

# King's Lynn Multi User Community Hub


Vision King's Lynn

## **MUCH Business Case presentation**

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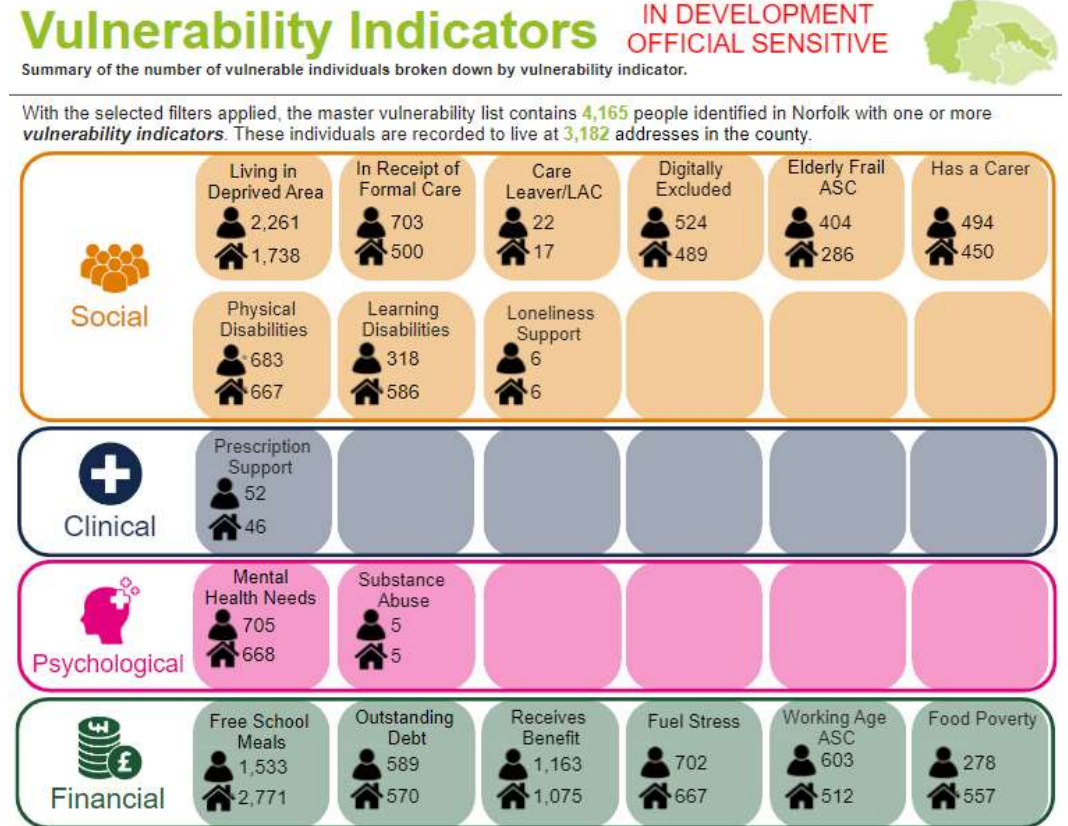


# Agenda

- **Strategic Case**
  - **Economic Case**
  - **Financial Case**
  - **Commercial Case**
  - **Management Case**
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# Strategic Case - Case for change

- KLWN possesses a huge amount of potential but faces significant challenges. These challenges span skills and attainment, health and wellbeing, social mobility and aspiration and facilities and resources for business. In all areas KLWN lag behind local and national statistics.
- Of the 49,000 living in the town, 8.5% have been identified as having one or more 'vulnerability indicator'.
- The current Library falls well below the statutory guidelines for Library size, has significant accessibility and safeguarding issues, and attendance numbers have not recovered post-Covid.
- Analysis from Experian shows there is a high need for library and adult learning provision in King's Lynn – but low use compared with wider Norfolk

