

**REPORT TO CABINET**

<b>Open</b>		Would any decisions proposed :			
<b>Any especially affected Wards</b>	Discretionary	Be entirely within Cabinet's powers to decide		YES	
		Need to be recommendations to Council		NO	
		Is it a Key Decision		NO	
Lead Member: Cllr Stuart Dark E-mail: <a href="mailto:cldr.stuart.dark@west-norfolk.gov.uk">cldr.stuart.dark@west-norfolk.gov.uk</a>		Other Cabinet Members consulted:			
Lead Officer: Lorraine Gore E-mail: <a href="mailto:Lorraine.gore@west-norfolk.gov.uk">Lorraine.gore@west-norfolk.gov.uk</a>		Other Officers consulted: Assistant Director Commercial Services, Assistant Director & Section 151 Officer			
Lead Officer: David Ousby E-mail: <a href="mailto:David.ousby@west-norfolk.gov.uk">David.ousby@west-norfolk.gov.uk</a> Direct Dial: 01553 616505					
Financial Implications Yes	Policy/ Personnel Implications NO	Statutory Implications NO	Equalities Impact Assessment YES If YES: pre screening	Risk Management Implications Yes	Environmental Considerations Yes

Date of Meeting: 26th September 2022

**OASIS LEVELLING UP FUND APPLICATION – NEXT STEPS**

**Summary**

This report presents the Levelling Up round 2 bid as submitted to DHLUC on 2<sup>nd</sup> August 2022. A further report to Cabinet on 15<sup>th</sup> November will confirm the preferred site location and the next stage of due diligence required in advance of the bid outcome.

Subject to the successful outcome of the bid, a further report will be required to Cabinet to approve the final scope and financial implications of the Oasis project and to amend the capital programme for 2022-2026 to incorporate the match funding and delivery requirements of the project.

**Recommendations**

Officers undertake further consultation with stakeholders, including the Hunstanton Advisory Group and the Town Council, to discuss potential sites prior to confirmation of the preferred location for the new facility. A further report to Cabinet on 15th November will confirm the preferred site location and the next stage of due diligence required in advance of the bid outcome, in order that the additional due diligence works can be completed ahead of an announcement on the outcome of the Levelling Up Fund bid.

**Reason for Decision**

The location of the site for the new facility needs to be agreed prior to expenditure from the budget approved to undertake further due diligence and development of project delivery requirements for the Oasis project in the period up to the outcome of the bid (expected by the end of 2022)

**1 Background**

- 1.1 On 24<sup>th</sup> June 2022 Cabinet approved The Oasis project be submitted under round 2 of the Levelling Up Fund as set out in the report. Delegated authority is granted to the Chief Executive and S151 Officer, in consultation with the Leader, Deputy Leader and Portfolio Holder for Finance to agree the final application to be submitted to government by 6 July 2022.
- 1.2 The original submission deadline of 6th July was delayed by the Government with the application portal opening on 15th July and closing at midday on 2nd August. An officer decision was taken to ensure that a bid was submitted as resolved at Cabinet on 24th June 2022 by the revised deadline.
- 1.3 The name for the LUF Oasis Bid as submitted to DLUHC is the Hunstanton Transformation Project (HTP). The short description of the Bid is as follows:
- HTP kickstarts the transformation of Hunstanton, a traditional Victorian seaside resort. Our vision is to drive modernisation of the tourism offer and regeneration of the entire sea-frontage, impacting employment, skills, health and other indicators and addressing the town's endemic deprivation.
  - Phase one of the transformation provides a dynamic, new health activity centre. This unlocks the existing site for commercial, retail, and leisure use. Catalysing transformation, the vacated Oasis centre site unlocks <7000sqm development land for private-sector investment, and creates quality, all-weather facilities for residents and visitors alike. This is a once-in-a-generation opportunity for Hunstanton to thrive again.
- 1.4 The Bid is supported by a Project Costings and Planning Workbook that demonstrates a strong Benefit Costs Ratio of 2.17. The key benefits are:

<b>Benefit</b>	<b>description</b>	<b>value</b>
<i>New Jobs</i>	50 new jobs created	£16.4m
<i>New Oasis memberships</i>	750 new memberships	£2.3m
<i>Energy savings</i>	£300,000 per annum	£2.6m
<i>Constructions Jobs</i>	150 construction jobs	£7.6m
<i>Health benefits</i>	Reductions in diabetes, strokes, cancer, dementia, mental health, GP costs, prescriptions and A&E attendance / Hospital inpatients	£39.2m
<i>Learner benefits</i>	200 NVQ2 and 3 learners	£1.4m
<b>Present Value of Benefits</b>		<b>£69.5m</b>

