The £25m Heads of Terms offer was based on the strategic case, vision, strategy and priorities set out in the Town Investment Plan (TIP) which was submitted to government in October 2020 and subsequently updated in February 2021.
- 1.2 The TIP is the overarching vision and strategy setting out the area's assets, opportunities, challenges and ambitions for the next 10 years and identifies investment priorities to drive economic growth, regeneration, skills & enterprise infrastructure, transport and digital connectivity. On 24<sup>th</sup> August 2021, Cabinet endorsed 7 projects agreed by the Town Deal Board under the Town Deal for King's Lynn, in the Council's capacity as the 'Accountable Body' and work has been progressing on the agreed projects in the intervening months.
- 1.3 Following the signing of the Heads of Terms with government, the lead authority had to develop the agreed projects in detail to full business case stage, in accordance with the HM Treasury Green Book appraisal process. Of the 7 projects within the Town Deal, 2 have had business cases completed, submitted and agreed by Government. These are the King's Lynn Youth & Retraining Pledge project and the Rail to River Public Realm project.
- 1.4 The Town Deal Update report to Cabinet on 8<sup>th</sup> June 2022 approved the reprioritisation of the Town Deal as agreed by the Town Deal Board, and the submission of project adjustments requests to government seeking changes to funding allocations, and revised outputs and outcomes for the remaining 5 projects which did not yet have business cases completed. The reprioritisation has resulted in a revised Town Deal programme from 7 to 6 projects.
- 1.5 The Guildhall & Creative Hub project was identified as the highest priority project in the revised Town Deal programme, due to the deliverability and the fit with strategic objectives outlined in the TIP. The project is subject to a change in the Town Deal funding allocation to enable the progression of the project to the full scale and scope now envisaged, following detailed business planning work to develop the project business case. At the time of writing this report, the project adjustments have been submitted and awaiting approval by the government Minister responsible for all Town Deals. However, in order to meet the business case timescales set out by government, the council has progressed with the business case on the assumption the revised funding allocation will be approved, given the positive dialogue we have received from the government department to date.

- 1.6 The role of the Accountable Body in approving business cases, is to verify that the case has been completed in accordance with HM Treasury Green Book guidance to ensure the financial and delivery arrangements for the project are robust, and will ensure delivery within the Towns Fund programme timeframe (delivery by 31<sup>st</sup> March 2026).
- 1.7 This report provides Members with the draft Business Case for the project which is being progressed through the approved [Local Assurance Framework](#) for all Towns Fund business cases. The report seeks approval from cabinet to approve the Business Case in the Council's capacity as Accountable body for the fund. A substantial report on the funding strategy and ongoing management and revenue implications of the Guildhall project was approved by Cabinet on 11<sup>th</sup> April 2022. Full and further details on those arrangements are detailed in the report approved by Cabinet and it is not intended to repeat the content of that report, within this report. The Business Case presented in Appendix 1 reflects the arrangements approved in the April cabinet report.

## **2. Guildhall & Creative Hub Business Case**

- 2.1 The process for signing off the final project business cases must be in accordance with the agreed Local Assurance Framework. The Town Deal Board considered the draft Business Case (appendix 1) at its meeting on 17<sup>th</sup> June 2022. An update on the feedback from the Town Deal Board and any changes to be made to the final draft will be updated at the Cabinet meeting.
- 2.2 Following consideration of the draft Business Case by Cabinet and the Town Deal Board, the Business Case will be reviewed by an independent appraisal specialist and a subsidy control specialist in line with the Local Assurance Framework, to ensure it complies with the Government Guidance and regulations. The final version of the Business Case will incorporate any feedback received from these independent reviews. A verbal update on any feedback and comments received will be provided at the Cabinet meeting.
- 2.3 The final project Business Case will be issued to the Town Deal Board for approval and then submitted to government into a 'Summary Document', signed off by the Chair of the Town Deal Board and the Council's Section 151 Officer. The summary is then reviewed by government to ensure the conditions of the Heads of Terms have been met and annual funding is then released. The full Business Case can be 'called in' by Government if it wishes to do so.
- 2.4 Developing a Treasury 'Green Book' compliant business case is a process for developing and gaining approval which is scalable to the specific project, covering the 5 case model;
- Strategic Case – Is there a case for change?
  - Economic Case – Which proposal delivers the best value for money?
  - Commercial Case – How will the preferred option be procured and delivered?
  - Financial Case – Is the preferred option affordable?
  - Management Case – How will the preferred option be managed and governed?
- 2.5 An important part of the Business Case for government is the Value for Money assessment which is completed as part of the Economic case. The Economic appraisal for this project has calculated a Benefit Cost Ratio of 2.1 and therefore demonstrates 'high' Value for Money. The full economic appraisal is contained in the Business Case (appendix 1).

### **3 Consultation & Engagement**

- 3.1 A comprehensive and detailed range of community and stakeholder engagement was undertaken to inform the development of a Business Plan for the site which has informed the project Business Case. A comprehensive Communications and Stakeholder plan has been developed for the project to ensure on going involvement of members, residents, businesses and stakeholders throughout the development of the project.
- 3.2 A key element of stakeholder and community engagement for individual projects is through the sub groups/working groups that have been established by the Town Deal Board and chaired by members of the Town Deal Board for specific TIP themes/projects including;
- St Georges Guildhall & Creative Hub Advisory Group – chair Michael Baldwin
  - Public Realm & Repurposing Working Group – chair Vicky Etheridge
  - Skills Working Group – chair David Pomfret

### **4 Section 151 Approval**

- 4.1 As set out in 2.3, the final project Business Case 'Summary Document' will be submitted once the Business Case has been signed off by the Chair of the Town Deal Board and the Council's Section 151 Officer.
- 4.2 The process for assessing the Business Case complies with the Governance arrangements as set out in the Local Assurance Framework. Key components of assurance have been provided through the following activities:
- The Business Case has been appraised using HM Treasury Green Book appraisal principles
  - An independent assessment of the business case has been undertaken
  - An independent review of any subsidy control implications has been completed
  - The Value for Money assessment generated a positive Benefit Cost Ratio score
- 4.3 It is noted that the project does come with risks and these are set out in detail within the business case and associated risk register. A key risk identified is failure to deliver the business plan projections. An example of this is the estimated visitor numbers as projected by professionals with relevant experience in the cultural sector. The risk to the council if the projections are not realised is the continuation of a deficit position which the council may need to support. However, the business case also sets out how these risks can be mitigated to minimize the risks.
- 4.4 The Council's Section 151 Officer is satisfied that the business case has complied with the Local Assurance Framework as set out above and is minded to approve the business case for submission in the context of recognizing the risks as set out in the business case and that necessary processes for monitoring, tracking and taking appropriate actions to minimize risk to the council is put in place at the earliest opportunity.

### **5 Risk**

- 5.1 A detailed Risk register is included in the Business Case.

## **6 Environmental Considerations**

- 6.1 One of the primary objectives of the Towns Fund is to promote clean growth investment to deliver decarbonisation, improved air quality and health and economic growth. The Business Case has, and further development of the detailed design of the project going forward will go on to consider these objectives in the design to contribute to the council's Climate Change policy and move towards carbon reduction.

## **7 Financial Implications**

- 7.1 The financial implications of the project to the Council was set out and approved at the Cabinet meeting on 11 April 2022. The funding contribution from the Council towards the project was approved by Cabinet and Council (report 11<sup>th</sup> April 2022) and is already agreed in the capital programme.
- 7.2 A Stage 1 submission to the National Lottery Heritage Fund to secure funding of £3,326,910 was made in May 2022 and a decision is expected in September 2022. If successful, a Stage 2 development submission will be required to be submitted by November 2023 to release the full funding for the delivery phase. However, if the outcome of this is not successful, a further report will be brought back to Cabinet on alternative funding or scheme options.

## **8. Policy & Personnel Implications**

- 8.1 The Business Case is in line with the Corporate Business Plan objectives to;

Delivering growth in the economy and with local housing

- promote the borough as a vibrant place in which to live, to do business and as a leading visitor and cultural destination
- develop and facilitate the range and quality of business premises available

Improving social mobility and inclusion

- continue to assist our residents to maximise their opportunities by accessing the support and services they are entitled to
- work with partners to improve education attainment levels and the skills of local people

Creating and maintaining good quality places that make a positive difference to people's lives

- protect, promote and enhance the borough's natural and built environment
- maintain accessible, clean, pleasant and safe public places and communities

## **Appendices**

1. BUSINESS CASE FOR GUILDHALL & CREATIVE HUB TOWN DEAL PROJECT

## **Background Papers**

[Local Assurance Framework](#)

Town Deal Update Cabinet report, 8 June 2022

Guildhall & Creative Hub Cabinet Report 11 April 2022

Town Deal Cabinet Report, 24 August 2021

King's Lynn Town Deal Board papers available on [www.visionkingslynn.com](http://www.visionkingslynn.com)

Towns Fund Further Guidance, June 2020

[St George's Guildhall & Creative Hub Feasibility Study, Foster Wilson, March 2022](#)

[www.visionkingslynn.com](http://www.visionkingslynn.com)



**Pre-Screening Equality Impact  
Assessment**

Borough Council of  
**King's Lynn &  
West Norfolk**



Name of policy/service/function	Regeneration & Economic Development				
Is this a new or existing policy/service/function?	Existing				
Brief summary/description of the main aims of the policy/service/function being screened.  Please state if this policy/service is rigidly constrained by statutory obligations	Business case to secure the Town Deal Funding for the Guildhall & Creative Hub project in King's Lynn. Project will refurbish and regenerate the site to become a more accessible and provide a wide range of cultural activities and opportunities.  N/a				
<b>Question</b>	<b>Answer</b>				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups <b>according to their different protected characteristic</b>, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			√	
	Disability	√			
	Gender			√	
	Gender Re-assignment			√	
	Marriage/civil partnership			√	
	Pregnancy & maternity			√	
	Race			√	
	Religion or belief			√	
	Sexual orientation			√	
	Other (eg low income)	√			



# **ST GEORGE'S GUILDHALL AND CREATIVE HUB**

## **BUSINESS CASE (DRAFT)**

# EXECUTIVE SUMMARY

This is a draft Business Case for the St George's Guildhall & Creative Hub project, the highest priority project set out in the Vision King's Lynn Town Investment Plan, forming key part of the vision objectives to support;

- Growing innovative businesses - attracted by our connectivity and high quality of life and supported by the networks and collaborative support that businesses need
- A repurposed town centre with new experiences and businesses - increasing footfall, enhancing cultural opportunities, with its different parts better connected.

The Business case sets out the strategic, economic, commercial, financial and management aspects of the project to ensure a robust and deliverable project to unlock the Town Deal funding. The Business Case has been developed through extensive market research, consultation, engagement and advice from industry best practice, including cultural specialists and our project partners the National Trust and Norfolk Museum Service. The Value for Money assessment undertaken in accordance with HM Treasury Green Book guidance estimates a benefit cost ratio of 2.1.

The Business Case is a requirement of the government's Towns Fund programme to confirm the funding offered under the Heads of Terms agreed in June 2021. This business case will follow the King's Lynn Town Deal Board's Local Assurance Process prior to submission of a Business Case Summary Document to government. The processes still to be completed (at the time of submission of the NLHF application) are:

25<sup>th</sup> May – BCKLWN Town Deal Programme Board review of draft Business Case

10<sup>th</sup> June – issue to Town Deal Board for review of the Draft Business Case

13<sup>th</sup> June – Summary document prepared including Independent Appraisal, Subsidy Control assessment and Equality Impact Assessment

22<sup>nd</sup> June – BCKLWN Town Deal Programme Board review feedback and final Business Case

1<sup>st</sup> July – Town Deal Board review of final Business Case- subject to anticipated confirmation of project adjustment request

4<sup>th</sup> July – Sign off from Section 151 Officer and Town Deal Board Chair, and submission to DLUHC

PLEASE NOTE THESE DATES COULD BE SUBJECT TO CHANGE

The project team will issue the final Business Case, along with confirmation of project adjustment (funding increase) to NLHF after the processes outlined above.

# INTRODUCTION

King's Lynn is the major commercial, retail and service centre for a large area of East Anglia, and the largest town in West Norfolk. The town's riverfront and historic core is a unique medieval asset of international significance retaining the only surviving Hanseatic buildings in the UK. Today these historic gems are part of a town of 49,000 in 2020, with a wider catchment area of over 500 sq miles of the Fens, Norfolk, south Lincolnshire and Cambridgeshire and circa 250,000 people, including the smaller towns of Wisbech, Swaffham, Hunstanton and Downham Market. King's Lynn also has a vibrant and longstanding tradition of creative and cultural organisations, events and activity. King's Lynn's visitor economy is built on its hospitality, retail and leisure offer and with close proximity to the Sandringham Estate and the Norfolk coastline, King's Lynn is a gateway to some major national visitor assets.



The Town Investment Plan has set clear priorities and a vision for King's Lynn that delivers:

- A repurposed town centre with new experiences and enterprise
- A high-quality residential and leisure offer in the historic town core and riverfront
- Growing innovative businesses
- New opportunities.

St Georges Guildhall and Creative Hub is one of several Towns Fund projects that will help to deliver this vision, transforming the site, from road to river, into a thriving visitor attraction and cultural hub. Its mission is to conserve and promote King's Lynn's heritage and culture, particularly connections to William Shakespeare, making them accessible and welcoming to all, whilst boosting skills and supporting new business and creative practice. The Centre will be a heritage visitor attraction, education resource and commercial creative hub by day, and a theatre and entertainment venue by night, both supported by significant food, beverage and retail offerings.

The Borough Council of King's Lynn & West Norfolk is the accountable body and is leading a partnership with the National Trust and the Norfolk Museums Service to deliver this important project, with support from the National Lottery Heritage Fund (NLHF).

This business case sets out the Strategic, Economic, Financial, Commercial and Management case for the project. It builds on the detailed Activity Plan and Business Plan developed for the NLHF application following extensive consultation. In addition to the five cases the appendix includes:

- Risk Register
- Stakeholder Mapping
- Activity Plan
- Business Plan
- Monitoring and Evaluation Plan.

# STRATEGIC CASE

# STRATEGIC CASE

## INTRODUCTION

This Strategic case sets out the rationale, background, policy context and strategic fit of the public expenditure, and includes clear objectives with a robust logic of change from inputs to outcomes.

St George's Guildhall and Creative Hub (the Centre) is one of several projects agreed to proceed by the King's Lynn Town Deal Board under the government's Towns Fund programme, to drive economic growth in the town. Achieving this growth through culture is well understood and forms one of the key components of the Towns Fund. An improved cultural offer helps, along with other components of the Towns Fund programme, to create and define new purposes and visitor appeal for the town centre, and in this case activate underused valuable heritage assets.

St George's Guildhall and Creative Hub regeneration project is also a cornerstone of Vision King's Lynn. It helps deliver the priorities for a repurposed town centre with new experiences and enterprise, a high-quality residential and leisure offer in the historic town core and for growing innovative businesses whilst providing new opportunities for skills and jobs for young people.

The vision is for the transformation of St George's Guildhall, from road to river, into a thriving visitor attraction and cultural hub (the Centre). Its mission is to conserve and promote King's Lynn's heritage and culture, particularly connections to William Shakespeare, making them accessible and welcoming to all, whilst boosting skills and supporting new business and creative practice. The Centre will be a heritage visitor attraction, education resource and commercial creative hub by day, and a theatre and entertainment venue by night, both supported by significant food, beverage and retail offerings.

Evidence for demand and need is clear. King's Lynn has a thriving cultural and artistic sector serving its wide catchment area of over 250,000 people. Since the closure of the Arts Centre in 2015 this cluster has been without a home and there is strong demand from the sector and community, for additional facilities and assets to both strengthen the offer and enable the sector to grow.

