

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:

25th May – BCKLWN Town Deal Programme Board review of draft Business Case

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

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

22nd June – BCKLWN Town Deal Programme Board review feedback and final Business Case

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

4th 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 rd 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 ² 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

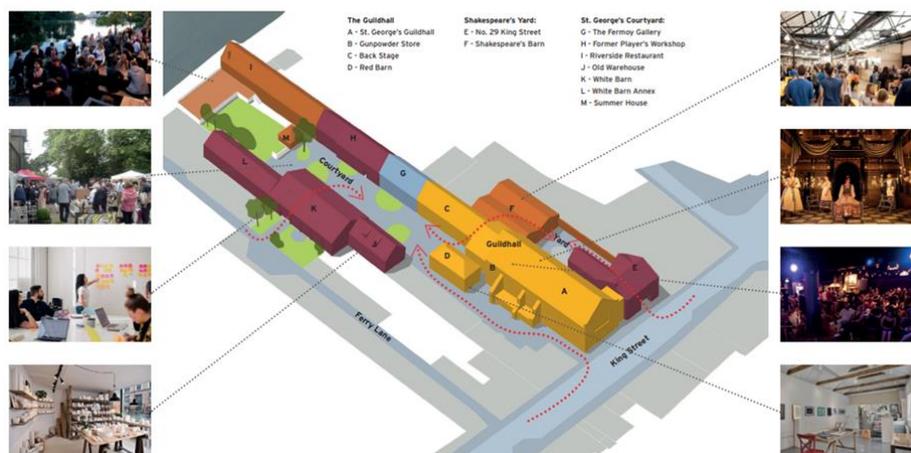
The partners comprising the council, National Trust and Norfolk Museum Service intend to renovate, refurbish and develop the entire St Georges Guildhall site creating a unified Centre, from road to river, operated by an independent Charitable Incorporated Organisation (CIO), opening to the public and 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, 68m² 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. 669m² 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 253m² café/bar with 125 covers and a substantial outdoor terrace, a 198m² 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.

	Baseline Scenario	Preferred Option
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:

Risk	Mitigation
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:

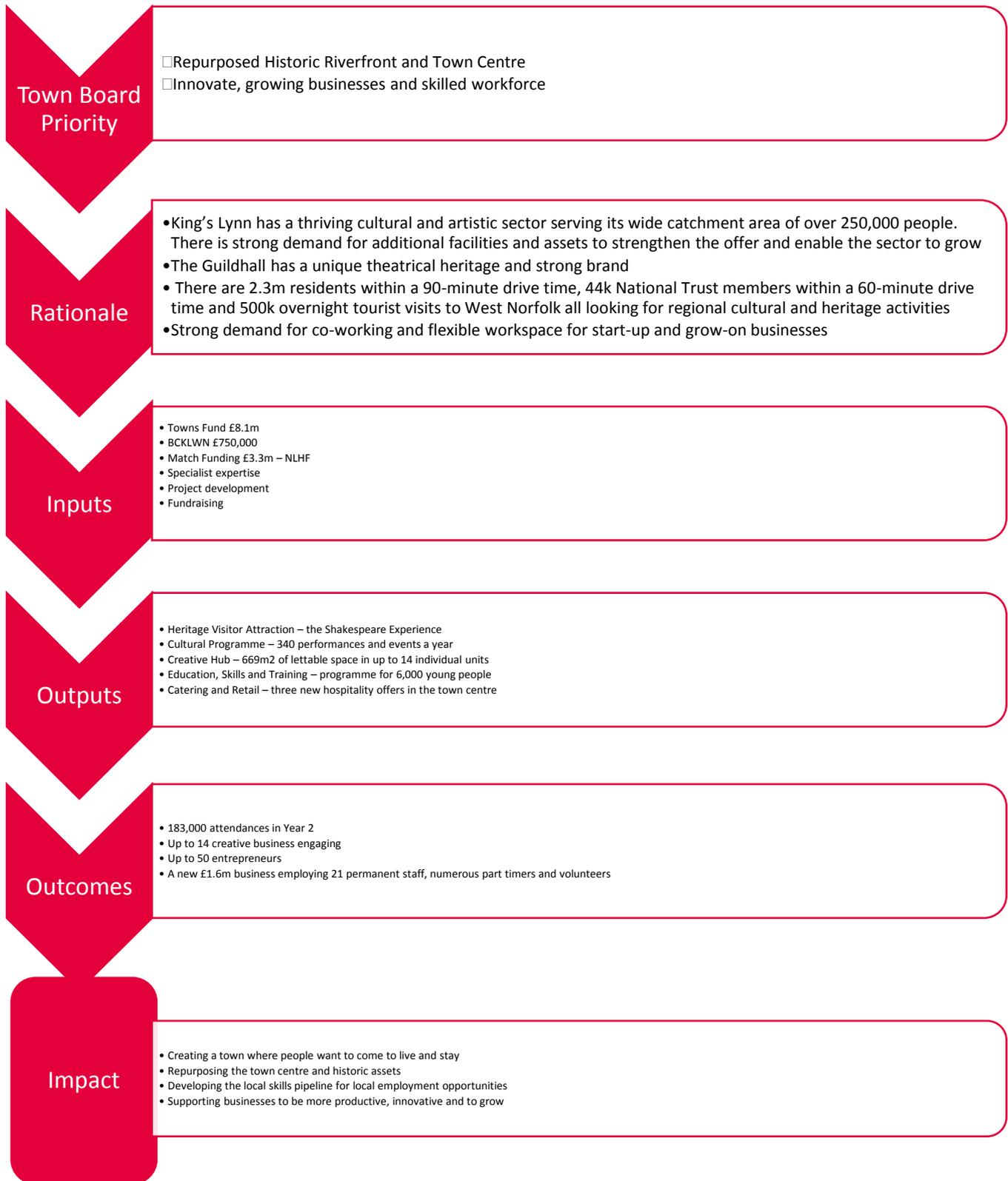
- Budget – ability to deliver a comprehensive scheme within the budget available. The need to provide a fully fitted out Centre to the operator to enable them to run without revenue subsidy
- Operating Company Trustees – finding appropriately skilled trustees of the new CIO prepared to volunteer their 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 fees¹.

- **Volunteering benefit** – The value of volunteering (to the volunteer) can be estimated using data on life satisfaction and volunteering status². 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 benefit³.

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
Model Assumptions		
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)

¹ 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

² 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)

³ 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

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: 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
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: HCA Policy Covers (publishing.service.gov.uk)
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 jobs⁴. 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 town⁵. 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

⁴ Source: Guildhall Town Deal Monitoring and Evaluation Plan

⁵ 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"> Supply linkages due to purchases made because of the intervention and further purchases associated with linked firms along the supply chain (indirect effects). Income or induced effects associated with local expenditure from those who derive incomes from the direct and supply linkage impacts of the intervention. <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 learning⁶. Fujiwara et al. (2013)⁷ 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
Model Assumptions		
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; WP112.pdf (publishing.service.gov.uk)

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

⁷ [WP112.pdf \(publishing.service.gov.uk\)](#)

Assumption	Value	Source/ Justification
		This has been uplifted to a 2021/22 price base using a GDP deflator.
Additionality		
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: HCA Policy Covers (publishing.service.gov.uk)
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 uplift⁸; 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
TOTAL	£1,058,207	£629,092	£5,628,564	£3,653,579	£132,695	11,102,137

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

⁸ 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:

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

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

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

Where:

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

And,

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

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

Economic benefits	
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
Total Economic Benefits	£23,694,003
Economic costs	
Towns Fund	£5,955,006
National Lottery Heritage Fund	£2,446,749
BCKLWN	£551,581
Total Cost (Ex. OB)	£8,953,336
Total Cost (Inc. OB)	£11,102,137
Net Present Social Value	£14,740,667
Benefit-Cost Ratio (BCR)	2.1