- 1.5 The total cost estimates to deliver the project are as follows:

<b>Budget Summary Table</b>	<b>Value £</b>	<b>%</b>
<b>LUF GRANT CONTRIBUTION</b>	£19,810,198.00	69%
<b>MATCH-FUNDING CONTRIBUTION</b>	£9,000,000.00	31%
<b>TOTAL PROJECT COSTS</b>	<b>£28,810,198.00</b>	<b>100%</b>

- 1.6 The appendices to this report contain the bid information as submitted. **Appendix 1** contains the majority of the bid information, however the commercially sensitive detailed financial costings for the scheme are within the exempt **Appendix 2**.

## **2 Levelling Up Fund Assessment**

- 2.1 There will be a three staged approach to assessment and decision making<sup>1</sup>;

### **Stage 1 – Gateway**

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

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

- Applications will be assessed at the bid level against Characteristics of Place, Strategic Fit, the Economic Case and Deliverability. These 4 criteria carry equal weighting. A funding shortlist will be drawn up from those bids that score highest overall, and who score at least average or above on Strategic Fit, the Economic Case (with a minimum “value for money” rating) and Deliverability.

### **Stage 3 Decision Making – Autumn 2022**

- Once bids have been assessed and moderated, and the shortlist is drawn up, Ministers will make funding decisions.

## **3 Financial Implications**

- 3.1 Government have applied an ‘Index of Priority Places’ recognising the level of need required to ‘level up.’ West Norfolk has been identified as a category 1 area and as a result has received £125,000 of capacity funding to support the preparation of an application to round 2 of LUF
- 3.2 In addition to the capacity funding, the Cabinet report dated 24<sup>th</sup> June recommended that £100,000 be allocated from existing reserves for resourcing and project development work in order to undertake the further due diligence and development of project delivery requirements on the preferred project in the period up to the bid outcome.

## **4 Options Assessment**

- 4.1 The Southend Road Car Park site was used as the preferred option In order to formulate the LUF Bid within the timescales available. The redevelopment of the existing site was ruled out due to: the loss of facilities during redevelopment; it could not be redeveloped within the LUF funding delivery timeframe; and the seafront location of the existing facility could not then be released for transformational change.
- 4.2 Officers are aware of the potential impact the location of the new facility could have on the existing car parking provision for the town. It is recommended that the council discuss potential alternative sites for the new facility with Hunstanton Advisory Group, the Town Council and the owners of alternative site, prior to producing a further report to Cabinet on 15<sup>th</sup> November

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<sup>1</sup> <https://www.gov.uk/government/publications/levelling-up-fund-round-2-technical-note/levelling-up-fund-round-2-technical-note#gateway>

confirming the preferred site and the next stages of due diligence to be undertaken.

## **5 Personnel Implications**

- 5.1 A key consideration in the development and assessment of the bids by government is the Council's capacity to deliver the project. Given the existing significant scale of the Town Deal programme already underway, to be delivered by March 2026, it is anticipated that additional internal and external resources will be required to undertake further due diligence and development of the project delivery requirements for the preferred project.

## **7 Environmental Considerations**

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

## **8 Statutory Considerations**

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

## **10 Risk Management Implications**

- 10.1 a full risk register is contained within section 8 of the Bid (see Appendix 1)

## **11 Appendices**

Appendix 1 – Open LUF Bid documents

Appendix 2 – Exempt LUF Bid documents

## **12 Background Papers**

Levelling Up Fund Prospectus, April 2022 [Levelling Up Fund Round 2: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111422/levelling-up-fund-round-2-prospectus-2022.pdf)

Hunstanton Prospectus, 2017 [Hunstanton prosperity documents | Borough Council of King's Lynn & West Norfolk \(west-norfolk.gov.uk\)](https://www.west-norfolk.gov.uk/Document/Download/111422)

King's Lynn Town Investment Plan, 2021

BCKLWN Corporate Plan [Corporate business plan | Corporate business plan | Borough Council of King's Lynn & West Norfolk \(west-norfolk.gov.uk\)](https://www.west-norfolk.gov.uk/Document/Download/111422)

[Cabinet report 24<sup>th</sup> June 2022](#)

[Officer delegated decision 1<sup>st</sup> August 2022](#)

## **Appendix 1 – Open LUF Bid documents**

**Appendix 2 – Exempt LUF Bid documents**

*(project costings and planning workbook)*