The Borough Council are leading a partnership with the National Trust and the Norfolk Museums Service to deliver this important project through a Town Deal Project Board.

## CASE FOR CHANGE

The Guildhall of St George is the largest surviving Medieval Guildhall in England and is an historic building of national significance (*Purcell Conservation Statement 2016*). It is also reputed to be the oldest continually working theatre in England and recent academic research supports local tradition, that William Shakespeare performed at the Guildhall of St. George in 1593. The protection and celebration of this national cultural asset and history is at the heart of the project. In addition to the economic value set out elsewhere in this business case there is enormous cultural and social value in restoring and developing the Guildhall for the residents of West Norfolk and the many thousands of visitors to the area. Without this intervention the historical, cultural and social value of the area would be hugely diminished with knock-on impacts on people's lives, wellbeing and to society in general.

In its 2014 *Evidence Review of the Value of Arts and Culture to People and Society*, Arts Council England identified that projects like the Guildhall had a significant impact on people's health and wellbeing. Research has evidenced that a higher frequency of engagement with arts and culture is generally associated with a higher level of subjective wellbeing, with those who had attended a cultural place or event in the previous 12 months almost 60 per cent more likely to report good health compared to those who had not. Several studies have reported findings of applied arts and cultural interventions



and measured their positive impact on specific health conditions which include dementia, depression and Parkinson's disease. Engagement in structured arts and culture also improves the cognitive abilities of children and young people.

These arts audience and participation benefits, along with volunteering and labour supply benefits are explored further in the Economic Case.

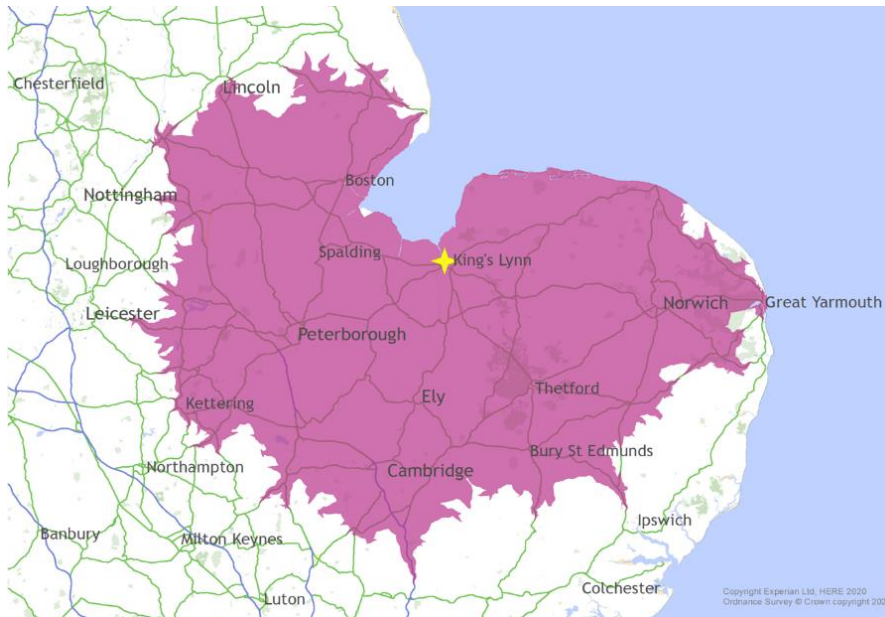
The Guildhall Theatre and Fermoy Art Gallery are part of a site that comprises of buildings constructed and modified in different time periods. In broad terms, the northern units are in the ownership of the National Trust, leased to the council and the southern buildings are freehold, owned by the council. Since approximately the late 1980s, the site has gradually become subdivided with various sub-leaseholders of the council taking parts of the site, in many cases on peppercorn rents. This has led to a situation where no one lease holder has been able to make enough profit to support their activities and maintain the buildings and certainly not a wider engagement with the site. It is subdivided to the point it is economically unviable. Alive West Norfolk currently manage the Guildhall on a 'hall for hire' model but with no active programming or presence on site. Access for visitors has in recent years been facilitated by volunteers of the Shakespeare Guildhall Trust.

In 2018/19 the Guildhall theatre hosted just 60 performances, a utilisation of 17%, with attendances of only 9,727. The Fermoy Gallery staged three temporary exhibitions each lasting approximately two weeks – they cannot continue for longer as there are no environmental control systems in the gallery. It is estimated that attendances for the free tour of the Guildhall were around 12,000. Approximately one FTE casual staff member was involved in delivering the theatre performances and up to ten employees were engaged by the independent business on site. Like all hospitality and entertainment business the Guildhall has been severely affected by Covid-19 and the above, pre-pandemic, usage has been considerably constrained.

The site operates on a net deficit of circa £150,000 per annum. In addition there are outstanding building maintenance liabilities likely to stand at a six or seven figure amount, bringing the total annual cost to the council of £200,000+ per annum.

Working in partnership with Norfolk Museums Service and The National Trust, a new and holistic approach has been taken to developing the Centre through the Guildhall and Creative Hub project, taking into consideration the feedback received from the previous unsuccessful NLHF application for the Guildhall in 2016. The recommended approach demonstrates that the council and partners have carefully considered and addressed the failings of the previous application and are taking a holistic approach to the whole site, responding to a programme of public consultation, following cultural sector best practice and operational models.

An Area Profile Report commissioned from the Audience Agency for the Business Plan showed that in addition to the 250k residents in the immediate catchment area, there are 2.3m regional residents within a 90-minute drive time, 44k National Trust members within a 60-minute drive time and 500k overnight tourist visits to West Norfolk all potentially interested in regional cultural activities. Strong forecast demand post Covid restrictions, combined with King's Lynn's role as a gateway town and its own historic offer, provide good evidence that the Guildhall will further strengthen visitor numbers to the town.



Source: Audience Agency Area Profile Report: 90 minute drive time from Kings Lynn

The *Economic Impact of Tourism in West Norfolk* report by Destination Research in 2019, before the pandemic, identified nearly 10.5m day and overnight visits to the area, resulting in £577m of economic impact, supporting 11,286 jobs.

There is good evidence, from research by CoStar and Savills, of continuing demand for commercial space, start-up and grow-on facilities. Despite the enforced transition to remote working during the pandemic, the office market remains strong in many locations and there is increased demand for co-working and flexible workspace. There will also be demand for specialist space, such as studios and ‘third spaces’.

A detailed study and survey of the creative and cultural sector, by the Norwich Consortium, in 2019 concluded that King’s Lynn’s creative groups are not connected or supported and lack of space as part of the eco system is holding back the potential of creative businesses. The study found demand from 48 businesses for co-working, education and shared studio space, shared equipment and performance/display space. Many of these are community level, small organisations, so a purely commercial investment in new studio and performance space is not viable or likely.

In addition, extensive community surveys and engagement for the Town Deal Board have shown a recurring priority for residents, particularly young people and visitors, was for new and refurbished cultural assets, a desire to see new experiences and a developed night-time economy in the town centre giving new reasons to visit the historic town.

The project is recognised by the Town Deal Board as its highest priority project and understandably so. Apart from the project’s direct benefits, summarised in this business case, it will also act as a catalyst for the regeneration of the town centre. Experience elsewhere in England demonstrates that a cultural / arts project of this scope and size provides tangible spin offs (the multiplier effect) into other service businesses in the town centre. In their report *Culture-led Regeneration*, the Local Government Association acknowledge the social and economic value of the cultural sector, and its ability to deliver growth and drive regeneration. The project will help change the perception of the town centre as a place to invest and establish new visitor facilities. It will also boost pride in place from residents.

To satisfy this need and meet demand, the Centre will provide both a heritage visitor attraction, education resource and commercial creative industries hub, and a theatre and entertainment venue, with significant food, beverage and retail offerings. To achieve this will require substantial public investment in capital infrastructure, the creation of a professional management organisation to run the Centre and a stakeholder marketing partnership to ensure its sustainability.

## POLICY ALIGNMENT

This project aligns closely with a number of national, regional and strategies and priorities:

National:

- **HM Government** support from DLUHC, for high street repurposing and reopening the visitor and creative economy post Covid 19, including DCMS cultural recovery programme and building back better
- **Levelling Up the United Kingdom** the government white paper referencing Skills Training growth and Pride of Place - satisfaction with their town centre and engagement in local culture and community
- **For everyone, for ever - National Trust Strategy 2020-2025** includes caring for places and giving them a sustainable future; making sure places keep evolving, attracting people and inspiring them; address unequal access to history; giving people more opportunities to get involved
- **Arts Council England's Strategy 2020-2030** has the outcomes of Creative People and Creative Communities and the Investment Principals of Ambition and Quality, Dynamism, Inclusivity and Relevance
- **Historic England Future Strategy 2021** has three areas of focus:
  - securing vibrant and sustainable futures for historic places
  - bringing communities together by discovering and celebrating local heritage
  - inspiring people to take action in support of the places they care about.

Regional:

- The **Norfolk and Suffolk Economic Strategy** which identifies King's Lynn as a priority place for growth. The Local Industrial Strategy which references King's Lynn, stating it will be ensuring that cultural infrastructure is maintained and developed, including specific new development in market towns and places where there is significant new housing.

Local:

- **Vision King's Lynn** prioritises a re-purposed town centre with new experiences and enterprise, a high-quality residential and leisure offer in the historic town core and for growing innovative businesses and providing new opportunities for skills and jobs for our young people
- **BCKLWN Corporate Business Plan** objectives include:
  - promote the borough as a vibrant place in which to live, to do business and as a leading visitor and cultural destination
  - develop and facilitate the range and quality of business premises available
  - work with partners to improve education attainment levels and the skills of local people
  - protect, promote and enhance the borough's natural and built environment.
- **BCKLWN Cultural Prospectus** has as its overarching 2030 vision that culture and heritage will play a full role in enhancing the livability and growth of West Norfolk by:
  - Increased partner investment into our cultural and heritage assets, capacity and activities
  - Building new arts audiences (local and national) and participants from local communities all across West Norfolk
  - Supporting new cultural and commercial collaborations and creative skills development, establishing King's Lynn as an entrepreneurial creative hub for West Norfolk.
- **West Norfolk Destination Management Plan** aims to:
  - Increase spending by staying visitors by attracting increased visitor numbers, increasing length of stay and by increasing return visits

- Broaden the geographical spread and seasonal spread of visitors throughout West Norfolk by capitalising on and developing the considerable heritage and natural environment assets of the area.

## VISION AND OBJECTIVES

### Vision

Transformation of St George’s Guildhall, from road to river, into a thriving visitor attraction and cultural hub.

### Mission

To conserve and promote King’s Lynn’s heritage and culture, particularly connections to William Shakespeare, making them accessible and welcoming to all, whilst boosting skills and supporting new business and creative practice.

### Aims

- Protecting and celebrating our heritage
- Supporting enterprise and economic productivity in King’s Lynn
- Creating a hub for arts and culture

### SMART Objectives

Strategic Aim	Project Objective	Measurement	By
Protect and celebrate our heritage	Refurbishing historic site and theatre to create a physically accessible, welcoming, and attractive space	Multi £m refurbishment of entire site to inclusive access standards covering all current dilapidations	April 2026
	Actively promoting inclusivity and use by underrepresented groups	40k attendance at Shakespeare Experience by different groups. 315 education workshops a year	March 2027
Support enterprise and economic productivity	Creating a financially sustainable operating model	Target surplus by 3 <sup>rd</sup> year of operation £15k. 22 full time staff employed	March 2029
			April 2025
	Develop new creative industry office and studio space leading to employment	669m <sup>2</sup> of new studio and office space offering up to 14 individual units to start-up and grow-on businesses.50 people employed	April 2025
			March 2029
Create a hub for arts and culture	A nationally significant centre	90,000 visitors a year to the Centre	March 2029
	Varied and changing programme of events	340 public performances per year	March 2027

## THE PROPOSED INVESTMENT

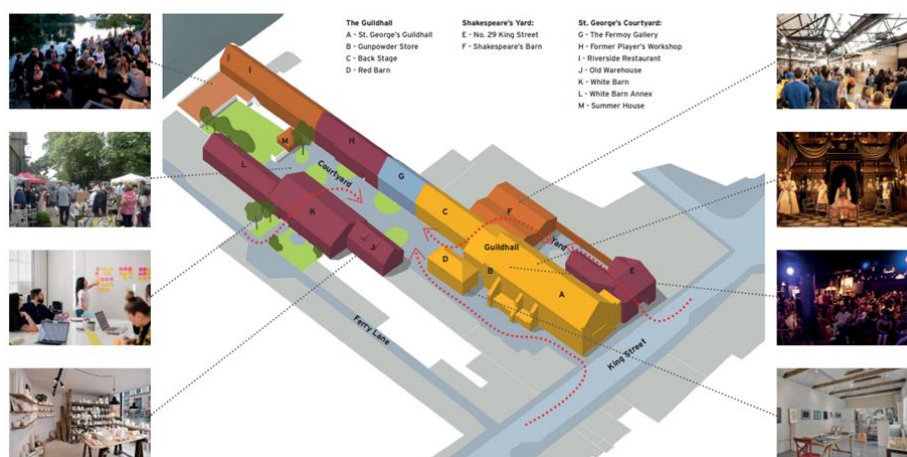
The partners comprising the council, National Trust and Norfolk Museum Service intend to renovate, refurbish and develop the entire St Georges Guildhall site creating a unified Centre, from road to river, operated by an independent Charitable Incorporated Organisation (CIO), opening to the public and businesses in April 2026. The site will become accessible for all and compliant with the Equality Act. The project will address all the historic dilapidations, including major structural repairs and upgraded services, and provide a fully equipped facility to the CIO, enabling it to operate without revenue subsidy.

Extensive consultation has been undertaken to develop a detailed Activity Plan for future uses and on which a detailed Business Plan is based – both of these are included in the appendix. The proposals will create a cluster of arts and culture activity for residents, visitors and for the local community by:

- Refurbishing the historic Theatre and enhancing physical access – with a reference to its exceptional historical value and Shakespearian connection
- Creating opportunities for local creative enterprises
- Creating inspiring spaces, for the community and visitors alike, for formal and informal learning including youth engagement.

The Centre will be a heritage visitor attraction, education resource and creative hub by day, and a theatre and entertainment venue by night, both supported by significant food, beverage and retail offerings. These include:

- Heritage Attraction - part free visitor attraction accessible to all, part ticketed tour telling the Story of English Theatre and focussed on the town's connection with William Shakespeare and Robert Armin, called the Shakespeare Experience
- Cultural Programme - consisting of both performing, digital and visual arts, taking place in the redeveloped Guildhall and Fermoy Gallery, along with other multipurpose spaces and outdoors across the site. 340 performances and events a year. Spaces include: 297 seat Guildhall, 90 capacity Gunpowder Store, 68m<sup>2</sup> Fermoy Gallery, smaller meeting rooms, dance/rehearsal studio
- Creative Hub - a series of rental offices and studios with retail outlets for artists and makers as well as designers and other creative businesses. 669m<sup>2</sup> of lettable space in up to 14 individual units.
- Education, Skills and Training – including an on-site schools' programme, evening courses and summer schools. Through a lively programme of family friendly events and activities the local community will be able to explore the Shakespeare story and understand the unique heritage of the Guildhall. Learning experiences making use of the new T-Level schemes, in catering, marketing, tourism, stage and technical management
- Catering and Retail - a range of food, beverage and retail outlets on the site and significant event catering capability. A 253m<sup>2</sup> café/bar with 125 covers and a substantial outdoor terrace, a 198m<sup>2</sup> destination restaurant with 50 covers and an outside terrace overlooking the river. Banqueting facilities for 130 people.



