

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Regeneration and Development		
DATE:	8/11/2022		
TITLE:	HLF Guildhall Application and Next Steps		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	Business, Culture and Heritage		
REPORT AUTHOR:	Mike Auger		
OPEN/EXEMPT	OPEN	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
To provide an update to the Regeneration and Development panel following the unsuccessful National Lottery Heritage Fund (NLHF) Application to support the St Georges Guildhall and Cultural Hub project and the project next steps.
KEY ISSUES:
The St Georges Guildhall and Cultural Hub NLHF Application outcome and the project next steps.
RECOMMENDATIONS:
To note the feedback from the NLHF and the identified next steps for the project.
REASONS FOR RECOMMENDATIONS:
To ensure that the Panel are kept updated on progress.

REPORT DETAIL

1. Introduction

St George's Guildhall and Creative Hub (the Centre) is one of six projects agreed to proceed by the King's Lynn Town Deal Board under the government's Towns Fund programme to drive economic growth in the town.

The Borough Council are leading a partnership with the National Trust and the Norfolk Museums Service to deliver this project which aims to transform St George's Guildhall, from road to river, into a thriving visitor attraction and cultural hub (the Centre). Its mission is to conserve and promote King's Lynn's heritage and culture, particularly connections to William Shakespeare, making them accessible and welcoming to all, whilst boosting skills and supporting new business and creative practice. The Centre will be a heritage visitor attraction, education resource and commercial creative hub by day, and a theatre and entertainment venue by night, both supported by significant food, beverage and retail offerings.

The full cost of the development is estimated to be £12,174,091 of which £8,097,181 will be provided by the Towns Fund, £750,000 from the council. £3,326,910 is currently

underwritten by BCKLWN while further funding options are explored and is subject to a further decision being taken on the final project scope and extent of funding required.

2. National Lottery Heritage Fund Application (NLHF)

Following a successful Expression of Interest submitted to the NLHF in 2021, the project team submitted a Stage 1 application to the NLHF in May 22 to help fund the development phase of the project. The application was part of a two-stage process, with the Stage 1 Application seeking £575k of funding, 50% of £1,150,932 cost that had been identified for the development phase. This included new staff costs, professional fees (inc. £590k for design team) and capacity building activity.

If this application had been successful, a Stage 2 Application would have then been submitted in late 2023 to seek an estimated £2.75m of funding for the Delivery phase. This would have amounted to 26% of the estimated delivery phase costs of £10.5m (£7.5m Capital, £2.3m Other (Inflation, contingency etc) and £630k Activity costs.

In September 2022, we received confirmation from the NLHF that following their committee meeting on the 15 September 2022, they decided not to award the £575k delivery grant towards the project at this time, as the level of grant requested balanced against the risks identified was not something the committee felt able to support.

Following the decision, we have received further feedback via a decision letter and subsequent meeting held at the end of October expanding on the reasons for their decision. This included:

- The application had been well put together, and it was clear to the committee that a lot of progress had been made since the previous application in 2016 and had addressed the concerns previously raised.
- The committee noted the importance of the heritage and the historic links of St George's Guildhall and Theatre to the story of the town, and the aims of the proposals to restore the historic complex of buildings into fuller use.
- The support and partnership working with the Norfolk Museums Service and the National Trust was also positive to see.
- However, as the project is ambitious, this comes with risk:
 - risk in the development and delivery stages due the complex nature of the project, inflationary risks and the tight timescales involved (driven by Towns Fund delivery timeframe).
 - risk in an operating business model dependant on earned income alongside the risk associated with the responsibility for its delivery being with the new CIO organisation.
- Therefore, the project was rejected as it was considered ambitious and high risk, particularly in terms of sustainability.

It was also noted that:

- there were local objections to the proposal
- The project would have benefitted from being more clearly framed within the proposed strategic plans for the town's heritage and tourism assets.

- value for money was a concern given the high level of development stage grant requested balanced with the risks identified.

