

REPORT TO CABINET

Open		Would any decisions proposed :			
Any especially affected Wards	Discretionary	Be entirely within Cabinet's powers to decide		YES	
		Need to be recommendations to Council		NO	
		Is it a Key Decision		NO	
Lead Member: Cllr Graham Middleton E-mail: cllr.graham.middleton@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Duncan Hall E-mail: Duncan.Hall@west-norfolk.gov.uk Direct Dial: 01553 Lead Officer: Jemma Curtis E-mail: jemma.curtis@west-norfolk.gov.uk Direct Dial: 01553 616716		Other Officers consulted: Chief Executive, Assistant Director & Monitoring Officer, Assistant Director & Section 151 Officer			
Financial Implications Yes	Policy/ Personnel Implications NO	Statutory Implications NO	Equalities Impact Assessment YES If YES: Full Assessment	Risk Management Implications Yes	Environmental Considerations No

Date of meeting: 24 June 2022

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

Summary

King's Lynn was awarded by Government a £25m 'Town Deal' in June 2021, subject to the completion of business cases for the projects approved under the Heads of Terms offer.

The objective of the Towns Fund programme is to drive the sustainable economic regeneration of towns to support long term economic and productivity growth. A Town Deal is a three-way agreement in principle between Government, the lead local authority and the Town Deal Board.

This report summarises the business case for the St George's Guildhall and Creative Hub project for approval by the Cabinet in the Council's capacity as the "Accountable Body" to MHCLG and as part of the Council's role on the Town Deal Board.

Recommendation

Cabinet is recommended to;

1. Endorse the draft Business Case as set out in appendix 1.
2. Delegated authority is granted to the Chief Executive, the Deputy Leader and the Portfolio Holder for Development and Regeneration to approve the final Business Case in their capacity as representatives of the Council on the Town Deal Board.
3. Delegated authority is granted to the Section 151 Officer to approve the final Business Case and sign the Business Case Summary Document for submission to government in the Council's capacity as Accountable Body for the Town Deal.

Reason for Decision

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

1. Background

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

project are robust, and will ensure delivery within the Towns Fund programme timeframe (delivery by 31st March 2026).

- 1.7 This report provides Members with the draft Business Case for the project which is being progressed through the approved [Local Assurance Framework](#) for all Towns Fund business cases. The report seeks approval from cabinet to approve the Business Case in the Council's capacity as Accountable body for the fund. A substantial report on the funding strategy and ongoing management and revenue implications of the Guildhall project was approved by Cabinet on 11th April 2022. Full and further details on those arrangements are detailed in the report approved by Cabinet and it is not intended to repeat the content of that report, within this report. The Business Case presented in Appendix 1 reflects the arrangements approved in the April cabinet report.

2. Guildhall & Creative Hub Business Case

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

3 Consultation & Engagement

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

4 Section 151 Approval

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

5 Risk

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

6 Environmental Considerations

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

7 Financial Implications

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

8. Policy & Personnel Implications

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

Delivering growth in the economy and with local housing

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

Improving social mobility and inclusion

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

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

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

Appendices

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

Background Papers

[Local Assurance Framework](#)

Town Deal Update Cabinet report, 8 June 2022

Guildhall & Creative Hub Cabinet Report 11 April 2022

Town Deal Cabinet Report, 24 August 2021

King's Lynn Town Deal Board papers available on www.visionkingslynn.com

Towns Fund Further Guidance, June 2020

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

www.visionkingslynn.com

**Pre-Screening Equality Impact
Assessment**

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



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