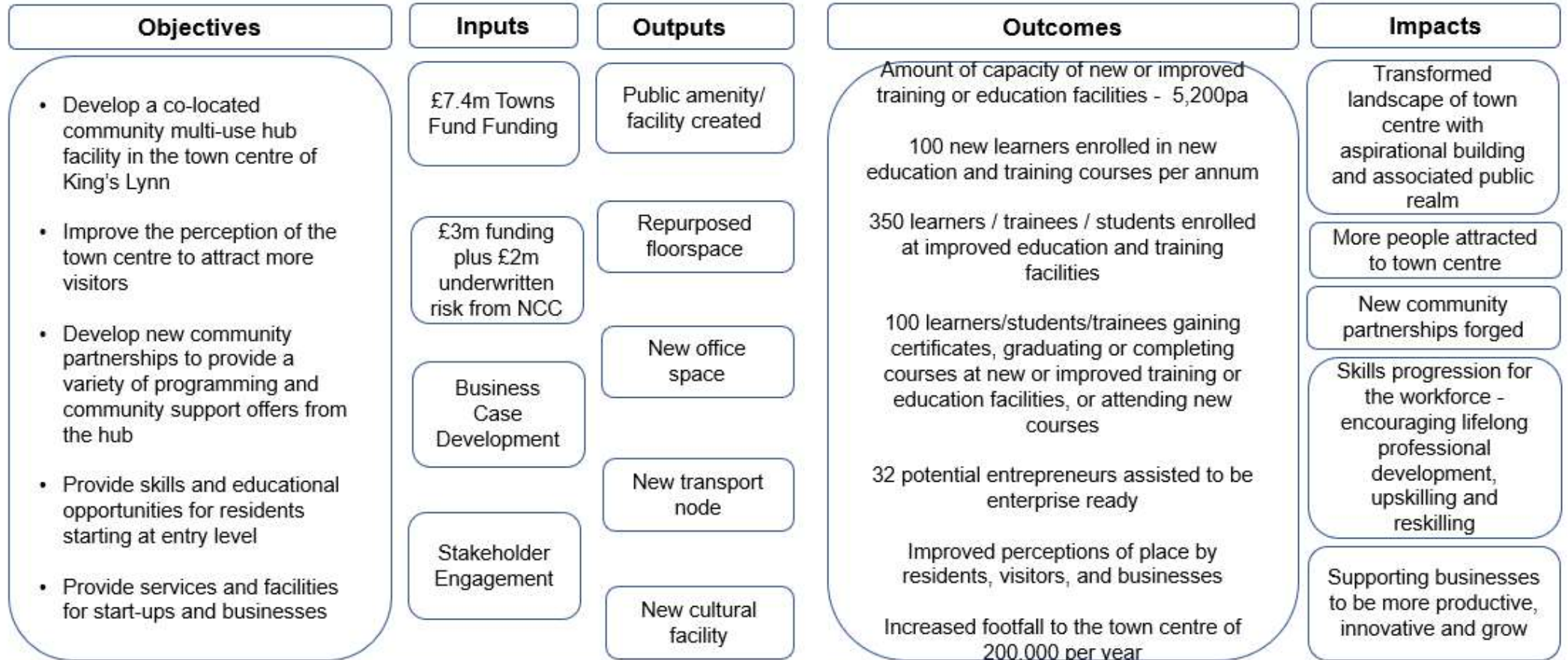


# Strategic Case - Theory of Change

## Context:

- New opportunities for skills and jobs for young people and all those affected by Covid-19
- Growing innovative businesses
- A repurposed town centre with new experiences and enterprise

**Hardship & vulnerability:** Hot spot for digital exclusion, vulnerability and unemployment  
**Skills & Attainment:** Low earnings, Low qualification levels, Less reskilling,  
**Health & Wellbeing:** Suicide, social isolation, lack of space, loneliness, drug & alcohol misuse  
**Aspirations & Social Mobility:** Smoking, unemployment, deprivation  
**Support for Business:** Lack of meeting space, 'job ready' applicants, low business start up rate



## Assumptions:

- Planning permission and building regulation approvals will be granted
- Sufficient demand from residents and visitors for the business space and learning opportunities offered

## External Factors:

- National economic uncertainty due to Covid-19 and rising cost inflation, especially impacting construction