The full cost of the development is estimated to be £12,174,091 of which £8,097,181 will be provided by the Towns Fund, £ 3,326,910 will be sourced from the National Lottery Heritage Fund and £750,000 from the council. An initial design team has been appointed to take the project to RIBA Stage 1.

The baseline scenario is to do nothing and for the Council to be responsible for running the Guildhall as now. The Council would continue to incur net losses in the region of £200,000 a year and would face the substantial cost of making good the dilapidations, valued at well over £500k as regulated by their contract with the National Trust. Without a complete refurbishment the Centre will not be financially sustainable, and it is unlikely that any new or existing charity or commercial operator would be prepared to take the building over without a guarantee of substantial revenue funding. None of the outputs or outcomes would be achieved in this scenario.

	<b>Baseline Scenario</b>	<b>Preferred Option</b>
Annual revenue cost to Council	£200,000	Nil
Capital investment required		£12.17m
Cost of dilapidations outstanding	£500,000+	Nil
No. of public performances p.a.	60	340
Total Attendances p.a.	21,727	177,184 (2028/29)

### **Project Risks, Constraints and Interdependencies of the proposed investment**

The Project Board have considered the risks, constraints and interdependencies of the project and the mitigations they can take are included in the Risk Register shown in Appendix 1. A summary of the main risks are as follows:

<b>Risk</b>	<b>Mitigation</b>
Securing adequate funding from various funding streams (Towns Fund / NLHF / ACE etc.)	In the process of re-prioritisation of Town Deal funding. Following successful EoI - NLHF Stage 1 Bid submitted in May 2022. Tentatively identify additional funders and establish a fundraising strategy. Reviewing options in respect of phasing or omitting sections of the project without materially impacting project objectives and business plan
Timetable – confirmation of funding delays key project milestones and ultimately launch date	Continue to pursue funding plan. BCKLWN to underwrite NLHF funds in the event of



	unsuccessful bid
Construction market fluctuations / inflation / materials supply and resources leading to increase in costs of construction materials and labour before project commences	Professional Quantity Surveyor (QS) appointed – 20% risk allowance and 12% inflation projected for construction period - but inflation and construction market remains volatile in terms of pricing / material supply and resources
Cost overruns / unforeseen costs during the construction phase	QS to work closely with the design team on proactive monitoring during the construction phase
Staff resources - pressures on project team in respect of balancing workloads / loss of key staff / recruitment of Senior Project Manager	Continue to review project team workloads. Recruitment of Senior Project Manager ongoing with potential to recruit imminent
Continued political support and support of stakeholders and wider public	Continue to engage with members, stakeholders and wider public in accordance with communications plan
Relocation of existing occupants of site where appropriate (formal leases / tenancy at will / simple licences) might be delayed and impact on business plan	Early engagement with all occupiers of the site has commenced - this has to be maintained and managed - particularly in respect of areas critical to business plan and commercial leases
Failure to achieve business plan projections	Continually review and monitor performance against business plan - adjust activity and pricing policies if required - adequate marketing budget identified and target audiences
Lack of demand for Shakespeare Experience Tour	Develop compelling content of interpretation tour at earliest stage. Develop marketing partnership with NT. Identify proven expertise for establishing heritage visitor attraction market positioning
Insufficient cashflow and lack of access to liquid funds for CIO operator	Adopt robust cash planning capability and monitor closely. BCKLWN provide back-up financing facility to address short-term cash requirements

The key constraints for this project are:

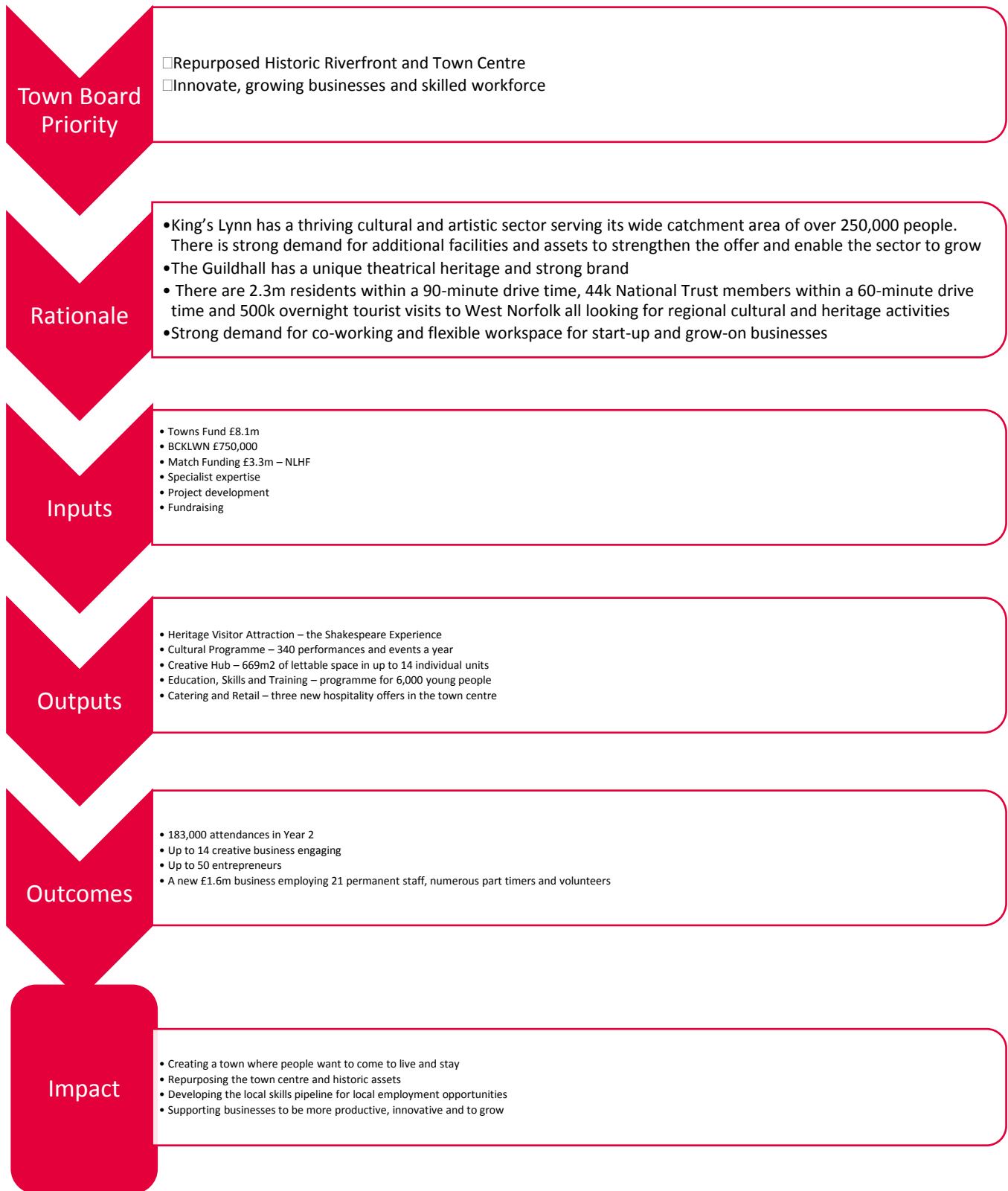
- Budget – ability to deliver a comprehensive scheme within the budget available. The need to provide a fully fitted out Centre to the operator to enable them to run without revenue subsidy
- Operating Company Trustees – finding appropriately skilled trustees of the new CIO prepared to volunteer their time, given the lack of revenue subsidy.

The key interdependencies of the project are:

- Match funding support is required from National Lottery Heritage Fund and others to complete the funding package
- The existing sub-leases need to be rationalised
- Liaison with the education provider The Garage who are considering a similar sized venue in King's Lynn

Development of an MOU and Marketing Partnership with the National Trust to promote the Centre to its members.

## Project Theory of Change





## STAKEHOLDERS

The Borough Council of King's Lynn and West Norfolk (BCKLWN or the Borough Council), the National Trust (NT) and Norfolk County Council/Norfolk Museums Service (NMS or the County Council) are working in partnership to deliver the conservation and regeneration of St George's Guildhall and Creative Hub (the project, the Centre). The partners are working hand-in-hand with the King's Lynn Town Deal Board (KLTDDB) to deliver this pivotal part of the £25 million vision for the town.

The Borough Council are the lead organisation and accountable body for this partnership, applying to National Lottery Heritage Fund (NLHF), and others, for grants to refurbish the Guildhall site. They will be responsible for the refurbishment and redevelopment, ultimately leasing the site to a new Charitable Incorporated Organisation to operate as a heritage visitor attraction.

A Project Board (the Board) has been set up to oversee and manage the delivery of the comprehensive and sustainable redevelopment and regeneration of the St George's Guildhall and Creative Hub. The Board members represent the King's Lynn Town Deal Board, Borough Council of King's Lynn & West Norfolk (accountable body), the National Trust and Norfolk County Council. Current members are:

- Cllr Graham Middleton, Deputy Leader, BCKLWN
- Duncan Hall, Assistant Director, Housing Regeneration & Place, and Project Sponsor, BCKLWN
- Russell Clement, General Manager, National Trust
- Dr Robin Hanley, Assistant Head of Museums & Head of Service Delivery, Norfolk Museums Service (NCC)
- Michael Baldwin, Vice – Chair of the Town Deal Board & Chair of Advisory Group.

The Board is also supported by an Advisory Group consisting of:

- Elected ward members
- Borough Council Portfolio Holder
- Nominated representatives of the KLTDDB
- Historic England
- National Trust
- Industry experts
- Heritage Champion
- Local interest groups
- Existing tenants of the Centre.

The Project Board and Advisory Group will work towards a common purpose to;

- Promote a shared vision for the complex
- Contribute to the evolution of all aspects of the complex (theatre/ exhibition/ creative hub space)
- Create a long-term sustainable model of operation that is resilient to changes in tastes, technologies, and that is inclusive and accessible
- Make a genuine impact on the area's cultural health and economic prosperity
- Provide the mechanism for wide ranging consultation in support of external funding to ultimately deliver the project

In addition to the Advisory Group the Interim Creative Director and team have consulted with over 60 users, potential users, and stakeholders to develop the outline plan of the activities that will deliver the Board's Vision.

A copy of the Stakeholder map is included in the appendix 2.



# ECONOMIC CASE

# ECONOMIC CASE

## INTRODUCTION

The Economic Case demonstrates the public value for money of the preferred option to society, including wider social and environmental effects. This is demonstrated through a Value for Money (VfM) assessment of the preferred option.

## APPROACH TO ECONOMIC CASE

The approach taken to the economic case is based on a combination of quantitative and qualitative analysis designed to accurately reflect the proposal for the St George's Guildhall and Creative Hub regeneration project. The quantitative VfM assessment focusses on four key benefits: Arts audience benefit, volunteering benefit, labour supply benefit, and operational cost and maintenance liability saving benefit.

The quantitative assessment has an appraisal period of 30 years and has been discounted to 2022 prices. All quantified benefits have been estimated in line with the HM Treasury Green Book best practice, using methodologies and values (where possible) from the appropriate UK Government departments.

## OPTIONS APPRAISAL

The development of the St George's Guildhall and Creative Hub project has been the subject of scheme development and options assessment process as part of the development of the Town Investment Plan, the work of the Guildhall Project Board and subsequent reprioritisation of King's Lynn's Town Deal Programme. The project was undertaken to address the unique requirements, constraints and opportunities presented by the wider redevelopment of the area. The design and optioneering processes have been aimed at securing the greatest benefits and stakeholder consultations, to ensure that the needs of partner organisations, visitors and local residents were being met by the designs whilst maximising the opportunities of the Guildhall site. For the purposes of this business case, only 2 options were considered practically viable – these are outlined in the Strategic Case.

## ECONOMIC BENEFITS

St George's Guildhall and Creative Hub regeneration project will help engender new experiences and enterprise, develop an enhanced leisure offer in the historic town core and facilitate growing innovative businesses through the provision of skills and jobs for young people. A cluster of arts and culture activity will be generated for residents and visitors able to access the historic theatre and creative enterprise and learning / education spaces.

The investment will address all the historic dilapidations to the historic building, including major structural repairs and upgraded services, and provide a fully equipped facility that will enable operation without revenue subsidy. Given the strategic context of the scheme there are four economic benefits that have been quantified to help demonstrate the project's value for money arguments. These are:

- **Cultural wellbeing benefit** – Research undertaken on behalf of DCMS into valuing the wellbeing impacts of culture and sport found that the value per arts attendance was between £47 and £62

(2014 prices). This is not a willingness to pay estimate, these are values in addition to any price paid to participate such as entrance fees<sup>1</sup>.

- **Volunteering benefit** – The value of volunteering (to the volunteer) can be estimated using data on life satisfaction and volunteering status<sup>2</sup>. The value that frequent volunteers place on volunteering is approximately £13,500 per year at 2014 prices.
- **Labour supply benefit** – The savings to the exchequer that will be experienced as a result of employment at the Guildhall and the avoidance of Long-Term unemployment through increase in tax revenues and decrease in welfare payments.
- **Operational cost saving** – The site operates on a net deficit of circa £200,000 per annum, which includes outstanding building maintenance liabilities. The investment is expected to reduce the maintenance liability, create a viable investment and attract a Charitable Incorporated Organisation (CIO) to take on the operation of the site. This would constitute a net cost saving to the Council.

The economic benefits have been calculated separately but this overview is an accurate representation of the various benefits that will arise as a result of the intervention.

### Arts audience cultural wellbeing Benefit

In the financial year 2019/20 (the last full year uninterrupted by Covid-19) the Guildhall had recorded 9,375 visitors to the site. This modest number of annual visitors underperforms comparable, historic attractions in the region, which is driven by the underinvestment and increasing dilapidation of the site.

The Town Funds investment into the Guildhall Auditorium, Gunpowder Store and outdoor theatre will transform the site and is expected to enable an increased number of performances able to take place each year, and create a key centre for performance arts in Norfolk. As a result of the increase in shows (See Appendix 4 – Detailed Business Plan) it is estimated that the number of attendees will increase to 35,165 upon opening in 2026/27 and then increase to 46,887 in 2027/28 and thereafter. In total, there will be a net increase of 25,790 people in year 1 and 37,512 in year 2 onwards that will experience a wellbeing benefit.

Research undertaken on behalf of DCMS into valuing the wellbeing impacts of culture and sport found that the value per arts attendance was between £47 and £62 (2014 prices). This is not a willingness to pay estimate, these are values in addition to any price paid to participate such as entrance fees and represent the equivalent amount of money participants would need to derive the same wellbeing impact that engaging in culture has. This net additional increase in attendees has been multiplied by the lower-bound wellbeing impact (i.e. £47) as a cautious approach as to not overstate the benefit<sup>3</sup>.

The assumptions that have been used in quantifying the wellbeing associated with participating in arts have been summarised in the table below.