With regards to future applications, the NLHF suggested to keep the dialogue open however any application for over £250k would need to be submitted through the EOI process again. Applications under £250k are decided in a one stage process and can therefore be determined more quickly. If a piece of the project with a particular heritage and activity focus could be separated from the wider work, this could help appease some of the risks identified and help involve the local community and new audiences in the project.

Next Steps

As set out above, the project already has a confirmed funding of £8.097m from the Towns Fund and a further £750k from the borough council. Therefore, the next focus for the project will be to progress with the appointment of the Lead Design Team to take the design through RIBA Stage 2 to 7 (with break clause after RIBA Stage 3 to allow a decision to be taken on the final project scope). Alongside this we will also be undertaking a review of the activity plan submitted with NLHF application to identify the essential elements that need to be taken forward to deliver the outcomes for the Towns Fund and ensure the sustainability of the business plan.

A summary of the Project's next steps is set out below:

- i. Appoint the Lead Design Team to cover the development of the design through RIBA Stages 2 to 7 with a with break clause after RIBA Stage 3 (currently programmed for completion in September 2023).
- ii. Review of the activity plan submitted with NLHF to identify aspects that can be delayed or taken forward by an alternative funder.
- iii. Investigate funding opportunities and elements of the project that could be taken forward separately by other potential funders.
- iv. Establishment of the CIO.
- v. Report to Cabinet in Spring 2023 to update on the review of the activity plan, funding opportunities and any impact on the Business Plan
- vi. Report to Cabinet following the completion of the detailed design in Autumn 2023 with the identification of any prioritisation/phasing needed to ensure the towns fund and business case outputs and outcomes are achieved

3. Issues for the Panel to Consider

The feedback from the NLHF and the identified next steps for the project (which will be set out in more detail in the presentation at the meeting).

4. Corporate Priorities

The project fits with the following Corporate Priorities:

Delivering growth in the economy and with local housing - develop our town centres and the rural offering; recognised as great places to live, visit, and invest into

Improving social mobility and inclusion - ensure the Council participates in a range of initiatives which support the development of skills in and pathways to work for 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.

Helping to improve the health and wellbeing of our communities - improve and develop the quality of local sport and leisure facilities

5. Financial Implications

If successful, the total ask from the NLHF across the Stage 1 and Stage 2 Applications would have amounted to £3,326,910. As per April 22 Cabinet report and decision, it was agreed that the capital programme would be amended to underwrite the match funding required in order to secure the Towns Fund allocation. This was subject to further funding options being explored and a further decision being taken on the final project scope and extent of funding required.

Therefore, with the Town Deal confirmed funding the project has already received, the next focus for the project will be to progress with the appointment of the Lead Design Team to take the design through RIBA Stage 2 to 7. The contract will include a break clause after RIBA Stage 3 (currently programmed for completion in September 2023) to allow a decision to be taken on the final project scope. This will allow for greater cost certainty on what can be delivered with the funding already secured and allow time for other funding sources to be explored to meet any funding gap.

6. Any other Implications/Risks

Project Resourcing - Following the outcome of Stage 1 NLHF bid, the project Activity Plan will be reviewed to understand essential elements that need to be taken forward to deliver the outcomes for the Towns Fund and the sustainability of the business plan. There is potential for some activities to be undertaken by existing project team but additional funding and resourcing options for wider activities likely to be required.

7. Equal Opportunity Considerations

N/A

8. Environmental Considerations

N/A

9. Consultation

Extensive consultation has already been undertaken during the business planning development stage. This will continue through the next phase development phase of the project, including continued consultation and engagement through the Advisory Group which has been established for the project. The main objective for consultation during the next phase of the project is to;

- Continue to develop the centre's audience through meanwhile activities

- Develop further a programme of educational activity with schools and higher education and training.
- Refine the requirements of existing and potential new users on the site during the RIBA Stage 2 design process.

Engage with the wider cultural and creative community on the opportunities and awareness of the Creative Hub element of the project.

10. Conclusion

N/A

11. Background Papers

[St Georges Guildhall and Creative Hub 11 April 2022 Cabinet report and decision](#)