# Strategic Case - Delivering change

INTERNAL SKETCH VIEW



EXTERNAL SKETCH VIEW



- Our vision and objectives will be delivered through **two key elements**:
  - the build, location, and facilities
  - programming and partnerships
- The hub will be a **state-of-the-art fully accessible community and learning space** in the centre of town. It will play host to not only the library and associated facilities, but a range of Norfolk County Council services and programming from Adult Learning and partners – **curated specifically to the needs of King's Lynn residents**.
- The increase in capacity will allow the facility to **match delivery of similar towns** with additional space such as Great Yarmouth, who currently offer **three times the number of courses to double the number of students**.
- This range of services will provide a core environment of well-being, skills development, learning and information - **offering the community a clear pathway to aspiration and success**

# Strategic Case – Stakeholders

## Engagement:

To create a **true hub for all the community**, thorough and meaningful **engagement with key stakeholders and the public** is essential.

Surveys, workshops, presentations have taken place from October 2021 with **over 500 participants** providing feedback. **Engagement will remain essential through the programme development.**

Plans in place include engagement with communities and Town Deal Board on **build design, programme and partnership co-design, brand and naming consultation**, site visits, local programme piloting, pop up events.

## Feedback:

Key changes to the programme have been made based on stakeholder feedback, including:

- Move to a **central location** and improve **accessibility** for disabled people, including those who are, Blind, Deaf, wheel-chair users, on the autism spectrum, have learning disabilities or a wide range of other disabilities
- Removal of the frontage of the building to **reveal the Majestic Cinema**
- An **enhanced training and facilities offer** for **businesses and entrepreneurs**  
A focus on spaces and **facilities for young people**, that can be sympathetically programmed **alongside the needs of other users**

# Economic Case



# Economic Case - Monetisable benefits

- **Wellbeing** benefit of library users
- Health benefits from **reduction in serious, life-limiting conditions**
- Lifetime economic benefit of people gaining **new qualifications**
- Welfare impact of supporting **re-entrants to the labour market.**
- Value of **volunteering** at the MUCH

## **Targets and benefits:**

All identified outcomes and benefits have been very **conservatively calculated** giving a great deal of confidence that they are deliverable and the **proposed BCR is the minimum.**

The majority assume just a 1/3 increase on current delivery, whilst the space output will increase threefold. We therefore expect to delivering this level of benefit from the very first year and exceeding targets thenceforth.



# Economic Case - BCR breakdown


The VfM assessment for MUCH shows a **BCR of 2.40**. This option therefore demonstrates **high VfM**.

<b>Economic benefits</b>	<b>Present values (2022 prices)</b>
Wellbeing benefit of library users	£12,160,181
Health benefits from reduction in serious, life-limiting conditions	£12,465,810
Lifetime economic benefits of educational attainment	£1,935,913
Welfare impact of entrants and re-entrants to labour market	£6,998,908
Value of volunteering	£254,447
<b>Total Economic Benefits</b>	<b>£33,815,259</b>
<b>Economic costs</b>	
Towns Fund	£6,804,727
Norfolk County Council match funding	£4,563,323
Total cost (excluding optimism bias)	£11,368,050
<b>Total Cost (Including optimism bias)</b>	<b>£14,096,382</b>
<b>Net Present Social Value</b>	<b>£22,447,208</b>
<b>Benefit-Cost Ratio (BCR)</b>	<b>2.40</b>

## Sensitivity analysis

- **Sensitivity Test 1: Increase in Optimism Bias from project costs reduces the BCR from 2.40 to 1.98 = medium VfM**
- **Sensitivity Test 2: Lower levels of attainment of the qualifications delivered reduces the BCR to 1.96 = medium VfM**

# Economic Case - Non-monetisable benefits


- Supporting the **mental health and wellbeing** of King's Lynn's residents
  - Generating **wider land value** impacts
  - **Diversifying the Town Centre offer** and delivering against Town Deal policy objectives
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# Financial Case





# Financial Case - Operations: Overview

- As the project lead, upon completion Norfolk County Council will take over operation of the building, including all funding and associated risks. NCC have committed to **delivering the space as a Community Hub for a minimum of 10 years**
  - The Community Hub does not expect significant revenue generation and will instead be **funded from existing NCC operating budgets**
  - As statutory service **the library receives a revenue grant from the council annually** and all costs are funded from this grant.
  - **Adult learning costs will be funded via the Department of Education Adult Education Budget** managed by the Education and Skills Funding Agency and awarded to NCCAL. Course costs include the cost of room hire.
  - Norfolk CC centralises its budgets for facilities management costs; revenue **costs will be covered from a core facilities management budget**
  - **Some income will be generated from space hire**, which will be reinvested into the space. However, the operating models are robust enough to ensure the secure running of all services within the build without additional revenue.
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# Financial Case - Risks