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
Economic benefits				
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	-
Total Economic Benefits	£23,694,003	£23,694,003	19,245,435	£14,679,498
Economic costs				
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
Total Cost (Ex. OB)	£8,953,336	£8,953,336	£8,953,336	£8,953,336
Total Cost (Inc. OB)	£11,102,137	£13,430,004	£13,430,004	£11,102,137
Net Present Social Value	£14,740,667	£14,740,667	£10,292,099	£3,577,361
Benefit-Cost Ratio (BCR)	2.1	1.8	1.7	1.3

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 him⁹ – 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

⁹ 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 £11.1m¹⁰.

¹⁰ 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
Total		12,174,091

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):

Cost of sales			£
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
Total Cost of Sales			1,014,942
Permanent Staff costs			666,166
Overheads			
Marketing			132,541
Finance and General Admin			99,581
Premises Costs			86,958
Facilities Management			163,538
Total Overheads			482,618
Contingency			69,012
Total Costs			2,232,738

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

Funding Profile	22/23	23/24	24/25	25/26	26/27	27/28	Total Amount £
<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
Total Funding	398,659	795,835	1,899,805	6,656,561	2,274,480	148,751	12,174,091

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.

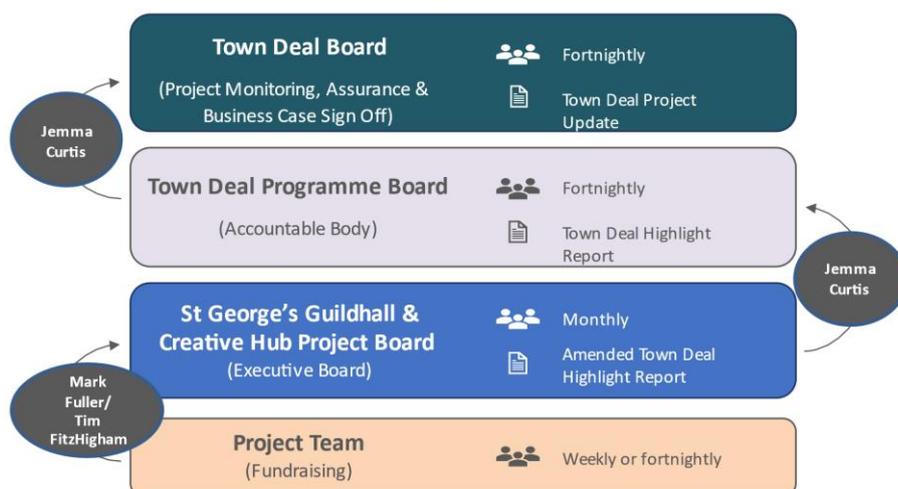
Procurement Risk

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:

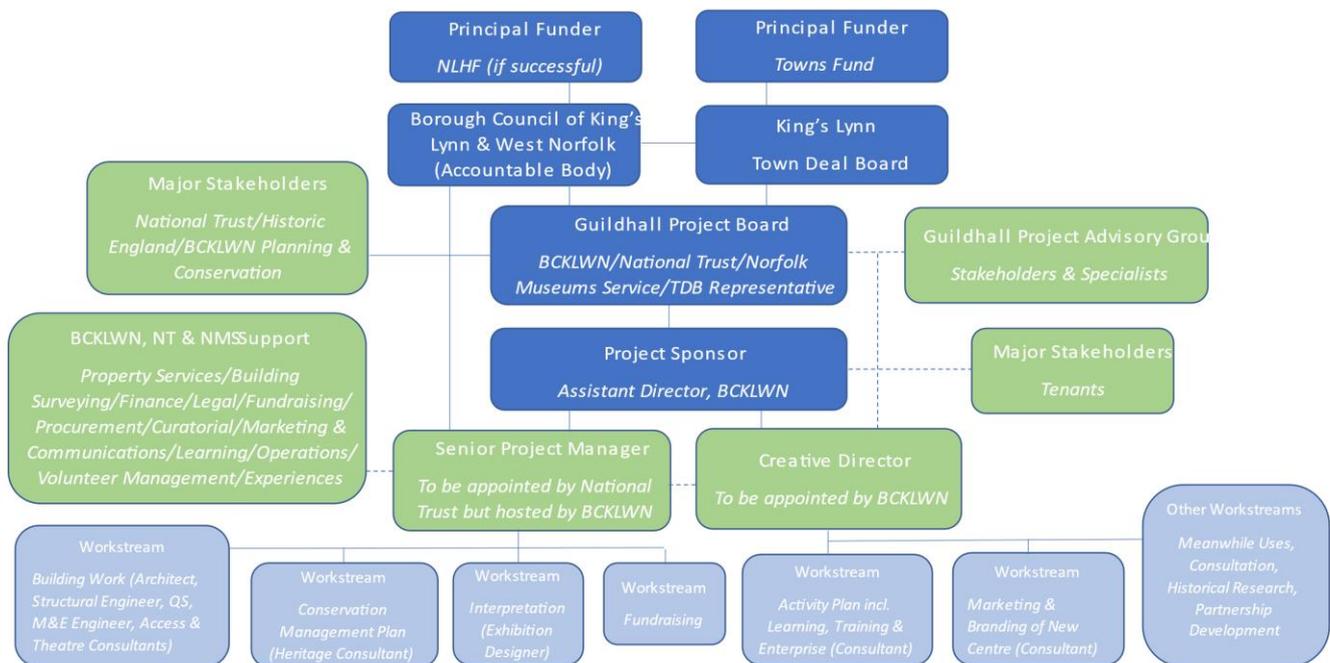
Team member	Commitment	Proposed responsibilities
Jemma Curtis	As required	<ul style="list-style-type: none">• Approve use of project budget and procure goods & services• Report to Town Deal Programme Board and Town Deal Board• Ensure flow of information and escalate issues• Prepare agendas for Project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

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.

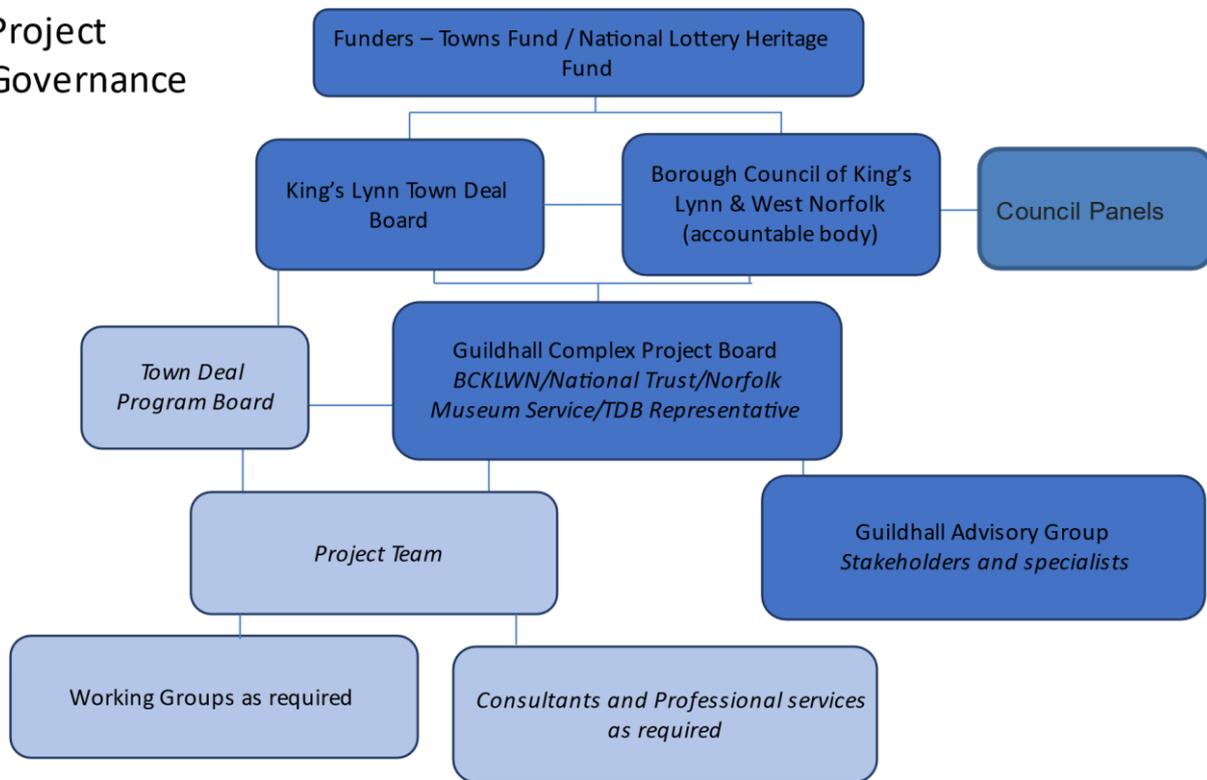
To provide oversight on the strategic alignment and achievement of expected outcomes, the project will report regularly to the King's Lynn Town Deal Board, the representative body for the Towns Fund programme. Project assurance for the Project will take the form of regular progress updates and meetings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

