

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: Cllr Richard Blunt, Cllr Adrian Lawrence			
Lead Officer: Duncan Hall Duncan.hall@west-norfolk.gov.uk NCC Lead Officer: Natasha Hayes E-mail: natasha.hayes@norfolk.gov.uk		Other Members consulted:			
		Other Officers consulted: Chief Executive, Assistant Director & Monitoring Officer, Assistant Director & Section 151 Officer, Assistant Director Property & Projects.			
Financial Implications NO	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: 15 September 2022

KING'S LYNN TOWN DEAL MULTI-USER COMMUNITY 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 Multi-User Community Hub project for review by the Cabinet in the Council's capacity as the "Accountable Body" to DLUHC.

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. Approve the transfer of the relevant freehold land to Norfolk County Council on the terms set within this report, to facilitate the delivery of the Multi-User Community Hub.
5. Delegate authority to the Assistant Director for Legal Services & Licensing to make and complete all necessary documents in relation to the proposed transfer of the Borough Council freehold land interest referred to within this report.

Reason for Decision

To ensure the funding is secured to deliver the Multi-User Community 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, 3 have had business cases completed, submitted and agreed by Government. These are the Guildhall and Creative Hub project, 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.

Since the above report, the reprioritisation has been formally approved by DLUCh increasing the MUCH's share of the Town Deal to £7.4m. The increase in funding required from Norfolk County Council Cabinet has also been approved, in the most recent NCC Cabinet, increasing the contribution to £5m (£3m total funding and £2m of underwritten risk) therefore, pending the final sign off of the business case, all funding has been formally secured.

- 1.5 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).
- 1.6 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 note the Business Case in the Council's capacity as Accountable body for the fund, and confirm it meets the required standards.

2. Multi-User Community 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 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 Business Case has undergone legal review to confirm it does not constitute a subsidy and has been reviewed by an independent appraisal specialist confirming that it fully complies with the Government Guidance and regulations. The appraiser has recommended that the project proceed based on the business case.
- 2.3 The final project Business Case will be issued to the Town Deal Board for approval and then submitted to government in a 'Summary Document', signed off by the Chair of the Town Deal Board and the Council's Section 151 Officer, by 30th September 2022. 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 The strategic case lays out the clear statistical and strategic case for change, identifying challenges in skills, health, hardship, aspiration and business across West Norfolk compared with local and national comparators. The case describes how the project build, location, facilities, programming and partnerships make significant impacts in terms of tackling these key issues alongside delivering Town Deal specified outputs and outcomes.
- 2.6 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 2.4 and therefore demonstrates 'high' Value for Money.

- 2.7 Two sensitivity analyses have been conducted identifying that should the CAPEX budget increase by 50% VfM would still sit at 1.98, and should the MUCH only deliver half its benefits VfM would be 1.96 – demonstrating the strength of the proposals. The full economic appraisal is contained in the Business Case (appendix 1).
- 2.8 Both capital and expected operational spend is outlined within the financial case, alongside a breakdown of funding sources. The case includes an overview of any financial risks and mitigations - such as significant contingencies for inflation and risk, and consultation with cost consultants
- 2.9 The commercial case gives an overview both of procurement strategies in place at NCC and of the services and partnerships that will be based at the Hub to deliver outcomes and how these are funded to ensure deliverability
- 2.10 The management case details the 'how and who' of delivery, including the governance for the capital build project, and clear operational structure once the project phase completes and NCC is the sole accountable body for the space.

3 Consultation & Engagement

- 3.1 The comprehensive and detailed range of community and stakeholder engagement undertaken to inform the development of the MUCH, and findings directly informed the project direction and Business Case. A comprehensive Communications and Stakeholder strategy 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 Engagement is essential to the success of the MUCH. Partnerships, programming and a comprehensive activity plan will be developed alongside a series of engagement activities including co-design workshops, activity pilots, pop-up events alongside more traditional consultation methods such as surveys and presentations.
- 3.3 A key area of consultation moving forward is on the design of the building. The RIBA1 report contains some purely indicative designs, demonstrating how the space could fulfil the specification – which would be rescoped, developed and finalised at the next RIBA design stage. Key stakeholders and members of the community will be invited to scoping and review workshops to create and develop these designs, alongside various feedback opportunities, to ensure the final design meets resident needs and aspirations.

4 Land Transfer

- 4.1 Norfolk County Council are in the process of purchasing the Argos Building and BCKLWN own the land upon which it is built. The value of the land is negligible and would have no financial impact on BCKLWN, however the transfer is required to complete the sale of the building and subsequent transfer of the Freehold to Norfolk County Council.
- 4.2 The site proposed for the MUCH comprises the site that was formerly operated as the King's Lynn town centre Argos retail premises (currently vacant). The

Borough Council of King's Lynn & West Norfolk owns the freehold of this site, however it is leased to the Vancouver Centre operators on a very long ground lease arrangement.

- 4.3 As part of the redevelopment scheme of the Vancouver Centre during the mid 2000's the borough council relinquished its right to receive rent from this ground lease arrangement in exchange for taking full, unfettered ownership of a block of retail units (and offices at the time) on the corner of Broad Street and Norfolk Street. These units are leased out by the borough council and 100% of the rents generated are retained by the borough council.
- 4.4 The ground lease covering the site of the former Argos building (when re-granted in the mid 2000's) was for a term of 999 years at nil rent. A valuation exercise of the borough council's interest has been undertaken, and it is confirmed that the council's property interest in this site is virtually nil.
- 4.5 Negotiations between Norfolk County Council and the borough council have concluded that, in principle, the freehold of the site will transfer for nil consideration, and that Norfolk County Council will indemnify the borough council against and Stamp Duty Land Tax costs that may arise during the process. Recommendations 4 & 5 therefore recommends delegated authority to complete the land transfer.

5 Section 151 Approval

- 5.1 As set out in 2.3, the final project Business Case 'Summary Document' will be submitted to Government once the Business Case has been signed off by the Chair of the Town Deal Board and the Council's Section 151 Officer.
- 5.2 The process for assessing the Business Case complies with the Governance arrangements is set out in the Local Assurance Framework. Key components of assurance will be 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 completed and confirms full compliance with Green Book standards, and advises the project progresses
 - An independent review of any subsidy control implications has been completed
 - The Value for Money assessment generated a positive Benefit Cost Ratio score
- 5.3 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. The highest impact risks are those focused on financing the Capital Build given the unstable status of inflation and material costs. The business case sets out how these risks can be mitigated to minimise the risks, in particular the review of costs by professional cost consultants Turner and Townsend and the inclusion at their suggestion of a 24% contingency/inflation/risk budget.
- 5.4 The Council's Section 151 Officer is satisfied that the business case has complied with the Green Book Appraisal subject to the completion of the Local Assurance Framework process (as set out above) and is minded to approve the business case for submission. Assurance is also being provided by Norfolk County Council's Section 151 Officer in support of the project. In approving the

project, it is 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 are put in place at the earliest opportunity.

6 Risk

- 6.1 A detailed Risk register is included in the Business Case.
- 6.2 As the Borough Council is the accountable body for the Town Deal, a legal Funding Agreement will be put in place with Norfolk County Council to set out the terms on which the Town Deal funds will be paid.

7 Environmental Considerations

- 7.1 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 RIBA Stage 1 report (appendix 2) details the build's ambitious sustainability aspirations and how it will contribute to Net 0 ambitions.

8 Financial Implications

- 8.1 There are no financial implications to BCKLWN.
- 8.2 Norfolk County Council and the Town Deal Fund are the project co-funders. Norfolk County Council is leading the project and is taking on all capital and operational financial risk.
- 8.3 The value of the land being transferred is negligible and does not represent a loss to the borough council.

9 Policy & Personnel Implications

- 9.1 There are no personnel implications. Norfolk County Council are providing all staffing to deliver the project. Programme resource supplied by the Borough Council will not be impacted by the submission of the business case.
- 9.2 The MUCH aligns with and contributes to many national, regional, and local strategies and policies which are laid out in the Business Case and appendices, as set out in the strategic case.

Appendices

- 1. BUSINESS CASE FOR MULTI-USER COMMUNITY HUB TOWN DEAL PROJECT
- 2. RIBA STAGE 1 REPORT
- 3. EQIA REPORT
- 4. BUSINESS CASE APPENDICES

Background Papers

Local Assurance Framework

Heads of Terms

BCKLWN Cabinet Report – Town Deal – August 2021

BCKLWN Cabinet Report – Town Deal Update – June 2022

Link to [King's Lynn MUCH RIBA 1 KLWN R&D panel briefing video](#)

**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 MUCH project in King's Lynn. Project will refurbish and regenerate the site to become a more accessible and provide a wide range of social, skills, health and well being activities and services. 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)	√				

Question	Answer	Comments
<p>2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</p>	No	
<p>3. Could this policy/service be perceived as impacting on communities differently?</p>	No	
<p>4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p>	Yes	<p>One of the primary aims of the Towns Fund programme is to improve the skills and job opportunities, particularly for those people and sectors most impacted by Covid -19. This project will provide a significant improvement in the services that can be provided to support residents to access new skills, training and information advice and guidance on employment.</p>
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</p> <p>If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	<p>Actions:</p>
		<p>Actions agreed by EWG member:</p> <p>.....</p>
<p>If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</p> <p>Decision agreed by EWG member:</p>		
<p>Assessment completed by:</p>		
<p>Name</p>	<p>Jemma Curtis</p>	
<p>Job title</p>	<p>Regeneration Programmes Manager</p>	
<p>Date</p>	<p>18/08/2022</p>	