Specific financial risks relating to the capital phase have been identified as follows:

Description	Impact assessment	Mitigation
<b>Unable to secure funding reallocation from Towns Fund</b>	£3m shortfall. Significant impact on ability to deliver the project in any form	Project adjustment form submitted and successful
<b>Tender process does not provide suitable candidates to appoint</b>	Increase in timeline to reissue tenders, review and possible amendments to budget and scope	Professional cost reviewers to accurately define budget, significant contingency. PIN issued in advance to test market interest early. Robust tender review process. Timeline contingency included
<b>Tenders received exceed budget tolerances</b>	Necessitates increase in budget or review of scope	Professional cost reviewers to accurately define budget, contingency included, continued review of market conditions and associated costs through phases, seeking additional funding streams to minimise risk
<b>Construction market fluctuations</b>	Necessitates increase in budget or review of scope	Inflationary costs and large contingency included. Market remains volatile
<b>Inaccurate cost estimates in budget</b>	Necessitates increase in budget or review of scope	Professional cost reviewers to accurately define budget, contingency included, continued review of market conditions and associated costs through phases
<b>Unknown risks exceed budget</b>	Necessitates increase in budget and timeline or review of scope	Appointment of contractor prior to beginning RIBA 2 to drive out delivery risk. Contingencies in both timeline and budget, clear MoSCoW on scope. Retention of floor plate to avoid foundation issues
<b>Unforeseen timeline and cost overruns</b>	Necessitates increase in budget, timeline or review of scope	Appointment of contractor prior to beginning RIBA 2 to drive out delivery risk. Contingencies in both timeline and budget and clear MoSCoW on scope
<b>Planning permission challenges</b>	Increase in timeline, possible increase in cost and scope due to changes needed to include build frontage	Working with KLWN planning team from RIBA1 to plan ahead and minimise disruption; lower risk as building outside conservation area

# Commercial Case





# Commercial Case – Procurement

Norfolk County Council's standard procurement practices will be followed for the procurement of contracts which are in line with government guidance for public sector organisations. Smaller contracts will be procured as demanded by the project plan as the project progresses.

- The Project and Cost Manager roles will be procured under the Crown Commercial Services Framework.
- The Clerk of Works and MMC Contracts will be procured via open tender following Norfolk County Councils strict procurement standards.
- The Main Contractor for the project will be procured under a two stage Joint Contracts Tribunal (JCT) Contract from RIBA Stage Two.

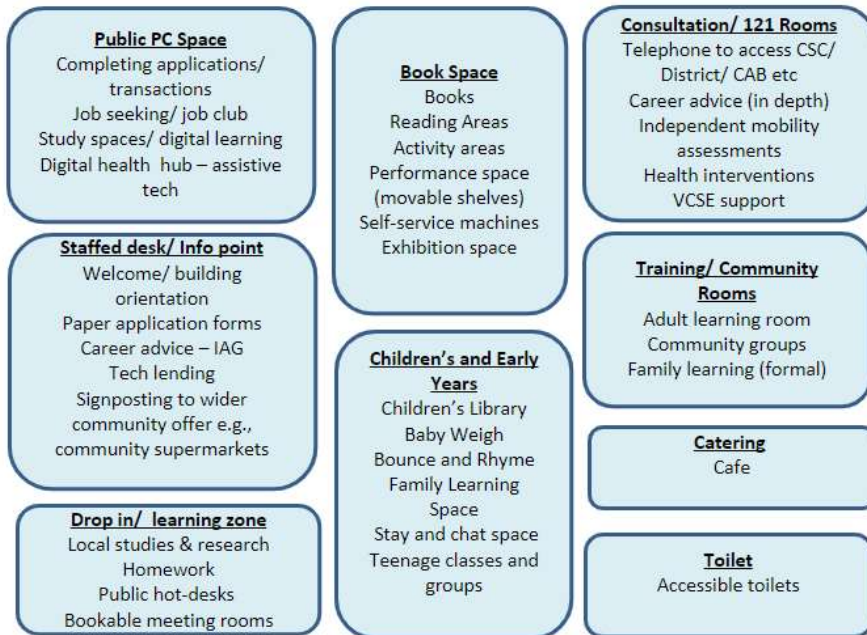
Component of Project	Procurement Route	Approvals	Interdependencies
Project Manager	CCS Framework	NCC Head of Construction and Facilities Management	Sign Off by NCC Director of Procurement
Cost Manager	CCS Framework	NCC Head of Construction and Facilities Management	Sign Off by NCC Director of Procurement
Clerk of Works	Open Tender	NCC Head of Construction and Facilities Management	Sign Off by NCC Director of Procurement
Modern Method of Construction Contract	Open Tender	NCC Head of Construction and Facilities Management	Sign Off by NCC Director of Procurement
Main Contractor	Two Stage JCT Contract	NCC Head of Construction and Facilities Management	Sign Off by NCC Director of Procurement