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

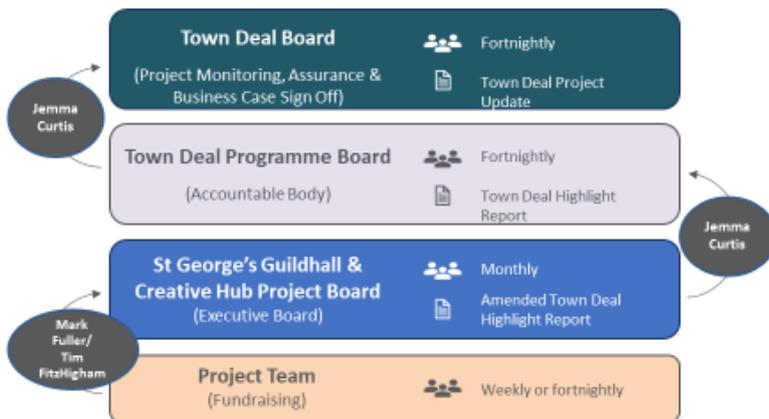
Organisation	Role	Responsibility
DLUHC - Towns Fund	Funder	
National Lottery Heritage Fund	Funder	
BCKLWN	Accountable Body, Leaseholder/freeholder of site, match funder	Ensure delivery of project vision and compliance in accordance with funders and statutory requirements.
Town Deal Board	Approval	Monitor, 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

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

Borough Council of King's Lynn & West Norfolk Cabinet

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

Town Deal Programme Board

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

St George's Guildhall & Creative Hub Project Board

Chair: Cllr Graham Middleton, BCKLWN
Project Sponsor: Duncan Hall, BCKLWN

Members:
 Michael Baldwin, Town Deal Board
 Russell Clement, National Trust
 Robin Hanley, Norfolk Museums Service

BCKLWN Officers & Consultant reporting:
 Jemma Curtis
 Mark Fuller
 Tim FitzHigham

Project Team (Fundraising)

