

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 Sam Sandell E-mail: cldr.sam.sandell@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Brian Long				
Lead Officer: David Ousby E-mail: David.ousby@west-norfolk.gov.uk Direct Dial: 01553 Lead Officer: Jemma Curtis E-mail: jemma.curtis@west-norfolk.gov.uk Direct Dial: 01553 616716		Other Members consulted:				
Financial Implications Yes		Policy/ Personnel Implications NO	Statutory Implications NO	Equalities Impact Assessment YES If YES: Full Assessment	Risk Management Implications Yes	Environmental Considerations No
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)						

Date of meeting: 15 September 2022

KING'S LYNN TOWN DEAL ACTIVE & CLEAN CONNECTIVITY 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 Active & Clean Connectivity programme for approval by the Cabinet in the Council's capacity as the "Accountable Body" to DLUH and as part of the Council's role on the Town Deal Board, and set out financial and operational considerations for the Council once the works are completed.

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.
4. To approve the future revenue costs associated with the operation of the Active Travel Hubs detailed in section 7; to be built into operational budgets from 2023/4.
5. Delegate Authority to the Assistant Director for Programme & Project Delivery to progress with the planning, procurement and delivery of the projects within the Business Case, subject to the Business Case approval by government.

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 Active & Clean Connectivity programme 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, 3 have had business cases completed, submitted to Government. These are the Guildhall & Creative Hub, 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 and was subsequently approved by Government in August 2022.
- 1.5 The Active & Clean Connectivity (ACC) Programme is a key part of the Town Deal programme to deliver against the strategic aim for a 'sustainably connected town' as outlined in the TIP. The scope of the programme has been changed since the Heads of Terms offer to remove the gyratory and

sandline bridge elements of the original scheme following further detailed feasibility. The gyratory element is now being progressed through Norfolk County Council's Levelling Up transport application submitted in August. The revised ACC programme comprises;

- Cycling and Walking improvements to priority routes identified in the King's Lynn Local Cycling & Walking Infrastructure Plan (LCWIP)
- Active Travel Hubs at Nar Ouse Enterprise Zone and Baker Lane
- Active Travel Plans with 6 employers.

- 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.
- 1.8 Norfolk County Council will be the lead organisation to deliver the LCWIP schemes as the highways authority. The report also details the financial and delivery arrangements required for the elements to be directly delivered and operated by the Borough Council; namely the Active Travel Hubs and Active Travel Plans). The Business Case presented in Appendix 1 details the strategic, economic, financial, commercial and management case for the programme.

2. Active & Clean Connectivity 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 1st September 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 The draft Business Case has also been 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 by 30th September (submission date agreed with Government). 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 3.44 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 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 Communications and Stakeholder plan has been developed for the project to ensure on going involvement of members, residents, businesses and stakeholders throughout the further development and delivery of the projects contained within the programme.

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. Key risks are material price increases and programme delays due to stakeholder requirements. 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 at Appendix 2 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. All of the projects are designed to promote a more sustainable way for residents to commute and travel around the town centre. The Business Case demonstrates how this programme in particular will directly support the government policy for achieving net zero, reduce carbon emissions in the town centre, therefore contributing to the council's Climate Change policy and move towards carbon reduction.

7 Financial Implications

- 7.1 The Active Travel Hubs element of the programme will be owned and operated by the Borough Council and so will be responsible for the ongoing cost to maintain and operate these new facilities. The operation of these will be through the Commercial Services section and therefore day to day operation will be absorbed into the existing staff resources. However there will be other direct fixed costs that will need to be met including business rates, insurance, CCTV, cleaning and maintenance. The anticipated worse case revenue costs are estimated to be £100,000 per annum for both sites, to be met from Commercial Services revenue budget from 2023/24 onwards. The facilities will have a charged for element on the car park and membership to use the secure the cycle storage which have not been included in the revenue cost estimate.
- 7.2 Estimates on income generation from these facilities is difficult to evaluate with any accuracy at this stage and will need to be considered as part of the councils wider parking and charging strategy, the objective to ensure charges are as low as possible to cover the costs to encourage use and take up of the facilities. The Nar Ouse EZ facility will build in usage over time as the Enterprise Zone is built out.
- 7.3 While the capital cost is being met from the Towns Fund, the future renewal costs need to be considered. It is recommended any income generated through the memberships, car parking income and fees are allocated as contribution to reserves to fund renewal/maintenance.
- 7.4 The £6.256m programme includes additional grants funding of £2,022,750 comprising £1,878,000 Business Rates Pool funding (originally secured against the Parkway development) and £144,750 secured through the Norfolk Strategic Fund. A variation request to the Business Rates Pool funding allocation is required to reflect the changes to the LCWIP schemes that has been agreed with the Town Deal Board (as detailed in section 1.5).
- 7.5 The LCWIP schemes will be designed and delivered by Norfolk County Council NCC under a funding agreement between the Borough Council as the Accountable body and NCC.

8. Policy & Personnel Implications

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

Protecting and enhancing the environment including tackling climate change

- deliver on our commitment to be carbon neutral by 2035, or earlier, by implementing the council's carbon reduction strategy and encourage and collaborate with our partners, communities and local businesses to reduce their environmental impact

Appendices

1. BUSINESS CASE

Background Papers

[Local Assurance Framework](#)

Town Deal Update Cabinet report, 8 June 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

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 Active & Clean connectivity programme in King's Lynn. Project will deliver a range of projects to improve the infrastructure for walking and cycling to provide more affordable, active and sustainable means of travelling around King's Lynn. 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)	√			