# Commercial Case - Operational models

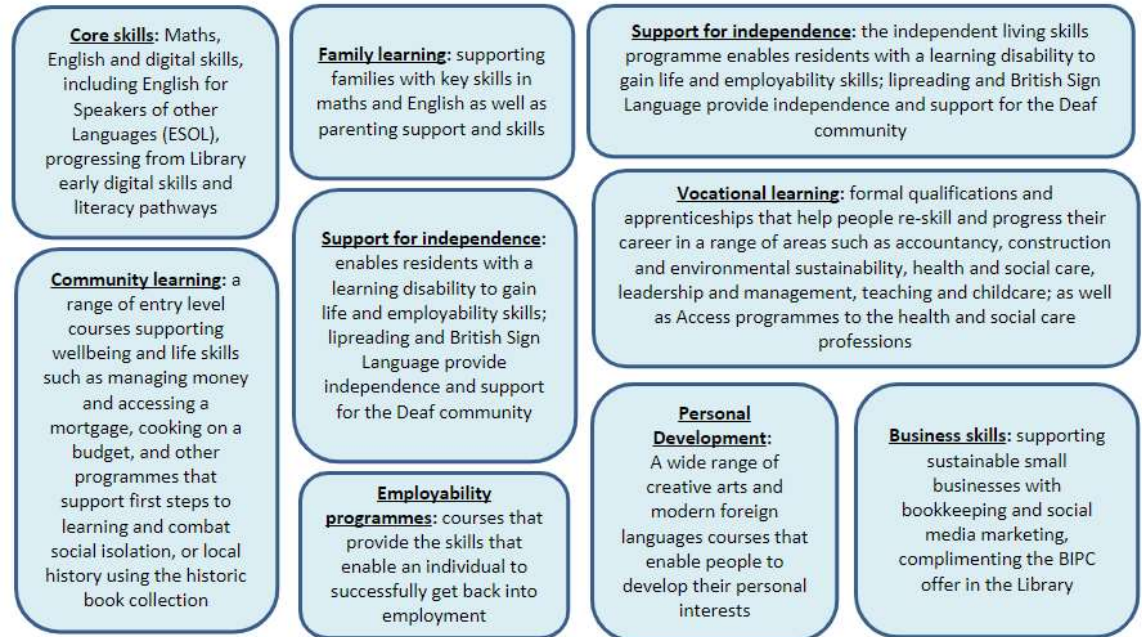
## Libraries and Adult Learning core offer:

The core offer is already in place in its entirety at various locations across the county and will be replicated at the new facility.

## Operating Model – Libraries



## Outline learning – Adult Learning



## Library model funding:

Funding for Library services will be delivered via the Revenue Support Grant – the main general funding stream for local authorities for statutory services.

## Adult Learning model funding:

Funding for courses is drawn down from ESFA Adult Education Budget and provision will be increased in line with capacity at the new site.