#### Arts Audience Benefit Assumptions

Assumption	Value	Source/ Justification
<b>Model Assumptions</b>		
Number of Net Additional Attendees	- 25,790 (Year 1) - 37,512 (Year 2 onwards)	The number of net additional attendances are expected to persist for the length of the 30-year appraisal period. These are provided in the FEI Business Plan (see Appendix 4)

<sup>1</sup> DCMS (2014) Quantifying and Valuing the Wellbeing Impacts of Culture and Sport [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/304899/Quantifying\\_and\\_valuing\\_the\\_wellbeing\\_impacts\\_of\\_sport\\_and\\_culture.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/304899/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf)

<sup>2</sup> The Department for Work and Pensions (2013) Wellbeing and civil society [WP112.pdf \(publishing.service.gov.uk\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/304899/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf)

<sup>3</sup> DCMS (2014) Quantifying and Valuing the Wellbeing Impacts of Culture and Sport [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/304899/Quantifying\\_and\\_valuing\\_the\\_wellbeing\\_impacts\\_of\\_sport\\_and\\_culture.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/304899/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf)

Assumption	Value	Source/ Justification
Wellbeing Benefit of Attending arts	£46.75	The value of engaging in audience arts volunteering to be about £46.75 and £62.33 per activity at 2014 prices. Available at: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/304899/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/304899/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf</a>
This has been uplifted to a 2021/22 price base using a GDP deflator.		
Additionality		
Deadweight	N/A	Deadweight impact is captured by the net attendance calculation from the do-nothing option. As such, no other adjustment is needed.
Leakage	0%	There are no leakage impacts identified
Displacement	60%	This is the degree to which an increase in economic activity or social welfare that is promoted by an intervention is offset by reductions elsewhere. A high medium-high displacement factor is applied (60%) as this project will likely to displace visitors from other cultural and visitor attractions in King's Lynn. However, the new and improved facilities will likely create some additional visitors. Method is based on Additionality guide Table 4.8 from the HCA Additionality Guide. Available here: <a href="#">HCA Policy Covers (publishing.service.gov.uk)</a>
Net Additionality	40%	Mott MacDonald Calculation

Once deadweight and displacement are accounted for, the impact over the 30 year appraisal period is **estimated to generate £11.86m in present value terms**. These benefits have been discounted at 3.5% per annum in line with HM Treasury Green Book and DLUHC Appraisal Guidance.

### Labour Supply Benefit

The redevelopment of the Guildhall will generate an estimated 22 direct full time jobs<sup>4</sup>. The scheme will attract visitors to the site as well as encourage greater footfall to the north-west quadrant of the town centre. The increase in activity in this area resulting from the scheme will generate additional spending by those using the space. In addition to the direct jobs supported on site, an increase in local spending is expected, which will support additional jobs in both existing businesses and new businesses that cater to the increased demand in this area.

The jobs and additional local spend are expected to regenerate a deprived area of the town<sup>5</sup>. The Guildhall is situated in within St. Margaret's with St. Nicholas ward, which according to the Index of Multiple Deprivation, was amongst the 30% most deprived neighbourhoods in the country. As such, DLUHC guidance gives an approach for quantifying the fiscal benefits of moving locally unemployed workers into employment related to direct and indirect activities. The guidance utilises TAG A2.3 (Appraisal of Employment Affects) to calculate welfare impacts over and above user benefits to the Exchequer. These are the tax revenues resulting from labour supply impacts and can be estimated as 40% of the resultant change in GDP. This tax revenue impact reflects both the increase in tax revenue (income tax, national insurance contributions and corporation tax) and the reduction in out-of-work subsidies.

As these jobs are supported on site and by spending in the local area, these benefits will persist as long as the user numbers and the activity in this area is maintained. The investment is expected to facilitate the employment of 22 Full Time Equivalent (FTE) employees, providing a benefit to the local economy. The key assumptions are outlined in the table below:

### Labour Supply assumptions

Assumption	Value	Source/ Justification
Welfare Impact	40%	TAG A2.3 (Appraisal of Employment Affects) states that the valuation of the labour supply impacts resulting from a scheme can be calculated in terms of welfare impacts over and above user benefits to the Exchequer. These are the tax revenues resulting from labour supply

<sup>4</sup> Source: Guildhall Town Deal Monitoring and Evaluation Plan

<sup>5</sup> ONS, English indices of deprivation, 2019 <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

Assumption	Value	Source/ Justification
		impacts and can be estimated as 40% of the resultant change in GDP.
Proportion of employed who would otherwise be long term unemployed	25%	For simplicity, it is assumed that one of the four workers will be locally based in King's Lynn and would otherwise be long term unemployed. This figure therefore also accounts for deadweight, leakage, displacement, and substitution which for larger schemes would normally be appraised as separate factors.
Benefit persistence	10%	In accordance with TAG guidance, 40% of this GVA was taken as this is representative of the welfare gain from each job supported. As these jobs are supported by continued spending in the local economy as a result of direct and indirect activity taking place at the and in adjacent areas to the Guildhall site, these benefits will persist as long as the user numbers and the activity in this area is maintained. However, to ensure the impact of the project is not overstated and combat uncertainty, a conservative approach has been taken to only include 10 years' worth of benefit.
GVA Per worker (2022 Prices)	£49,613	ONS GVA output per job for North and West Norfolk 2019 uplifted to 2022 using the OBR GDP deflator
Composite multiplier	1.29	A composite multiplier of 1.29 has been applied, in accordance with Homes and Communities Agency's Additionality Guide, 2014. This incorporates the likely multiplier effects within the economy from: <ul style="list-style-type: none"> <li>Supply linkages due to purchases made because of the intervention and further purchases associated with linked firms along the supply chain (indirect effects).</li> <li>Income or induced effects associated with local expenditure from those who derive incomes from the direct and supply linkage impacts of the intervention.</li> </ul> <p>The multiplier models the indirect and induced economic impacts</p>

The labour supply benefit has profiled over a 30-year appraisal period is expected to **generate £1.47m in present value terms.**

## Volunteering Benefits

Further to permanent and casual staff positions, the site activities will be supported by a considerable number of volunteers from the local community (expected to increase from 28 to 35 regulars) in public facing roles such as tour guides and stewards recruited from the established networks currently supporting the Guildhall.

There is a significant body of academic literature demonstrating that participants derive benefits from volunteering through a number of different ways, including: enhanced self-esteem; personal development; occupational experience; improved health; and education and learning<sup>6</sup>. Fujiwara et al. (2013)<sup>7</sup> estimate a composite, average value of volunteering, to the volunteer, using data on life satisfaction and volunteering status of £13,500 (in 2011 prices). This value is not necessarily an amount people would be willing to pay to partake in voluntary work, it is simply the monetary equivalent of the wellbeing benefit derived from volunteering. The source of each assumption and their justification to calculate the economic benefits associated with volunteering is summarised in the table below.

### Volunteering Benefits Assumptions

Assumption	Value	Source/ Justification
<b>Model Assumptions</b>		
Number of Net Additional Volunteers	7	These volunteers place are expected to remain for the length of the appraisal period
Wellbeing Benefit of frequent volunteering	£16,821	The value frequent volunteers place on volunteering to be about £13,500 per year at 2011 prices. Available at; <a href="#">WP112.pdf (publishing.service.gov.uk)</a>

<sup>6</sup> Chinman and Wandersman (1999) 'The Benefits and Costs of Volunteering in Community Organisations; Review and Practical Implications'. Non Profit and Voluntary Sector Quarterly 28.

<sup>7</sup> [WP112.pdf \(publishing.service.gov.uk\)](#)

Assumption	Value	Source/ Justification
		This has been uplifted to a 2021/22 price base using a GDP deflator.
<b>Additionality</b>		
Deadweight	0%	The analysis of a do-nothing option account for any deadweight impacts
Leakage	0%	There are no leakage impacts identified
Displacement	25%	Low displacement given the established demand for volunteering that is not fully serviced due to physical space and capacity constraints. Method is based on Additionality guide Table 4.8 from the HCA Additionality Guide. Available here: <a href="https://publishing.service.gov.uk">HCA Policy Covers (publishing.service.gov.uk)</a>
Net Additionality	75%	Mott MacDonald Calculation

A per annum benefit of £77,000 is estimated which incorporates deadweight and displacement considerations. Assuming the benefit persists for 30 years **a total present value impact of c.£1.35m is anticipated.**

### Operational cost and maintenance liability saving

The site operates on a net deficit of £200,000 per annum, which includes outstanding building maintenance liabilities. This excludes the costs of addressing severe dilapidations that the council is contractually obliged to the National Trust to address, estimated to be more than £500,000.

The investment is expected to reduce the maintenance liability, create a viable investment and form a Charitable Incorporated Organisation to take on the operational responsibility of the site. This would constitute a net cost saving to the council. Profiled over 30 years, the total impact of reducing the site maintenance liability and transferring ownership to a commercial operator **would be approximately £9.01m in prevent values.**

### ECONOMIC COSTS

The economic costs of the do nothing and do something options have been assessed by the council. The costs of the scheme are based on quantities and benchmarked costs and have been assessed at a high level and focus on the capital delivery phase.

The costs presented in the table below have been discounted – at 3.5% per annum as per the DLUCH appraisal guidance – and include optimism bias (OB) at 24%. This OB rate is the upper-bound (24%) value for standard building projects, which at this stage can be as low as a 2% cost uplift<sup>8</sup>; this rate was conservatively selected to account for the current high level of construction inflation.

#### Net economic costs, 2022 prices

Funding Type	2023	2024	2025	2026	2027	Total
Towns Fund	£703,830	£418,419	£3,743,647	£2,430,053	£88,258	7,384,207
National Lottery Heritage Fund	£289,185	£171,917	£1,538,162	£998,442	£36,263	£3,033,969
BCKLWN	£65,192	£38,756	£346,755	£225,083	£8,175	£683,961
<b>TOTAL</b>	<b>£1,058,207</b>	<b>£629,092</b>	<b>£5,628,564</b>	<b>£3,653,579</b>	<b>£132,695</b>	<b>11,102,137</b>

No renewal costs have been identified as the need for renewal of the project is not anticipated within the 30-year appraisal period – the same length of time since the Borough Council previously invested in a similar scheme to that described in this business case.

### VALUE FOR MONEY ASSESSMENT

There are two key metrics set out in the DLUCH appraisal guidance that can be used to assess quantitative element of VfM: the calculation of Benefit Cost Ratios (BCR), which simply show the ratio of benefits to costs; and the Net Present Social Value (NPSV), which represents the present value of

<sup>8</sup> HMT Green Book, Supplementary Green Book Guidance, Optimism Bias, Table 1.



benefits less the present value of costs. A BCR of above 1 and a positive NPSV indicates that the intervention option under consideration represents VfM. The higher the BCR, the higher the overall VfM (not taking into account non-monetised costs and benefits). The formulae for these two metrics are shown below. The BCR is calculated using the following formula:

$$BCR(\text{intervention option}) = \frac{\text{Benefit (intervention option)} - \text{Benefit (do nothing)}}{\text{Cost (intervention option)} - \text{Cost (do nothing)}}$$

The NPSV calculates the difference between the net marginal benefit and the net marginal costs:

$$NPSV(\text{intervention option}) = \text{Net Benefit (intervention option)} - \text{Net Cost (intervention option)}$$

Where:

$$\text{Net Benefit (intervention option)} = \text{Benefit (intervention option)} - \text{Benefit (do nothing)}$$

And,

$$\text{Net Cost (intervention option)} = \text{Cost (intervention option)} - \text{Cost (do nothing)}$$

The results of the VfM assessment for the preferred option are outlined in the table below. The VfM assessment for the Guildhall project shows a BCR at 2.1. This option therefore demonstrates 'high' VfM.

### Value for Money Assessment Summary

Value for money assessment  
(£m, discounted, 2022 prices)

Preferred option

<b>Economic benefits</b>	
Arts audience cultural wellbeing benefit	£11,862,847
Labour Supply - Welfare Impact	£1,471,358
Volunteering Benefit	£1,345,293
Operational Cost and Maintenance Liability Saving	£9,014,505
<b>Total Economic Benefits</b>	<b>£23,694,003</b>
<b>Economic costs</b>	
Towns Fund	£5,955,006
National Lottery Heritage Fund	£2,446,749
BCKLWN	£551,581
<b>Total Cost (Ex. OB)</b>	<b>£8,953,336</b>
<b>Total Cost (Inc. OB)</b>	<b>£11,102,137</b>
<b>Net Present Social Value</b>	<b>£14,740,667</b>
<b>Benefit-Cost Ratio (BCR)</b>	<b>2.1</b>

### Sensitivity analysis

Three sensitivity tests have been produced to stress test the analysis, to better understand the assumptions that drive the benefits appraisal:

- **Sensitivity Test 1: Increase in Optimism Bias from project costs** – a 50% optimism bias is applied to total CAPEX (increasing from 24% under the core option). This significant increase in costs reduces the BCR from 2.1 to 1.8, which would constitute 'medium' VfM.
- **Sensitivity Test 2: higher displacement on the arts audience cultural wellbeing benefit** – increasing the displacement factor (i.e. the extent to which economic impact is offset by reductions elsewhere) from 60% to 75% reduces the wellbeing benefit and produces a BCR of 1.7.
- **Sensitivity Test 3: no operational: Operational cost and maintenance liability saving** – eliminating the cost saving benefit would reduce the net present social value from £14.74m to £3.58m which would give a BCR of 1.3 which would be considered 'low' VfM.

## Value for Money Assessment Sensitivities

Value for money assessment (£m, discounted, 2022 prices)	Preferred option	Sensitivity 1	Sensitivity 2	Sensitivity 3
<b>Economic benefits</b>				
Arts audience cultural wellbeing benefit	£11,862,847	£11,862,847	£7,414,279	£11,862,847
Labour Supply - Welfare Impact	£1,471,358	£1,471,358	£1,471,358	£1,471,358
Volunteering Benefit	£1,345,293	£1,345,293	£1,345,293	£1,345,293
Operational Cost and Maintenance Liability Saving	£9,014,505	£9,014,505	£9,014,505	-
<b>Total Economic Benefits</b>	<b>£23,694,003</b>	<b>£23,694,003</b>	<b>19,245,435</b>	<b>£14,679,498</b>
<b>Economic costs</b>				
Towns Fund	£5,955,006	£5,955,006	£5,955,006	£5,955,006
National Lottery Heritage Fund	£2,446,749	£2,446,749	£2,446,749	£2,446,749
BCKLWN	£551,581	£ 551,581	£ 551,581	£551,581
<b>Total Cost (Ex. OB)</b>	<b>£8,953,336</b>	<b>£8,953,336</b>	<b>£8,953,336</b>	<b>£8,953,336</b>
<b>Total Cost (Inc. OB)</b>	<b>£11,102,137</b>	<b>£13,430,004</b>	<b>£13,430,004</b>	<b>£11,102,137</b>
<b>Net Present Social Value</b>	<b>£14,740,667</b>	<b>£14,740,667</b>	<b>£10,292,099</b>	<b>£3,577,361</b>
<b>Benefit-Cost Ratio (BCR)</b>	<b>2.1</b>	<b>1.8</b>	<b>1.7</b>	<b>1.3</b>

## NON-QUANTIFIED BENEFITS

In addition to the quantified benefits identified in the previous section the completion of the St George's Guildhall and Creative Hub regeneration project is expected to bring further non-quantifiable benefits. These are detailed below.

### An improved external perception of King's Lynn

The project is likely to have a positive impact on the external image of the town, which will help to attract businesses, additional footfall and kickstart development for the rest of the town centre. The interventions will help celebrate King Lynn's heritage offer and create a sense of a density of visitor attractions in the town. The combined investment will help drive footfall, dwell time and visitor spend in the Town. This increase in investment will help to stimulate the revitalisation of the local economy and help to ensure its future prosperity by making King's Lynn a more attractive place for visitors.

### Safeguarding a nationally important cultural asset

The economic benefits adopted in this business case focus on the people-based benefits the Guildhall project will deliver (e.g. encouraging participation in arts activity and volunteering). However, the scheme will also deliver significant benefits to King's Lynn's built environment by enhancing and safeguarding the future of a Grade 1 Listed building that is country's largest surviving medieval guildhall and oldest working theatre in the UK. The facility's links to William Shakespeare - the Guildhall is the only theatre in the world that can reasonably claim to have hosted him<sup>9</sup> – further enhances the importance of this project. The investment would likely produce a land value uplift that has not been quantified in this business case.

### Complementing the delivery of other Town Deal and regeneration initiatives in King's Lynn

The Guildhall project represents one of the most ambitious projects within the King's Lynn Town Deal. It will complement other Town Deal investment, in particular the Riverfront Regeneration project that will also invest in enhancing and repurposing a Grade 1 listed building – the Custom House. Both schemes are in close proximity and will encourage footfall along King Street between the riverfront and the Guildhall. The complementarity to the Riverfront project is further strengthened by its focus on enhancing King's Lynn's visitor economy to increase and diversify the tourism offer.

## SUMMARY

<sup>9</sup> Source: St George's Guildhall, King's Lynn. Stage 1 report.

The economic case presents an appraisal of the Guildhall & Creative Hub project that was prioritised for investment in the King's Lynn Town Deal. The relative simplicity of the scheme enables a Do something and a Do-nothing option to be considered with the Do nothing option not taken forward. It has been estimated that the preferred option **produces a BCR of 2.1 representing high VfM**. The benefits quantified for the scheme are conservative and utilised regularly applied methodologies. The benefits generated from increased participation in arts activity will generate £11.8m of economic benefit while reductions in operating cost and maintenance liability will generate over £9.0m in savings. Labour supply and volunteering benefits will also add to the economic value of this project. In summary, a net present social value of £14.7m is estimated against a total cost, including optimism bias, of £11.1m<sup>10</sup>.

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<sup>10</sup> The figures quoted are in 2022 prices.

# FINANCIAL CASE

# FINANCIAL CASE

## INTRODUCTION

St George’s Guildhall and Creative Hub (the Centre) forms an integral part of the King’s Lynn Town Deal, with the capital restoration and build project due to start in financial year (F/Y) 2024/25. The completed site would be operational from April 2026.

The financial case comprises two distinct components – the capital build phase, and the ongoing operation of the site once the capital phase is complete. The former covers the costs and funding associated with the restoration, refurbishment, build and fit-out of the site as well as the establishment of a Charitable Incorporated Organisation (CIO), the legal entity which has been identified as the optimum vehicle for operating the Centre.

Once opened, the Centre will be operated by the CIO, managing a mix of income streams and direct/indirect costs. The income and expenditure associated with this business model form the second component of the financial case.

The preferred base case option is to deliver the proposed restoration and build project in full, and to operate the Centre thereafter as a heritage visitor attraction and cultural hub without public subsidy.

## APPROACH TO FINANCIAL CASE

### Capital phase

The funding for the capital phase derives from three sources and is summarised in the table below:

Type	Source	Total Amount £
Public Sector	Towns Fund	8,097,181
Public Sector	NLHF	3,326,910
Public Sector	BCKLWN	750,000
<b>Total</b>		<b>12,174,091</b>

Funding is currently assumed to derive from central government (Towns Fund) lottery funding (NLHF) and the local authority. The council have agreed to underwrite the NLHF should the bid prove unsuccessful.

Inflation has been applied to the capital cost estimates (below) at a rate of 12%, i.e. current cost estimates (May 2022) have been inflated by this amount to bring them to anticipated Quarter 4 2024 values.

### Revenue operation

The Centre expects to generate income from a wide variety of sources – without a requirement for public sector subsidy. A summary for FYs 2026/7 to 2028/9 is shown below. These income and expenditure figures were prepared on the basis of present day 2022 values and then an annual inflation factor of 7% applied to bring them to the future year values shown. 7% is the latest annual UK CPI inflation rate (March 2022).

REDACTED

The value of income has been based on analysis of the mix of activities planned for the Centre and is drawn from knowledge of comparable organisations and experience of the cultural sector. The Centre represents a unique mixture of performance venues, visitor attraction, commercially hired working space and a range of food and beverage offers. Each component has been modelled on comparable operations elsewhere, and the combination of these on one site is expected to strengthen the commercial sustainability of the whole, although assumptions are prudent.

## **COSTS**

### **Capital phase**

Cost estimates have been prepared by quantity surveyors (Andrew Morton Associates) in cooperation with the architects Foster Wilson Size. Cost plan dated 05.05.22.

REDACTED

The costs have been estimated based on the professional experience and advice of the QS. This includes an allowance of 10% for profit for the main contractor, 16% for preliminaries and 20% for design team fees. 20% has been added for risk allowances, again this is based on the QS's professional

opinion. An allowance of 12% tender inflation to Q4 2024 has been allowed - this allowance over two years is lower than that experienced in the last twelve months but higher than the historical average.

Pre-opening staff and overhead costs represent key staff coming on board shortly before opening (CEO/Creative Director for a full 12 months), with a modest level of associated overheads. Revenue costs are inflated to 2026 values based on 7% annual inflation (UK CPI March 2022).

All capital and revenue income/ operating costs component assumptions will be continually monitored through the delivery stage and adjusted to reflect revised costs as they arise. In addition, a substantial capital contingency allowance of 20% has been allowed for within the business plan to deal with either increased or unexpected costs.

**Costs – Phased over lifetime of project**

REDACTED



## Revenue operation

Costs relating to the operation of the Centre (for FY 2027/28 – considered the first year of full scale operation) are shown below. These are inflated from 2022 values at 7% per annum (March 2022 CPI):

<b>Cost of sales</b>			<b>£</b>
Public Performances			316,482
Public Events			3,366
Shakespeare Experience			3,506
Fermoy Gallery/exhibition spaces			21,038
Creative Hub			-
Education			93,993
Catering			518,351
Retail			33,661
Private/commercial Hires			-
Fundraising/Sponsorship			24,545
<b>Total Cost of Sales</b>			<b>1,014,942</b>
<b>Permanent Staff costs</b>			<b>666,166</b>
<b>Overheads</b>			
Marketing			132,541
Finance and General Admin			99,581
Premises Costs			86,958
Facilities Management			163,538
<b>Total Overheads</b>			<b>482,618</b>
<b>Contingency</b>			<b>69,012</b>
<b>Total Costs</b>			<b>2,232,738</b>

Ongoing costs for the revenue operation have been constructed on a bottom-up basis, analysing each separate function of the Centre, using relevant comparators and knowledge of comparable operations. The full business plan is included in the appendix 4.

An allowance for contingency is incorporated and is based here on a % of income (3%).

## FUNDING AND REVENUES

### Capital phase

<b>Funding Profile</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Total Amount £</b>
<i>Towns Fund</i>	289,714	578,351	1,380,630	4,837,470	1,011,016		8,097,181
<i>NLHF</i>	108,945	217,484	519,175	1,819,091	621,565	40,650	3,326,910
<i>BCKLWN</i>					641,899	108,101	750,000
<b>Total Funding</b>	<b>398,659</b>	<b>795,835</b>	<b>1,899,805</b>	<b>6,656,561</b>	<b>2,274,480</b>	<b>148,751</b>	<b>12,174,091</b>

NLHF funding is phased on an intervention basis - claimed on a quarterly basis as costs are incurred in line with NLHF funding as a proportion of total funding.

### Revenue operation

The revenue sources identified are presented in the Approach section above in a 3-year timeline. The planning assumption is that these would continue thereafter at the level of 2028/29.

In terms of security these revenue streams are clearly dependent on the trading performance of the Centre. As noted above under costs, a contingency is budgeted representing 3% of total revenue in order to provide some planning flexibility and margin of safety. Individual revenue streams have been budgeted on a predominantly prudent bottom-up basis and are benchmarked where possible to known comparator examples in the cultural and heritage sectors. The full Business Plan is included in appendix 4.

## AFFORDABILITY ASSESSMENT

### Capital phase

The funding assumptions include specific identified funds from the Towns Fund, NLHF and BCKLWN. The council have agreed to underwrite the NLHF grant should it be unsuccessful. Any remaining funding gap that emerges will be met either by fundraising or by a reduction in scope of the project. There are extensive fundraising opportunities and once the charitable incorporated organisation is in place this will begin apace. Areas of reduction have been identified that minimise the impact on the business plan and the Towns Fund outputs.

Financial risks (and associated impact/mitigation) relating to the capital phase have been identified as follows:

Risk Identifier	Author	Date Identified	Risk Description	Risk Category	Impact	Probability	Proximity	Owner /Lead	Action	Countermeasure	Date of last update	Current Status
004	MAF	14-Apr-22	Securing adequate funding from various funding streams (Towns Fund / NLHF / ACE etc.)	Economic/Financial/Market	Cost/Budget	Medium	6-12 months	BCKLWN	Project Team	Process of re-prioritisation of TOWNS funding. Following successful EoI - NLHF Stage 1 Bid to be submitted in May 2022. Tentatively identify additional funders and establish a funding strategy. Reviewing options in respect of phasing or omitting sections of the project without materially impacting project objectives and business plan.		No change
005	MAF	14-Apr-22	Construction market fluctuations / inflation / materials supply and resources	Economic/Financial/Market	Cost/Budget	High	2 + years	BCKLWN	Project Team	Professional QS appointed - inflation projected for construction period - but inflation and construction market remains volatile in terms of pricing / material supply and resources.		No change
008	MAF	14-Apr-22	Failure of tendering and contracting process - lack of experienced contractors - limited tender returns	Technical/Operational/Infrastructure	Cost/Budget	Low	6-12 months	BCKLWN	Project Team	Identify potential contractors and potential early engagement. Tender process to incorporate robust contractor assessment / selection process incorporating both cost and quality assessment criteria.		No change
009	MAF	14-Apr-22	Tenders received exceed the budget cost allowance	Economic/Financial/Market	Cost/Budget	Medium	2 + years	BCKLWN	Project Team	Regular cost reviews throughout the design development period - undertake market testing of key cost items - regular review of inflation allowances against the market trends.		No change
010	MAF	14-Apr-22	Quality / inadequacy of funding bids	Technical/Operational/Infrastructure	Cost/Budget	Low	3-6 months	BCKLWN	Project Team	Ensure bids are robust and information is tested at regular intervals; arrange pre-submission meetings to ensure that applications are targeted to the funders key drivers. 'Critical friend' to review ahead of submission.		No change
011	MAF	14-Apr-22	Inaccurate project budget cost estimates	Technical/Operational/Infrastructure	Cost/Budget	Low	3-6 months	BCKLWN	Project Team	Specialist QS and professional advisors appointed - similar have to be commissioned for the development phase through to delivery.		No change
012	MAF	14-Apr-22	Cost overruns / unforeseen costs during the project	Economic/Financial/Market	Cost/Budget	Medium	2 + years	BCKLWN	Project Team	QS to work closely with the design team and ensure contingency levels are appropriate for the risks, and proactive monitoring during the construction phase.		No change

### Revenue operation

A detailed narrative and financial Business Plan has been completed and is included in the appendix. It is important to note that the revenue operation is budgeted to operate without public subsidy, although access to a working capital loan may be necessary in the first two to three years as a sustainable trading operation becomes bedded down.

On this basis the Centre aims to secure its sustainability and affordability. As a charity the CIO's governance convention will require it to plan and build reserves in order to further secure its ability to operate through potential downturns and periods of unpredictable trading.

There are inherent risks involved in operating a cultural visitor attraction. These focus particularly on attendance numbers at the Shakespeare Experience and the public performance programme.

## WIDER FINANCIAL IMPLICATIONS

As detailed above BCKLWN proposed spend on the capital phase is £750,000. In addition, the council have agreed to underwrite £3,326,910 in the NLHF bid is unsuccessful. Based on PWLB borrowing rates of 2.01% this figure will cost £3,693,900, including the principal sum over 10 years. This would only be required if the NHLF match funding application is unsuccessful and does not take into account other funding sources that would be explored to support the project, particularly with the establishment of the CIO which will have access to other funding sources.

BCKLWN have an annual capital budget in 2025/26 of approximately £20m so a commitment of £750k in that year would represent 3.8% of the budget. If the Borough had to cover the NLHF contribution as well the % of the capital budget spent in that year would be 20.4%. In the event that the NLHF grant is not forthcoming the Council have agreed to look again at the overall scope of the project.

# COMMERCIAL CASE

# COMMERCIAL CASE

## INTRODUCTION

This section examines the approach to procurement and delivery for St George's Guildhall and Creative Hub (the Centre) and has two primary areas of focus:

- Capital project phase: the capital build and refurbishment of the site taking place 2024/25 and 2025/26
- Revenue operation of the Centre: following completion of capital works and re-opening in April 2026

The capital phase will be procured and delivered by the Borough Council of King's Lynn and West Norfolk (the council) with the support and cooperation of key partners the National Trust (detailed in a Memorandum of Understanding) and Norfolk Museums Service.

Regarding the operation of the Centre, following a governance options appraisal, BCKLWN has approved the formation of a new independent Charitable Incorporated Organisation (CIO) to undertake this once the capital phase is complete.

BCKLWN will enter into a long-term lease for the site with the CIO for a peppercorn rent connected to a Service Level Agreement. It is intended to apply to the Charity Commission to register a Foundation CIO during 2022 with the trustees also acting as the members of the organisation. The Constitution has yet to be determined but it is likely that the Objects will include 'the advancement of the arts, culture, heritage or science'.

The CIO will be an independent organisation with up to twelve trustees including nominees from the current partners. The CIO will set up a separate trading company to manage commercial, non-charitable activity. It is intended to appoint the Founding Chair and initial trustees during 2022 and for the CIO to work closely with the Project Board during the refurbishment, ready to take on operation of the site in due course. The charity will be supported by a professional management team and a large group of volunteers. Trustees will be unremunerated.

## COMMERCIAL DELIVERABILITY

### Capital project phase

### Commercial Strategy

#### Objectives:

- To deliver a high-quality visitor attraction and cultural hub
- Ensure value for money through the procurement process taking into account the whole life costing and on-going operational/maintenance considerations.

The accountable body for the project is BCKLWN. Key project partners are:

- National Trust
- Norfolk Museums Service

### Experience/track record

The Borough Council, the National Trust and Norfolk Museum Service all have an extensive track record of managing significant heritage projects. The Borough Council has a strong track record of both managing and investing in the heritage it cares for. Council staff are experienced in both developing and managing high quality heritage projects. Recent examples include:

**St Margaret's Townscape Heritage Initiative** – £2m (2014-2019). A jointly funded project between the Borough Council of King's Lynn and West Norfolk, the Heritage Lottery Fund and private investment to conserve, enhance and regenerate the historic shopping streets of the High Street and St James Street in the St Margaret's Conservation Area. These works included the structural and external repairs to historic buildings currently in use, the repair and conservation of vacant or partly vacant historic buildings and the authentic restoration of architectural features. Furthermore, the project included the high-quality enhancement of public realm in the historic Saturday Market Place.

**The Stories of Lynn** – £3m (2016) This project jointly funded by the Heritage Lottery Fund transformed public access to - and engagement with - the Grade I Listed Trinity Guildhall and Town Hall complex and its collections. The project improved the local landscape of the Town Hall, encouraging more people to access and use the building. There were significant improvements to disabled access and key visitor facilities. Enhanced visitor experience of the Town Hall through new displays and other interpretation, providing access to both collections and the story of the building, alongside significantly improved access to all parts of the historic complex including the nationally important Borough Archives which were housed in a new purpose built archive facility.

**The Walks** - £4.3 m (2008) A Grade II registered historic park in the heart of King's Lynn recognised as one of the UK's most important parks, incorporating a number of historic features including the Grade I Listed Scheduled Ancient Monument, the Red Mount Chapel. After years of decline a major restoration project was completed in 2008. This included the conservation of the historic structures and features, but also the addition of new components such as a new park management building incorporating toilet facilities and a café. The £4.3m restoration project was jointly funded by the Heritage Lottery Fund (£3.75m) and the Borough Council.

Norfolk Museum Service are managing one of the largest heritage projects of its kind currently underway in the UK:

**Norwich Castle, Royal Palace Reborn** – £13.5m (on going) project to transform Norwich Castle's iconic Norman Keep. The project will transform the Keep's internal spaces by rebuilding its medieval floors and rooms to so that everyone can experience a Norman royal palace and its stories. The major funder is the National Lottery Heritage Fund. Once complete, Norwich Castle will take its place as one of the UK's premier heritage attractions, where for the first time in 900 years everyone will be able to explore all 5 levels of the Keep – from basement to battlements. Robin Hanley is the lead on the Keep project and is a KL Guildhall project board member.

The National Trust has undertaken many large multifaceted projects in the last 5 years, including:

- **Knole** (£23.3m) - conservation project to secure the future of the house and its collections, upgrade all mechanical and electrical systems and create a new state of the art conservation studio
- **Quarry Bank Mill** (£12.2m) - restoration of one of Britain's greatest industrial heritage sites revealing new stories of those who lived there, and creating new outdoor spaces and visitor facilities
- **Seaton Delaval Hall** (£7.9m) - significant repairs and new visitor facilities, exhibits and experiences developed with local artists and community groups
- **Oxburgh Hall** (£6.5m) - restoration of Tudor roofscape and medieval gatehouse, and creation of a new visitor experience
- **Roundhouse** (£3m) - conversion of derelict 19th century canal-side stables and stores in Birmingham into a hub from which to explore the city by foot, bike or boat.

What enables the Trust to develop and deliver projects on this scale is its breadth of experience in a wide range of disciplines, including conservation, curation, project management, finance, visitor experience and fundraising.

## Procurement approach

The council's Contract Standing Orders sets clear rules for the procurement of goods, works and services for the council. The rules should ensure that the council is fair and accountable in its dealings with contractors and suppliers.

## Market testing

BCKLWN has good experience of working with contractors of the relevant size and skill set over the last 10 years to deliver the capital project and believes there is healthy competition between available contractors. The scale of the project is likely to attract contractors from outside the geographical area.

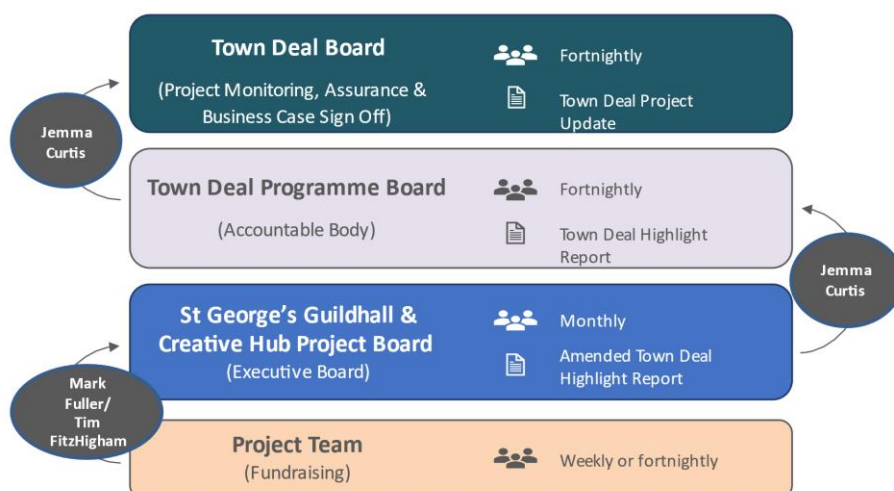
## Procurement Risk

Management of procurement risk is overseen by the Guildhall Project Board and monitored at detailed level by the Project Team. The Guildhall Project Board meets every three weeks. Risks are identified by the team and documented on the risk register (picked up by the highlight reports) and escalated and dealt with at the appropriate level (Project Board, Programme Board, Town Deal Board).

## Roles and Responsibilities

These are set out in the Management Case but in summary, at the organisational level the roles and responsibilities for the capital phase are as follows:

### Project Governance (Town's Fund): operations



## Revenue Operation

### Commercial Strategy

#### Objectives:

- To operate the Centre with appropriate levels of expertise to ensure high-quality artistic product in the performance spaces, and to deliver a world-class visitor experience
- To operate the Centre without the need for regular ongoing revenue subsidy from the council or other public agency.

The accountable body for the operation is the CIO. The key project partners with whom a marketing partnership will be developed are:

- The National Trust
- Norfolk Museums Services.

## **Procurement approach**

An options assessment was carried out previously for operation of the redeveloped/ refurbished centre and decision made that a newly established CIO was the optimal vehicle.

The chair and trustees will be selected on the basis of expertise and experience in the cultural and visitor attraction sectors. They are likely to have experience of sitting on boards of corporations, public bodies and other not-for-profit and cultural organisations. As such they will have experience of governance and providing oversight of strategy and operational policies including procurement and financial management. The search and recruitment of trustees will be initiated in 2022 with support, if necessary, from consultants who are experienced in assembling trustee boards for cultural organisations. Given the profile and strategic importance of the Centre for King's Lynn, the Project Board and stakeholders are confident that a chair and trustees with the requisite acumen and experience can be recruited. Some trustees are likely to be nominated by partner organisations.

The senior executive team will be recruited with special attention paid to experience of managing budgets and procurement processes and policies. It is anticipated that a recruitment search for the senior executive roles (Chief Executive/Creative Director, Finance Manager, Marketing/Comms/ Development Manager, Front of House/Box Office Manager, Hospitality/Events Sales Manager, Technical/ Facilities Manager, Education Officer) will be conducted on a national/regional basis in order to access a good pool of candidates with relevant experience. It is likely that more junior roles can be recruited locally. It is anticipated that the profile and local interest in the centre will help to generate candidate demand, also for volunteers. The experience of operating the current theatre and guided tour operations is that goodwill already exists to provide a core base of volunteers, and that the refurbished and re-launched Centre will provide an opportunity to build on this.

The Centre will rely on casual staff for certain technical and education roles (estimated at 1.5 FTEs). In addition, staff for catering roles (estimated at 8 FTEs) will comprise a mixture of permanent and casuals. From consultation with partners and other sector operators it is anticipated that sufficient supply exists in the local/regional labour market to fill these roles.

The ongoing capability of the CIO operating the Centre to recruit and retain staff will be monitored and assessed as part of the organisation's risk management framework, ultimately under the control and oversight of the trustees.

The CIO will diversify its provision of catering/food and beverage services by splitting the operation between an in-house team (for bars and café operations as well as event and banquet catering) and an outsourced solution for the restaurant. This is judged to provide an optimum mix of customer experience as well as spreading risk. The restaurant will be positioned as a destination dining venue and further broaden the appeal and profile of the Centre. This will be taken forward by an established operator with proven success in the sector.

## **PROCUREMENT STRATEGY**

### **Capital project phase**

The Borough Council will be the lead responsible organisation for all procurements with advice from the National Trust and Norfolk Museums Service. The Borough Council's Procurement Strategy (2018-2021) sets out the strategic approach to procurement of the council's capital and revenue spending, aligned with the National Procurement Strategy in regard to;

- Making Savings
- Supporting the Local Economy
- Demonstrating Leadership
- Modernisation.



The commercial case takes the existing, and emerging new strategy currently under development by the Procurement Team, into consideration in the selection and implementation of procurement options.

The key project components and procurement approaches are as follows:

REDACTED

The operation of the centre will not be subject to a procurement exercise as an options appraisal has identified the formation of an independent CIO as the optimal route.

Policy measures embedded into the procurement strategy include:

- Social value: for larger contracts issues such as ‘use of local apprentices’ and ‘use of local subcontractors’ are included as award criteria, and there is a general intent to increase social value through contracts
- ‘Social value form’: the relevant council procurement officer is obliged to identify improvements in economic, social and environmental well-being for procurements above a certain value
- Equality (Appendix 12, Contract Standing Orders): where relevant to the subject matter procurement may take into account equality-related issues. The council’s Equality Policy encompasses nine ‘protected characteristics’ – Disability, Gender reassignment, Marriage and civil partnership, Pregnancy and maternity, Race, Religion and belief, Sex and sexual orientation.

### **Contract and Risk Management**

The commercial risks are set out in the Risk Register included appendix 1.

The strategic management of the project during the development and delivery phases will be the responsibility of the Project Board. The Board will be responsible for making key decisions, approving end stage documentation and approving key changes to the project.

The day-to-day contract and risk management of the project will be undertaken by a Senior Project Manager who will act as the Project Director and manage the project broadly based on the principles of Prince2 project management methodology. They will be supported by the architect and specialist heritage, construction, theatre and interpretation consultants that will be appointed upon the commencement of the development stage. Further support will be provided by the wider project team including client and partner organisation officers, e.g., BCKLWN procurement team.

### **Operation of the Centre**

The CIO will, as part of its setup, draft and approve a number of internal policy documents including a procurement strategy governing revenue expenditure. This will ultimately be for the trustees to approve. However suggested procurement policy objectives should include:

- Achieve excellent value for money
- Ensure quality, reliability and continuity of supply of goods and services
- Ensure that adequate records are kept showing the adherence to procedure
- Take account of environmental considerations where practical and economically feasible.

Procurement value thresholds will likewise be subject to trustee approval. A suggested structure could be as follows:

- Up to £2,000: competitive quotes not required; budget holder discretion applies
- £2,001- £20,000: three competitive quotes required except where 'unique supply' situation applies (endorsed by Chief Executive and Finance Manager). Unique supply arises where artistic/creative discretion required
- £20,001 and above: competitive tendering process required to deliver minimum of three quotes (except where unique supply), including thorough background information on supplier.

# MANAGEMENT CASE

# MANAGEMENT CASE

## INTRODUCTION

The management case for the St George's Guildhall and Creative Hub project (the Centre) will outline the approach to deliverability, timescales and responsibilities. The Borough Council's approach to project management is based on a clear structure with lines of accountability running throughout the delivery team, connecting each part of the team to senior leadership by the project sponsor, enabling monitoring of progress, accountability and the ability to escalate issues where required through the Towns Fund Programme Board.

The Borough Council has a track record of delivering similar projects as set out in the commercial case. The Borough Council will act as lead delivery partner working with the National Trust and Norfolk County Council's Museum Service to deliver the interventions set out in the strategic case. A newly constituted Charitable Incorporated Organisation (CIO) will be set up to operate the Centre once the development is completed.

## PROJECT MANAGEMENT

### Development Phase

A multi-disciplinary Project Team from across the council and stakeholders has been formed to manage and deliver the project. The experience of the key Project Team members is set out below:

#### **Jemma Curtis, Borough Council of King's Lynn & West Norfolk, Regeneration Programmes Manager**

Jemma is the lead for the King's Lynn Towns Fund programme and responsible for the coordination and preparation of the Towns Fund Business cases, ensuring the investment priorities for all Towns Fund projects is in line with the overall vision and objectives for King's Lynn agreed by the Town Deal Board. Jemma has experience of planning, managing, and delivering a wide range of regeneration projects including a successful £1.2m restoration of the Hunstanton Heritage Gardens in 2017 and the £2m St Margaret's Townscape Heritage Initiative from 2014-2019, both co funded by the NLHF.

#### **Mark Fuller, Borough Council of King's Lynn & West Norfolk, Principal Project Surveyor**

Mark has been project manager and delivered a number of successful NLHF (HLF) large capital projects including Greyfriars Tower Repair and Enhancement project (2006 - £1.5m) The Walks Urban Park Conservation Project (2008 - £4.3m) and the Stories of Lynn, King's Lynn Town Hall (2016 - £3m). These projects were delivered with multiple project partners such as Norfolk Museums Service and Norfolk Records Office. Mark has a working knowledge of the St Georges Guildhall site from an operational perspective and also worked on the NLHF bid in 2016.

#### **Tim FitzHigham, Creative Director and Cultural Officer for the Borough Council of King's Lynn & West Norfolk**

Tim is a multi-award-winning performer, writer and explorer. He was born in King's Lynn and is at least the second generation of his family to perform at the Guildhall. His first degree included the archaeology of standing buildings and he is currently doing a Masters in Robert Armin, Shakespeare's King's Lynn born comedian. He has collated, and in part led the recent research, and championed a fresh approach for the Guildhall for over half a decade.

### **Russell Clement, National Trust, General Manager**

Russell is the General Manager for the Oxburgh & Peckover Portfolio which includes St Georges Guildhall. He has experience of planning, managing, and delivering externally funded projects including NLHF funded Ickworth Uncovered, and is client for Oxburghs ongoing Raise the Roof project, one of the largest heritage conservation projects ever undertaken by the National Trust – both NLHF funded. The National Trust are freehold owners of much of the site and Russell is accountable for ensuring the conservation of the heritage assets, promoting access, and upholding the wishes of the former owners that the Guildhall remain a place for the performing arts. Russell will broker support and resource from the National Trust team to support a coordinated approach to long-term sustainable business planning and operations.

### **Angela Downing, National Trust, Fundraising Consultant**

Angela has over 10 years' experience of driving museum/heritage projects from concept to completion. She secures external and internal income and oversees projects in delivery.

### **Dr Robin Hanley, Norfolk Museums Service, Assistant Head of Museums**

Robin has experience of developing and delivering a number of major HLF/NLHF-funded capital projects including the Voices from the Workhouse redevelopment at Gressenhall Farm & Workhouse and the redevelopment of Lynn Museum. He is currently leading the Norwich Castle: Gateway to Medieval England project, one of the largest NLHF projects currently being delivered in the UK. He has previously worked with the Borough Council on a range of lottery-funded projects including Stories of Lynn, the Walks and South Gate redevelopments. For the Guildhall project Robin will be primarily supporting heritage interpretation and activity planning, including formal and informal learning, youth engagement and operational/business planning.

The responsibilities of the project team are set out below:

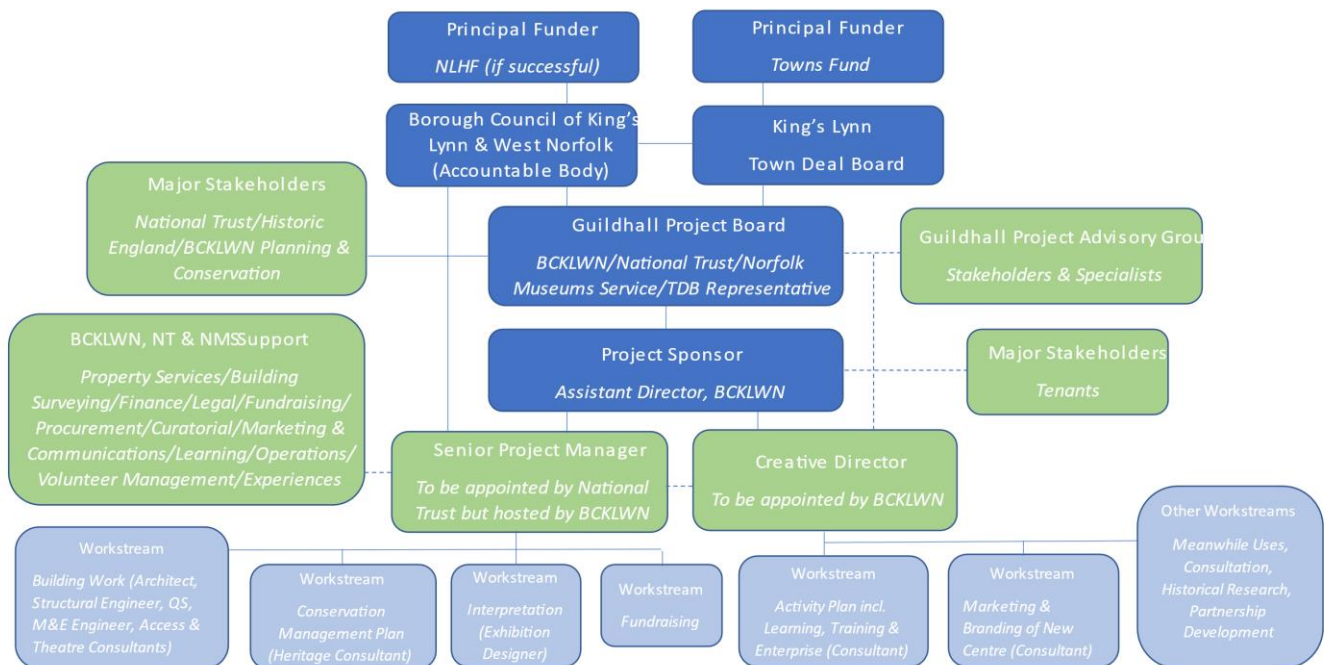
<b>Team member</b>	<b>Commitment</b>	<b>Proposed responsibilities</b>
Jemma Curtis	As required	<ul style="list-style-type: none"><li>• Approve use of project budget and procure goods &amp; services</li><li>• Report to Town Deal Programme Board and Town Deal Board</li><li>• Ensure flow of information and escalate issues</li><li>• Prepare agendas for Project Board and Advisory Group meetings</li></ul>
Mark Fuller	As required	<ul style="list-style-type: none"><li>• Report progress, issues and required decisions to Project Board</li><li>• Lead the Architectural &amp; Structural Design, Procurement of Design Team, Cost Planning – Capital and Heritage Significance workstreams</li><li>• Procure goods &amp; services</li></ul>
Jenny Caynes	3 days / week	<ul style="list-style-type: none"><li>• Prepare Highlight Reports for Project Board and Town Deal Programme Board</li><li>• Lead the Interpretation and Business Planning workstreams</li><li>• Co-lead the Fundraising and Activity Planning workstreams</li><li>• Provide project support and co-ordination</li></ul>
Angela Downing	3 days / week	<ul style="list-style-type: none"><li>• Report progress, issues and required decisions to NT Project Board</li><li>• Manage input from wider NT support team</li><li>• Co-lead the Fundraising workstream and ensure compliance with NLHF</li></ul>
Tim FitzHigham	As required	<ul style="list-style-type: none"><li>• Lead the Project Communications and Stakeholder Management workstreams</li><li>• Co-lead the Activity Planning workstream</li><li>• Develop an approved Business Plan with FEI and ensure Business Plan needs and vision are reflected in all workstreams</li></ul>
Mike Dowdall	2 days / week	<ul style="list-style-type: none"><li>• Ensure compliance with Towns Fund requirements</li><li>• Provide project support</li></ul>

### **Current Project Reporting**

The project partners' Project Team members and reporting relationships are set out below:



## St George's Guildhall and Creative Hub Project Management Structure



### Delivery Phase

The strategic management of the project during the development and delivery phases will be the responsibility of the Project Board. The Board will be responsible for making key decisions, approving end stage documentation and approving key changes to the project.

The day-to-day client management of the project will be undertaken by a, to be appointed, Senior Project Manager (hosted by the National Trust) who will act as the Project Director and manage the project

broadly based on the principles of APAM project management methodology. They will be supported by for example, specialist heritage, construction, theatre and interpretation consultants that will be appointed upon the commencement of the Development Stage. Further support will be provided by the wider project team including client and partner organisation officers, eg. BCKLWN, National Trust and the Norfolk Museums Service. Throughout the development and delivery phases project teams covering the areas of buildings, conservation, activity planning, interpretation, business planning and funding will meet on a monthly basis and report formally to the Project Board through the Senior Project Manager.

The Project Board will require the project to be reviewed at key stages during its progress. The purpose of the reviews is to:

- Provide materials so that the board are kept adequately informed
- Ensure that the project has developed appropriately since the last stage
- Check that the project continues to deliver against all key objectives and is delivering maximum value
- Ensure that all inputs are being co-ordinated
- Determine that outputs are being achieved in accordance with expectation and contractual requirements
- Demonstrate that the project is on track in terms of quality, programme and cost.

To this effect the Project Team will need to provide reports, drawings, schedules etc in accordance with contractual duties and in such a format as appropriate to the stage as agreed with the Senior Project Manager. Key Stage approvals will generally follow the RIBA stages of work.

At a project specific level the axis of the reporting cycle will be the monthly Project Team Meeting, which will deal with all management and operational issues of the capital project.

All appointments and contracts (consultants and contractors) will be procured and let in strict accordance with the Borough Council of King's Lynn and West Norfolk Contract Standing Orders (November 2019). [Procurement rules documents | Borough Council of King's Lynn & West Norfolk \(west-norfolk.gov.uk\)](#)

## PROJECT ORGANISATION AND GOVERNANCE

### Capital Project

The St George Guildhall project will be governed through existing organisational structures in place at the Borough Council and those established to oversee the King's Lynn Town Deal.

To monitor performance the project reports fortnightly to the Town Deal Programme Board, chaired by the Chief Executive of the Borough Council (as the accountable body) to monitor progress on project delivery, ensuring outputs are on track, evidenced, reported, and evaluated in accordance with the Towns Fund Monitoring and Evaluation Framework.

To provide oversight on the strategic alignment and achievement of expected outcomes, the project will report regularly to the King's Lynn Town Deal Board, the representative body for the Towns Fund programme. Project assurance for the Project will take the form of regular progress updates and meetings between the BCKLWN and the contractors procured to deliver the project works.

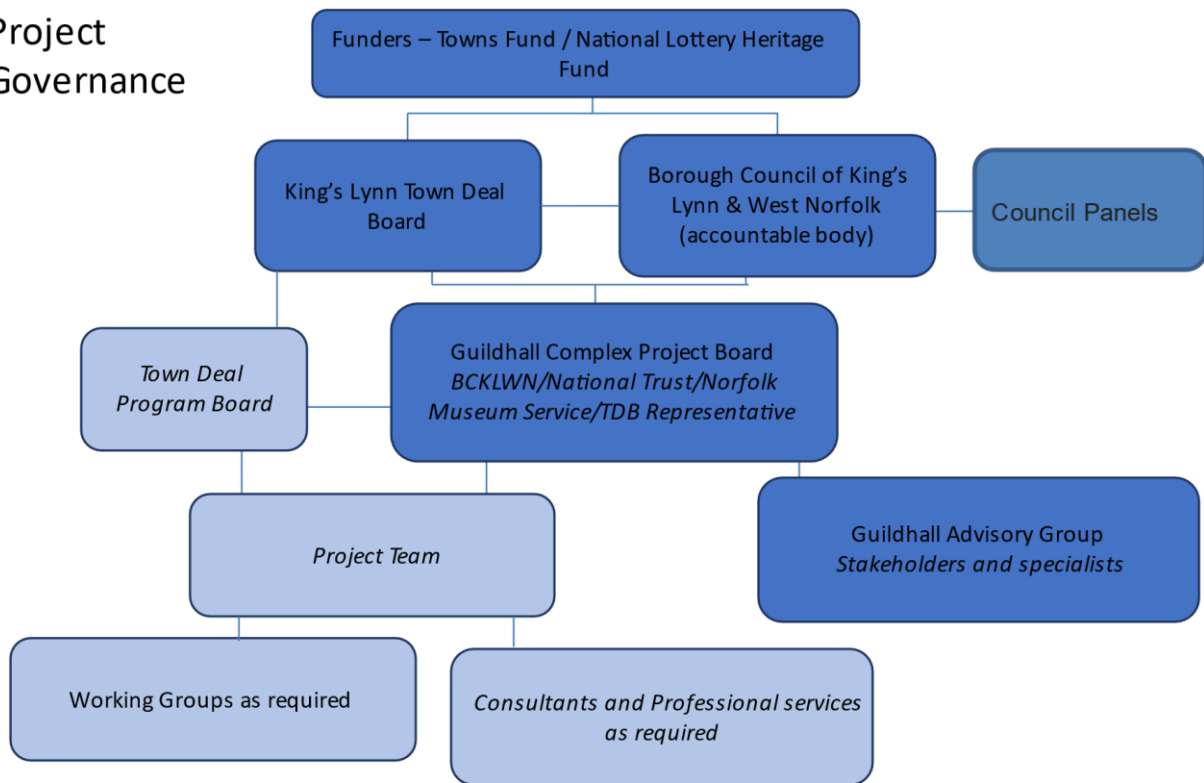
The roles and responsibilities of the different organisations are as follows:

Organisation	Role	Responsibility
DLUHC - Towns Fund	Funder	
National Lottery Heritage Fund	Funder	
BCKLWN	Accountable Body, Leaseholder/freeholder of site, match funder	Ensure delivery of project vision and compliance in accordance with funders and statutory requirements.
Town Deal Board	Approval	Monitor, assurance, sign off
Town Deal Programme Board	Accountable Body	Monitor, assurance, sign off
Guildhall Project Board	Executive Board	Monitor, assurance, sign off
Guildhall Advisory Group	Advisory	Contribute to business planning
National Trust	Partner	Project Management
Norfolk Museums Service	Partner	Heritage Interpretation
Project Team		Project delivery, fundraising
Senior Project Manager		Set up, commissioning, resource management

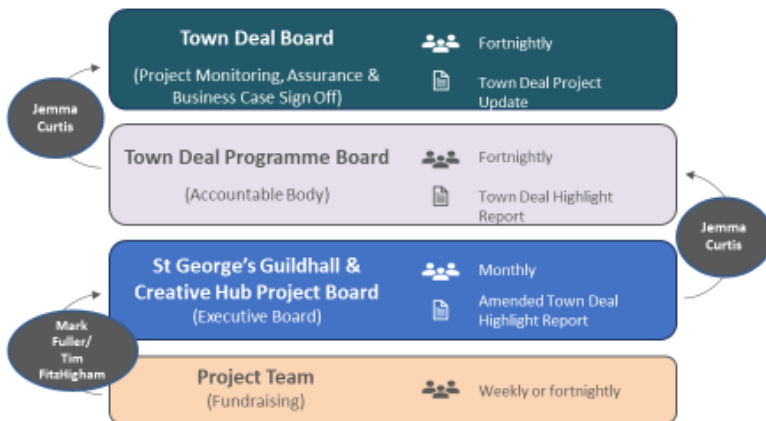
This structure can be represented as follows:



## Project Governance



## Project Governance (Town's Fund): operations



Membership of the various Boards and project team is as follows:

## Team and Board Membership

### King's Lynn Town Deal Board

<b>Chair:</b> Graham Purkins, Merxin Ltd	David Pomfret, College of West Anglia
<b>Vice Chair:</b> Michael Baldwin, Bank House	Rik Martin, Community Action Norfolk
<b>Member</b>	Vicky Etheridge, Discover King's Lynn
MP James Wild, North West Norfolk	Brandan Legrove, Greenyard Frozen UK
Cllr Richard Blunt, BCKLWN	Andrew Stevenson, Hawkins Ryan Solicitors
Lorraine Gore, BCKLWN	Lisa Roberts, New Anglia LEP
Cllr Graham Middleton, BCKLWN	Cllr Nicholas Daubney, Norfolk County Council
The Rt Revd Dr Jane Steen, Bishop of Lynn	James Fowler, Uptech Ltd
	Laura Skaife-Knight, Queen Elizabeth Hospital NHS Foundation Trust

### Town Deal Programme Board

<b>Chair:</b>	<b>BCKLWN Officers</b>
Lorraine Gore, Chief Executive, BCKLWN	Alexa Baker
	Gareth Brown
	Jemma Curtis
<b>BCKLWN Senior Team</b>	<b>New Anglia LEP</b>
Debbie Gates	Vanessa Dunmall
Geoff Hall	Ged Greaves
Duncan Hall	
Matthew Henry	
David Ousby	
Michelle Drewery	

### St George's Guildhall & Creative Hub Project Board

<b>Chair:</b> Cllr Graham Middleton, BCKLWN
<b>Project Sponsor:</b> Duncan Hall, BCKLWN
<b>Members:</b>
Michael Baldwin, Town Deal Board
Russell Clement, National Trust
Robin Hanley, Norfolk Museums Service
<b>BCKLWN Officers &amp; Consultant reporting:</b>
Jemma Curtis
Mark Fuller
Tim FitzHigham

### Borough Council of King's Lynn & West Norfolk Cabinet

<b>Chair:</b>	<b>Members:</b>
Cllr Stuart Dark	Cllr Richard Blunt
<b>Vice Chair:</b>	Cllr Angie Dickinson
Cllr Graham Middleton	Cllr Paul Kunes
	Cllr Adrian Lawrence
	Cllr Brian Long
	Cllr Samantha Sandell

### Project Team (Fundraising)

<b>Members:</b>
Jenny Caynes, Norfolk Museums Service
Angela Downing, National Trust
Tim FitzHigham, Interim Creative Director
Mark Fuller, BCKLWN
Mike Dowdall, New Anglia LEP

### National Trust Project Board

<b>Project Sponsor:</b> Sue Simpson
<b>Members:</b>
Russell Clement, General Manger
Angela Downing, Interim Project Manager
Alison Minshall, Consultancy Manager

## Operating Organisation

Creating an organisation to deliver St George's Guildhall and Creative Hub's mission, key priorities, programme and physical hub is going to take significant fundraising and a partnership approach from organisations across the borough. The organisation will need to deliver the partners' priorities and ensure an enterprising and agile response to new commercial and publicly funded opportunities.

The organisation will need to develop strong local, regional, national and international partnerships and model best practice in delivering ambitious and innovative and accessible cultural and heritage programmes of activity. This would include offering opportunities for skills development through volunteering and apprenticeships, and in pioneering sustainable practices and accessible engagement opportunities. The organisation will be governed by a new independent Charitable Incorporated Organisation (CIO) once the development is completed. The CIO will have up to 12 trustees including nominees from the current partners. They will have to comply with the Charity Commission's reporting obligations, i.e. annual trustees report to include a Financial Review, a statement about Structure, Governance and Management, and a section on Plans for Future Periods. The financial review includes Reserves Policy (requiring trustees to focus on strategic financial management issues), the SG&M section includes Risk Management explaining how the subject is controlled and monitored for the organisation. Plans for Future Periods establishes an important discipline for strategic planning etc. The CIO will have a trading subsidiary that is required to have two independent directors, which helps add scrutiny and objectivity.

The Centre will become a significant heritage visitor attraction and it is intended to employ a small, agile, yet properly resourced, management team led by an experienced Director to run the centre on a day-to-day basis, delivering the trustees' Vision and Mission. For business planning purposes the senior staff team will consist of the following roles:

1. Chief Executive and Creative Director
2. Finance Manager
3. Marketing, Comms and Development Manager
4. Hospitality and Events Manager
5. Technical and Facilities Manager
6. Front of House and Box Office Manager
7. Education Officer

Further permanent and casual staff positions are set out in the financial business plan section in the appendix. The staff team will be supported by a considerable number of volunteers from the local community in public facing roles such as tour guides and stewards recruited from the established networks currently supporting the Guildhall.

## **ASSURANCE**

Duncan Hall (Assistant Director at BCKLWN and Project Sponsor) will be responsible for project assurance, authorising expenditure within delegated levels of authority and act as the ultimate client representative for the scheme on behalf of the Town Deal Board. The Project Sponsor and the Town Deal Board will receive regular progress updates from the Project Board and Team to enable assurance and scrutiny of project delivery to be undertaken. This will include:

- Financial monitoring, of spend against the agreed schedule and budget
- The physical delivery of the project against the project's objectives set out in the business case
- The delivery of the project against the agreed schedule.

## **SCOPE MANAGEMENT**

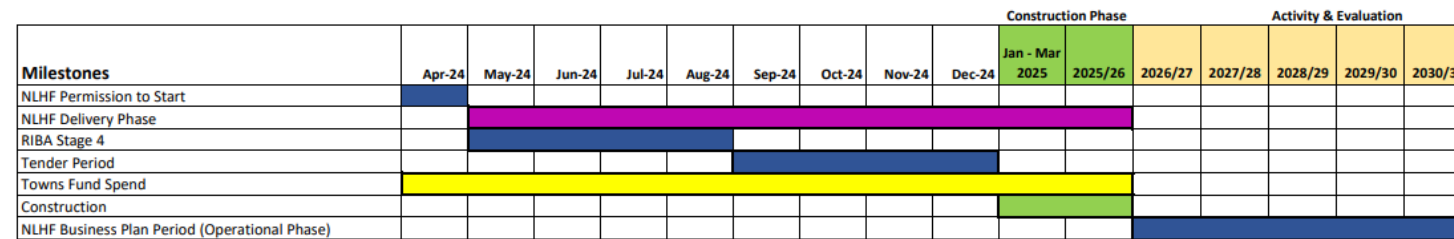
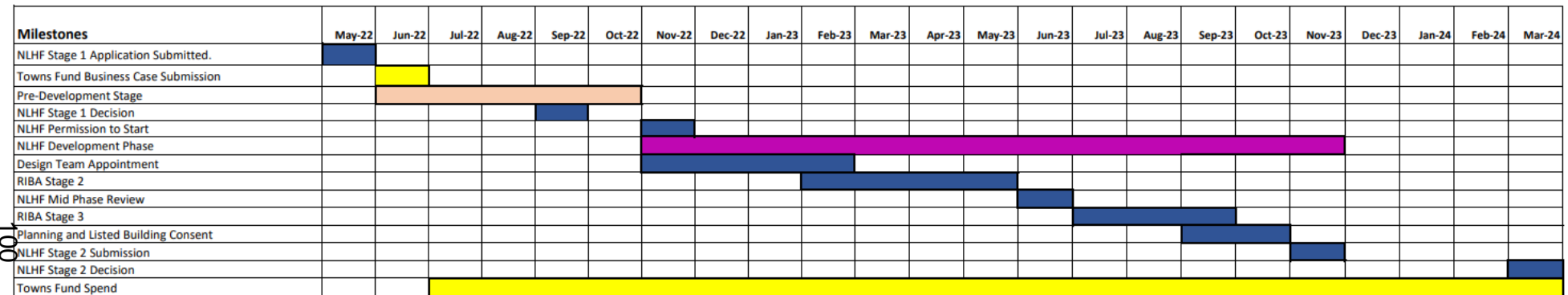
The scope of the St George's Guildhall and Creative Hub project is as set out in the strategic case. Any changes to the defined scope will be escalated to the Project Sponsor and the Programme Board to determine whether these are justified for escalation to the Town Deal Board and DLUHC. DLUHC will determine if a project adjustment form is required to amend the scope of the project and approve accordingly. Once the final scope is agreed it will be for the council to manage and there will be no scope for project adjustment from DLUHC.

## PROGRAMME/SCHEDULE MANAGEMENT

The high-level programme for the the St George’s Guildhall and Creative Hub project is outlined below. This programme identifies an 18 month construction phase commencing in January 2025 with full project completion in April 2026 in line with the financial profiling for the project set out in the financial case.

No other Town Investment Plan projects are directly dependant on the delivery of the St George’s Guildhall and Creative Hub project although the Public Realm Project will assist with footfall and wayfinding.

**Guildhall and Creative Hub Gantt Chart 2022- 2031**



Key:  
 NLHF  
 Towns Fund

## RISK AND OPPORTUNITIES MANAGEMENT

The key risks for the project are as set out in Appendix 1. The Senior Project Manager and the Project Team are responsible for managing risks and opportunities. If any of these risks or opportunities require escalation, they will initially go to the Project Board and then the Town Deal Programme Board for resolution. If wider engagement is required to make decisions that will have a material impact on the project outputs, this will be raised and addressed with the Town Deal Board.

## STAKEHOLDER ENGAGEMENT

The Project Board, which includes the main Stakeholders, is also supported by an Advisory Group consisting of:

- Elected ward members
- Borough Council Portfolio Holder
- Nominated representatives of the KLTDDB
- Historic England
- National Trust
- Industry experts
- Heritage Champion
- Local interest groups
- Existing tenants of the centre

The Project Team will meet quarterly with the Advisory Group. A copy of the Stakeholder map is included as appendix 3.

## BENEFITS, MONITORING AND EVALUATION

The current monitoring and evaluation plan is included as appendix 5. The key indicators are as follows:

INDICATORS	Intervention theme:	Target:	Notes
£ spent directly on project delivery (either local authority or implementation partners)*	N/A		
£ co-funding spent on project delivery (private and public)*	N/A		
£ co-funding committed (private and public)*	N/A		
# of temporary FT jobs supported during project implementation*	Skills and Enterprise Infrastructure	110	2 x FT jobs at implimentation stage are the Senior PM, and Creative director
# of full-time equivalent (FTE) permanent jobs <b>created</b> through the projects*	Skills and Enterprise Infrastructure	22	FT equivalent jobs include = Chief Exec/Creative director, Finance manager, Marketting/comms manager, Hospitality manager, Tech and facilities manager, FOH manager, Education Officer (REF FEI Business Plan app F)
# of full-time equivalent (FTE) permanent jobs <b>safeguarded</b> through the projects*	N/A		
Number of improved cultural facilities	Urban Regeneration	5	Theatre, Fermoy Gallery and White Barn
Amount of capacity of new or improved training or education facilities	Skills and Enterprise Infrastructure	10300	This is based on the assumption we provide one improved facility - i.e learning spaces
Amount of capacity of new or improved training or education facilities	Skills and Enterprise Infrastructure	10,300	This is based on the assumption we attract 5k students per year, from full site opening, to engage with our learning programme (REF FEI Business Plan app F)
# of derelict buildings refurbished	Urban Regeneration	6	White Barn
# of heritage buildings renovated/restored	Urban Regeneration	10	Guildhall
# of enterprises receiving non-financial support	Skills and Enterprise Infrastructure	50	Creative Hub tenants and creative enterprises engaging with the Guildhall on a one off basis - eg performers, stall holders etc
# of potential entrepreneurs assisted to be enterprise ready	Skills and Enterprise Infrastructure	60	
Amount of existing parks/greenspace/outdoor improved	Urban Regeneration	1240	3 = The Ferry Lane garden, the Riverside garden and main courtyard and the Shakespeare Courtyard. Awaiting definitive measurements from MF
Amount of new office space	Urban Regeneration	669	Creative Hub Awaiting definitive measurements from MF
<b>Mandatory indicator - Year on Year monthly % change in footfall</b>	Mandatory indicator	900	existing monthly figures 750. Forecast new footfall 7500 pm. Increase 6750 pm or 900% increase

Once the redevelopment has been completed and the building successfully handed over to the CIO, a range of monthly and annual performance indicators (KPIs) will form part of the Service Level Agreement between the Council and the CIO. These are likely to include:

Area	KPI	How Measured	When Measured
<b>Governance</b>			
Diversity of board			Annually
Engagement			Annually
<b>Management/staff</b>			
Diversity			Annually
Staff retention			Annually
Volunteer pool			Monthly
<b>Operational</b>			
Customer Satisfaction			Quarterly
Complaint levels			Quarterly
Mystery shopper			Annually
<b>Market/Financial</b>			
Overall footfall			Daily - Annually
Performance nos.			Monthly
No. of tickets sold			Monthly
% of capacity sold			Monthly
Ticket Yield			Monthly
Tour attendance			Monthly
Schools' attendance			Monthly
No of classes			Monthly
Occupancy of Hub/voids			Monthly
Number of covers sold			Monthly
Catering GP achieved			Monthly

END

# APPENDIX 1 RISK REGISTER

Risk Identifier	Author	Date Identified	Risk Description	Risk Category	Impact	Probability	Proximity	Owner /Lead	Action	Countermeasure	Date of last update	Current Status
001	MAF	14-Apr-22	Securing statutory consents (Listed Building Consent / Planning Consent / Building Regulations Approval etc.)	Legal & Regulatory	Benefit	Low	1-2years	BCKLWN	Project Team	Early engagement with Historic England / BCKLWN Planning and Development Team / Building Control etc.		No change
002	MAF	14-Apr-22	Securing National Trust 'landlords consent'	Legal & Regulatory	Benefit	Low	1-2years	BCKLWN	Project Team	Early and continued engagement and partnership working with National Trust Team		No change
003	MAF	14-Apr-22	Resources - pressures on project team in respect of balancing work loads / loss of key staff / recruitment of Senior Project Manager	Organisational/Management/Human Factors	People/resources	Medium	3-6 months	BCKLWN	BCKLWN	Continue to review in terms of project team workloads. Recruitment of Senior Project Manager ongoing with potential to recruit imminent.		No change
004	MAF	14-Apr-22	Securing adequate funding from various funding streams (Towns Fund / NLHF / ACE etc.)	Economic/Financial/Market	Cost/Budget	Medium	6-12 months	BCKLWN	Project Team	Process of re-prioritisation of TOWNS funding. Following successful EoI - NLHF Stage 1 Bid to be submitted in May 2022. Tentatively identify additional funders and establish a funding strategy. Reviewing options in respect of phasing or omitting sections of the project without materially impacting project objectives and business plan.		No change
005	MAF	14-Apr-22	Construction market fluctuations / inflation / materials supply and resources	Economic/Financial/Market	Cost/Budget	High	2 + years	BCKLWN	Project Team	Professional QS appointed - inflation projected for construction period - but inflation and construction market remains volatile in terms of pricing / material supply and resources.		No change
006	MAF	14-Apr-22	Continued political support and support of stakeholders and wider public	Political	Benefit	Low	3-6 months	BCKLWN	BCKLWN	Continue to engage with members, stakeholders and wider public in accordance with communications plan.		No change
007	MAF	14-Apr-22	Relocation of existing occupants of site where appropriate (formal leases / tenancy at will / simple licences)	Strategic/Commercial	Scope	Low	6-12 months	BCKLWN	BCKLWN	Early engagement with all occupiers of the site has commenced - this has to be maintained and managed - particularly in respect of areas critical to business plan and commercial leases.		No change
008	MAF	14-Apr-22	Failure of tendering and contracting process - lack of experienced contractors - limited tender returns	Technical/Operational/Infrastructure	Cost/Budget	Low	6-12 months	BCKLWN	Project Team	Identify potential contractors and potential early engagement. Tender process to incorporate robust contractor assessment / selection process incorporating both cost and quality assessment criteria.		No change
009	MAF	14-Apr-22	Tenders received exceed the budget cost allowance	Economic/Financial/Market	Cost/Budget	Medium	2 + years	BCKLWN	Project Team	Regular cost reviews throughout the design development period - undertake market testing of key cost items - regular review of inflation allowances against the market trends.		No change
010	MAF	14-Apr-22	Quality / inadequacy of funding bids	Technical/Operational/Infrastructure	Cost/Budget	Low	3-6 months	BCKLWN	Project Team	Ensure bids are robust and information is tested at regular intervals; arrange pre-submission meetings to ensure that applications are targeted to the funders key drivers. Critical friend to review ahead of submission.		No change
011	MAF	14-Apr-22	Inaccurate project budget cost estimates	Technical/Operational/Infrastructure	Cost/Budget	Low	3-6 months	BCKLWN	Project Team	Specialist QS and professional advisors appointed - similar have to be commissioned for the development phase through to delivery.		No change
012	MAF	14-Apr-22	Cost overruns / unforeseen costs during the project	Economic/Financial/Market	Cost/Budget	Medium	2 + years	BCKLWN	Project Team	QS to work closely with the design team and ensure contingency levels are appropriate for the risks, and proactive monitoring during the construction phase.		No change
013	MAF	14-Apr-22	Project team's performance	Organisational/Management/Human Factors	People/resources	Low	1-2years	BCKLWN	BCKLWN	Ensure the project team briefs are robust - appoint suitably qualified and experienced professionals - monitoring performance during commissions.		No change
014	MAF	14-Apr-22	Satisfying differing requirements, objectives and timescales of potential funders	Strategic/Commercial	Time/Programme	Low	3-6 months	BCKLWN	Project Team	Thorough review of requirements, objectives and timescales of potential funders - plot these against project programme and keep under review.		No change
014	MAF	14-Apr-22	Failure to achieve business plan projections	Economic/Financial/Market	Benefit	Medium	2 + years	BCKLWN	Project Team	Continually review and monitor performance against business plan - adjust pricing policies if required - adequate marketing budget identified and target audiences.		No change

<b>Date of Programme Board Circulation</b>	
<b>Project Manager</b>	
<b>Issue Number</b>	Version 1.0
<b>Issue Date</b>	01/04/2022

Overall Project Risk	
	Major Project Issue
	Managing Project Issue
	Reducing Project Issue
	No risk to project

LIST OPTIONS												
Author	Risk Category	Impact	Probability	Proximity	Owner Lead	Action	Current Status					
MAF	Strategic/Commercial	Time/Programme	Very High	2 + years	Regeneration & Property Services	BCKLWN	Closed					
	Economic/Financial/Market	Cost/Budget	High	1-2years	Finance & Legal Services	Discover KL	Reducing					
	Legal & Regulatory	Quality	Medium	6-12 months	BCKLWN	Project Team	Increasing					
	Organisational/Management/Human Factors	Scope	Low	3-6 months	BCKLWN	NCC	No change					
	Political	Benefit		0-3 months	BCKLWN	NCC						
	Environmental	People/resources										
	Technical/Operational/Infrastructure											

## APPENDIX 2 STAKEHOLDER MAP

<p>↑ Influence</p>	<p><u>Keep Satisfied</u></p>	<p><u>Manage Closely</u></p>
	<p>MHCLG Town Deal Board Norfolk Museums Service / Norfolk Arts Service BCKLWN Planning &amp; Conservation Dept/Officers National Amenity Societies Theatres Trust (national advisory public body for theatres)</p>	<p>Vice Chair TDB – Michael Baldwin Chair TDB – Graham Purkins Cllr Middleton – Deputy Leader Borough Councillors National Trust Historic England National Lottery Heritage Fund Tim FitzHigham (industry/theatre expert) Shakespeare Guildhall Trust (volunteers) Crofters &amp; Riverside Restaurant (tenants) King's Lynn Festival (tenants) King's Lynn Players (tenants) Your Local Paper (tenants) King's Lynn Shakespeare Festival West Norfolk Disability Information Service King's Lynn Town Guides Groundwork Gallery The Garage King's Lynn Civic Society Local media (YLP/EDP/Lynn News/KL Magazine) Stephen Fry (locally based actor) Heritage Champion</p>
	<p><u>Monitor</u></p>	<p><u>Keep Informed</u></p>
	<p>Norfolk Symphony Orchestra Studio 19 Lavender Hill Mob Theatre Co KL Academy of Dance Lynn Academy of Dance &amp; Song King's Lynn Preservation Trust Friends of St Nicholas Chapel Norfolk Chamber of Commerce Universities &amp; other HE/FE establishments Local musicians Family Action Youth Service</p>	<p>Harry Seaton – TDB Youth Rep Cllr Bambridge &amp; Cllr Bone – Ward Members KL Cinema Club Collusion Kick the Dust KLODs Gilbert &amp; Sullivan Creative Arts East Arts Council College of West Anglia West Norfolk Artists Association Residents Project consultees St Margaret's &amp; St Nicholas Ward Forum Creative businesses Alive West Norfolk Visit West Norfolk Discover King's Lynn BID Peter Wilson (theatre expert) Private donors / benefactors Shakespeare Birthplace Trust (?) The Ferry</p>
	<p>-----Interest-----&gt;</p>	



**APPENDIX 3 ACTIVITY PLAN**

See Separate attachment

**APPENDIX 4 DETAILED BUSINESS PLAN**

See Separate attachment

**APPENDIX 5 MONITORING AND EVALUATION PLAN**

See Separate attachment

Document is Restricted