Members:
 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

Project Sponsor: Sue Simpson

Members:
 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

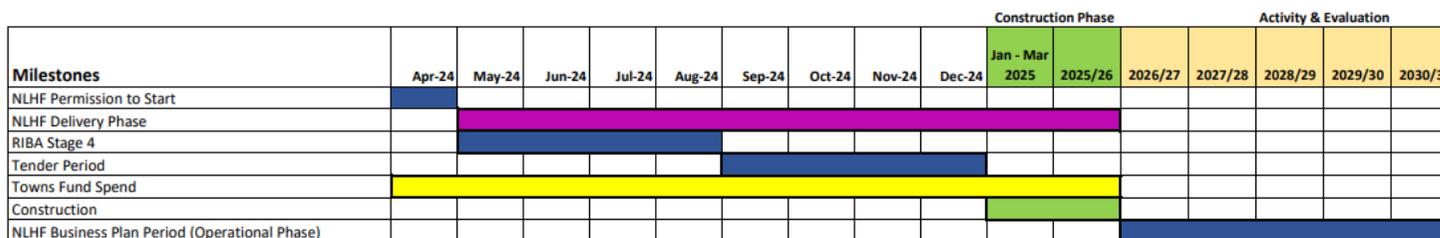
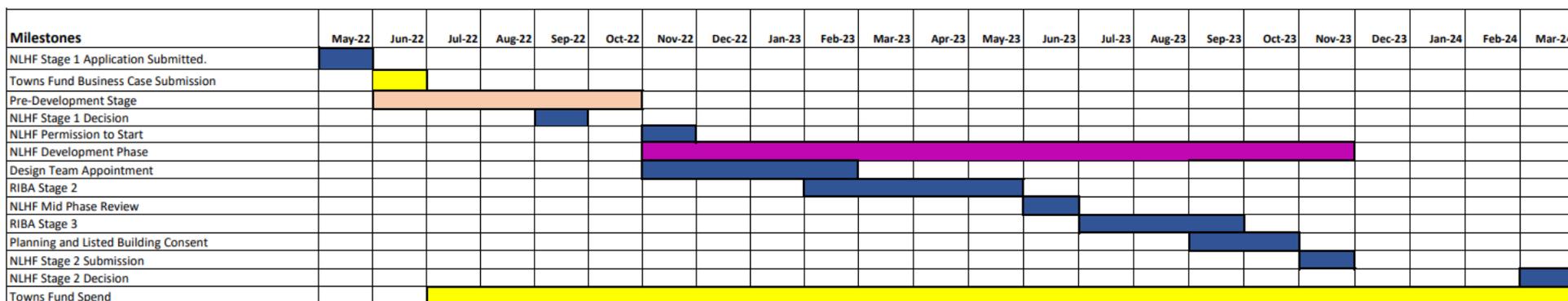
The scope of the St George's Guildhall and Creative Hub project is as set out in the strategic case. Any changes to the defined scope will be escalated to the Project Sponsor and the Programme Board to determine whether these are justified for escalation to the Town Deal Board and DLUHC. DLUHC will determine 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 created 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 safeguarded 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
Mandatory indicator - Year on Year monthly % change in footfall	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
Governance			
Diversity of board			Annually
Engagement			Annually
Management/staff			
Diversity			Annually
Staff retention			Annually
Volunteer pool			Monthly
Operational			
Customer Satisfaction			Quarterly
Complaint levels			Quarterly
Mystery shopper			Annually
Market/Financial			
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

Date of Programme Board Circulation	
Project Manager	
Issue Number	Version 1.0
Issue Date	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	NCC	Reducing
	Legal & Regulatory	Quality	Medium	6-12 months	Finance & Legal Services	Discover KL	Increasing
	Organisational/Management	Scope	Low	3-6 months	BCKLWN	Project Team	No change
	Political	Benefit		0-3 months	BCKLWN		
	Environmental	People/resources			NCC		
	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 & 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 & 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 & Song King's Lynn Preservation Trust Friends of St Nicholas Chapel Norfolk Chamber of Commerce Universities & other HE/FE establishments Local musicians Family Action Youth Service</p>	<p>Harry Seaton – TDB Youth Rep Cllr Bambridge & Cllr Bone – Ward Members KL Cinema Club Collusion Kick the Dust KLODs Gilbert & Sullivan Creative Arts East Arts Council College of West Anglia West Norfolk Artists Association Residents Project consultees St Margaret's & 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-----></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