# Commercial Case – Partnerships and programming

## Delivering outcomes through partnerships and programming:

- The **Library and Adult Learning** offer alone deliver against all outcomes and identified areas of concern in the strategic case: spanning **skills and aspiration** (training and qualifications), **health** (groups targeting social isolation, cookery courses), **hardship** (community fridge, signposting to support services), and **business** (courses, free or low cost work and meeting facilities).
- However, the Library and Adult learning offers will not be the only services delivering these outcomes. **Partnerships** are in development, many of whom have aligned objectives and wish to hire space to deliver services:
  - Skills and attainment: The **College of West Anglia** are working with Adult Learning on a bespoke skills programme
  - Health and wellbeing: **Public Health, the NHS and MIND** are in discussions regarding basing outreach models at the MUCH
  - Hardship: **Citizens Advice Bureau** have enquired about locating a service onsite
  - Business support: Advice, mentoring and support from **Chamber of Commerce and LEP**
  - **Plus VCSE** organisations have indicated their main barrier to providing more support to KL residents is due to the lack of flexible, affordable, hireable spaces in the Town

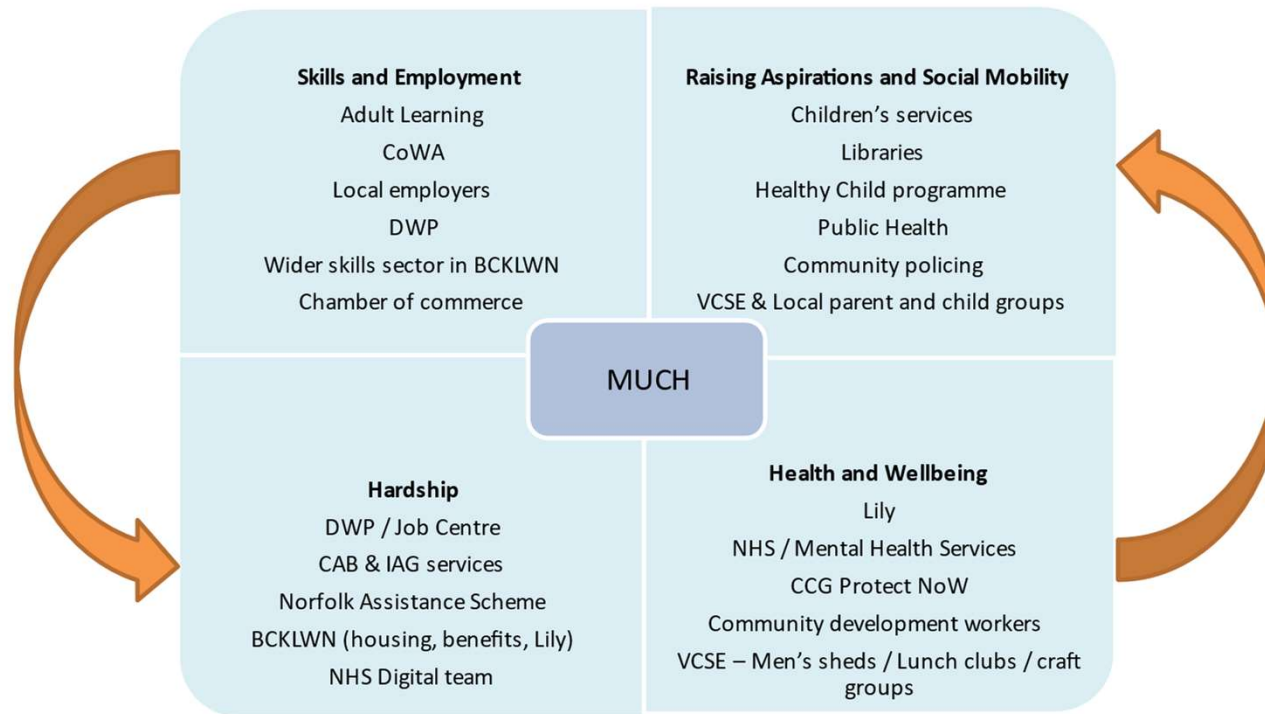


# Commercial Case – Partnerships and programming

## Partnerships and programming:

Whilst partnership and programme development will begin in earnest in 2023 (after further community engagement) a large number of the below suggested partners are either:

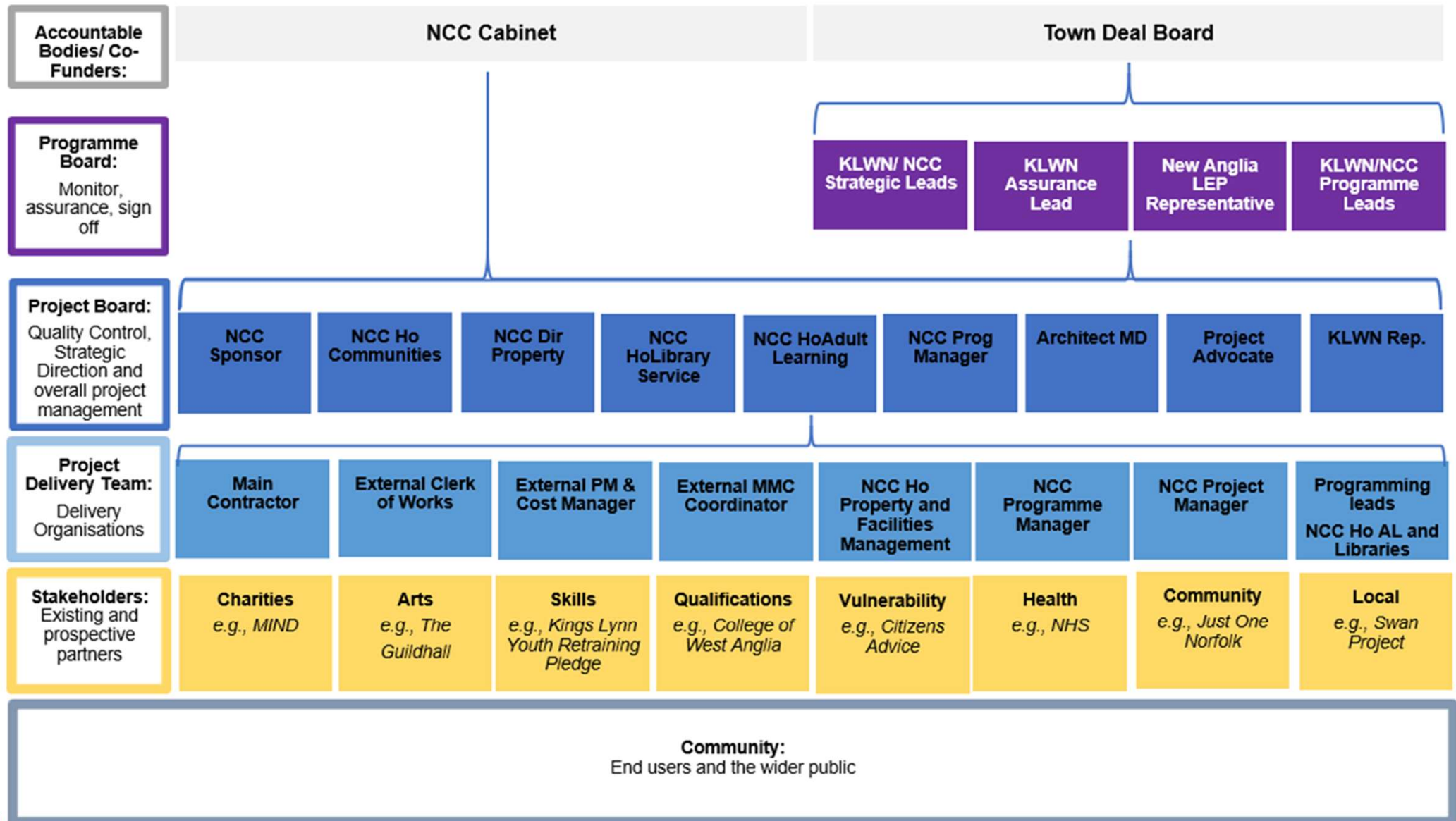
- currently operating/have previously operated at the library
- already in discussion about partnership working via the MUCH
- in partnership elsewhere in the county with an interest in partnerships in King's Lynn



# Management Case



# Management Case - Capital project governance:



# Management Case - Operational governance:

