



St George's Guildhall and Creative Hub Economic Impact Assessment

Economic Impact Assessment Report

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1 Executive Summary

Theatre industry – driving the national and local economy

The theatre industry in the UK is a significant contributor to economic activity. In 2022, music, performance and visual arts directly generated £11.5bn for the UK economy. The Department for Culture, Media and Sport (DCMS) estimates that creative industries, more broadly, contribute over £126 billion to the UK split across a diverse range of sub-sectors from computer services to performing and visual arts. Creative industries' economic activity constitutes 5.5% to the UK economy which has grown by 12% between 2019 and 2022 – this is illustrative of why the UK is globally recognised as a net exporter of arts and culture.

Whilst a prominent and important sector nationally, it has been acknowledged that creative industries are clustered in major conurbations and less well represented in some regions of the UK. In recent years it has been recommended to DCMS how the government should address geographical funding imbalances across arts and culture to fulfil its levelling up agenda. Not least because engagement with cultural, creative and heritage assets have been demonstrated to have a positive effect on health and well-being.

Guildhall of St George – major economic asset

The Guildhall of St George is the largest surviving Medieval Guildhall in England and is a historic building of national significance. It is also reputed to be the oldest continually working theatre in England and the recent well covered discovery of historic floorboards that William Shakespeare performed on has underlined the importance of the Guildhall to local people.

The St George's Guildhall and Creative Hub (SGGCH) development not only aims to safeguard this important heritage, but also address perceived gaps in local theatre and entertainment provision that support creative industries. The vision is for the transformation of St George's Guildhall, from road to river, into a thriving visitor attraction and cultural hub. 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 potential of the investment to directly provide local jobs and develop a night-time economy in the town centre are also crucial drivers for the project.

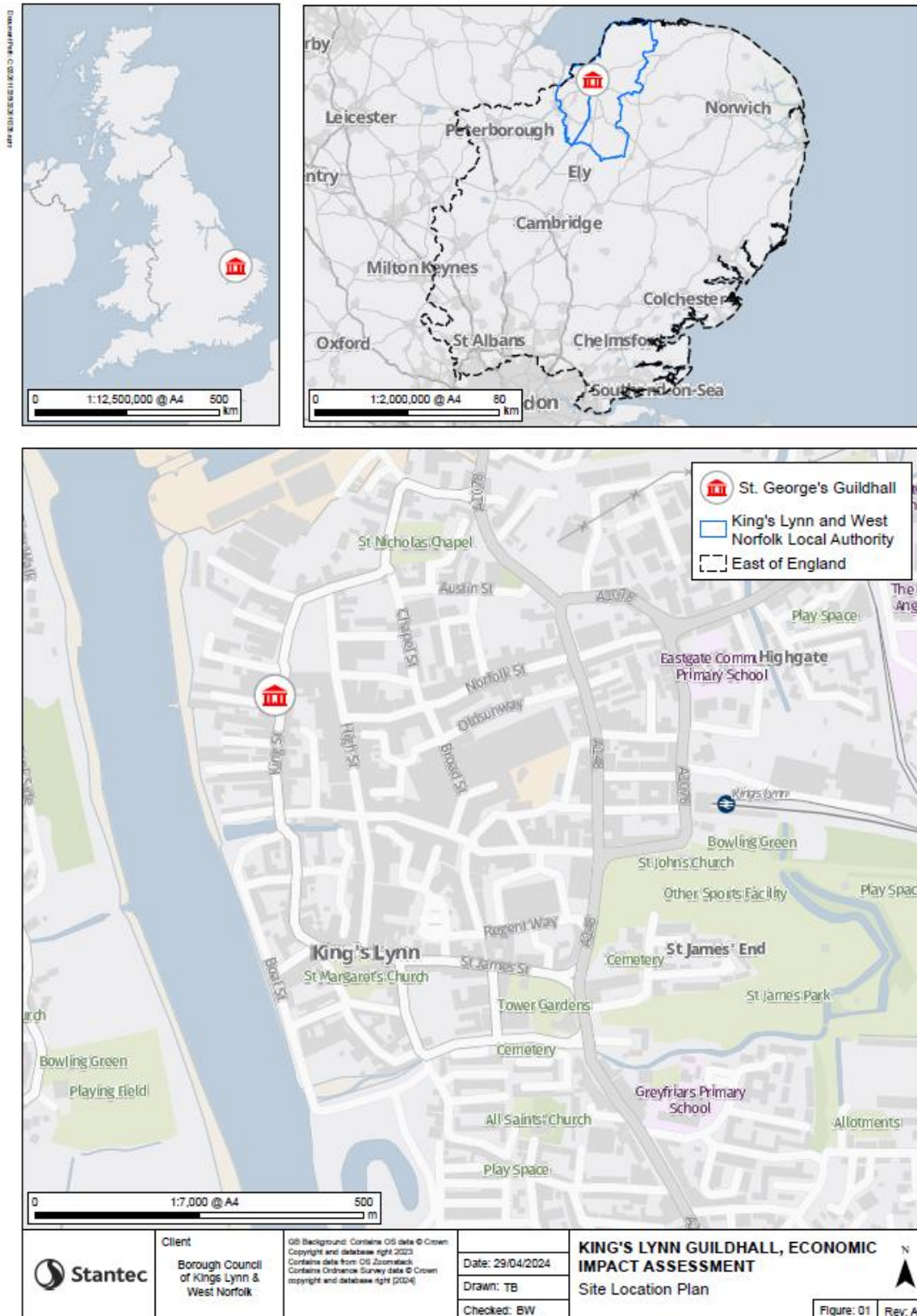
Supporting local King's Lynn & West Norfolk jobs and industry

The economic impact of SGGCH will go beyond the direct footprint, with the site supporting local jobs and industry located in the King's Lynn & West Norfolk (KL&WN) and the wider local authority area. A substantial number of direct employees live within the KL&WN itself and support the area through spending their wages locally.

This study has examined case studies of similar organisations, their typical expenditure patterns, and the 2024 Guildhall Business Plan to understand the local impact. Around £250,000 of supplier expenditure annually is likely with KL&WN based firms, particularly technical, staging and food services firms supplying bespoke support products and services.

These linkages across the KL&WN economy, that is the indirect purchase of goods and services along the supply chain and the induced spending of direct (and indirect) employee wages, creates a ripple effect and supports further rounds of economic activity. The Guildhall, following the redevelopment, is expected to support a further 5 jobs in the town from these indirect and induced impacts generating £220,000 in GVA per year alone.

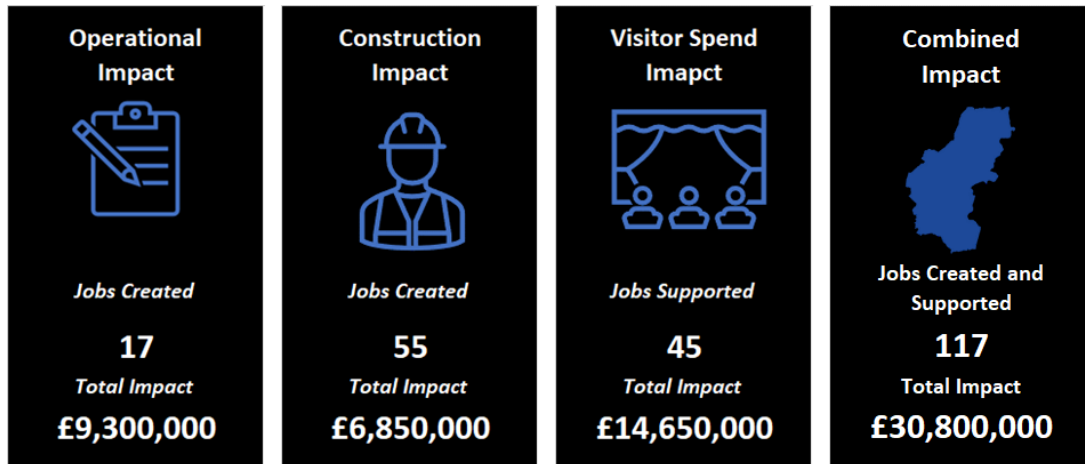
Figure 1 – Map of King's Lynn and West Norfolk



Total economic value

The total economic contribution of the SSGCH site to the KL&WN economy, considering the net direct impacts, multiplier (indirect and induced) impacts and the wider visitor spending is 117 jobs and £30.800 million in GVA over 15-years.

Figure 2 – Total economic impact of SSGCH to the KL&WN economy



The economic analysis has applied industry standard approach in line with Treasury Green Book Guidance. The assumptions that drive the analysis have been drawn from the GENCON Business Plan and substantiated by comparator case study matched on the basis of size, scale and geography.

2 Introduction

2.1 Purpose of the EIA

The Borough Council of King's Lynn & West Norfolk (BCKLWN) commissioned Stantec to produce an ex-ante Economic Impact Assessment (EIA) to assess the St George's Guildhall and Creative Hub development (SGGCH) in the centre of King's Lynn. The work will build on previous analysis undertaken as part of the feasibility stage, successful Towns Fund¹ application and will incorporate the most-update business plan information and project specifications.

The aim of the study is to provide a more detailed understanding of the economic footprint left by the Guildhall following the completed refurbishment in 2026. In particular, the spatial focus will be the BCKLWN local authority and East of England areas to underline how the investment and operations of the SGGCH will impact local people. The key objective of the study is to set out the future socio-economic footprint of the Guildhall as a result of the redevelopment as a visitor destination, performance venue and creative hub, examining:

- The economic contribution to the local, regional and national economies in terms of Gross Value Added (GVA)². This includes:
 - **Direct impact** – associated with the operation of the Guildhall and the increased employment and output created.
 - **Indirect impact** – supported by the Guildhall operational expenditure via purchases from its supply chain.
 - **Induced impacts** – generated by the consumption (i.e., spending) of those employed at the Guildhall as well as employees indirect supported.
- Wider 'off-site' impacts attributed to increase in visitor numbers as a result of the redevelopment of the Guildhall and White Barn (Creative/Cultural Hub).

The base year for this assessment will be 2024 (i.e., nominal figures are presented in today's prices), whilst the benefits are expected to accrue following the completion of the redevelopment in 2026.

2.2 Study Approach

The study builds on previous analysis and project development starting in 2021 which culminated in a successful business case and grant award of £8 million via the Town Deal Funds in 2022. The study will refresh the economic impacts underpinning the funding award. These will be assessed through the following interrelated tasks:

- **Context review** – understanding the project evolution since the previous business case submission and exploring how the recent discovery of floorboards that Shakespeare may have trodden influences the development.

¹ Towns Fund is a program initiated by the UK government aimed at supporting the regeneration and development of towns across the country. It is a competitive funding allocation forming part of a broader strategy to promote regional growth and address disparities between different areas, with a particular focus on supporting towns outside major urban centres.

² GVA is the value of the output (i.e. sales, turnover) minus the cost of purchased goods and services used in the production of that output (i.e., "intermediate consumption"). Intermediate consumption relates to costs used in the production process, which could relate to materials, rental costs, utilities, transport, legal and business costs.

- **Data collection** – drawing together the most recent business plan information and reflecting the refined project specification, including increased visitor numbers, business financials, supplier expenditure levels, and labour information (including salary levels).
- **Case studies** – examination of the impacts and local importance of similar-scale theatre redevelopments across the UK which will help benchmark financial information used in the modelling and contextualise the anticipated impacts of the SGGCH development on the local economy.
- **Economic impact assessment** – using the business plan data, case studies and updated context to develop a detailed analysis of the socio-economic footprint of SGGCH. This will be driven by the direct operations of the Guildhall as well as visitor expenditure spillovers that benefit other tourism and recreation-oriented businesses in the local area.

2.3 Structure of the EIA

The remainder of this report is structured into four further sections:

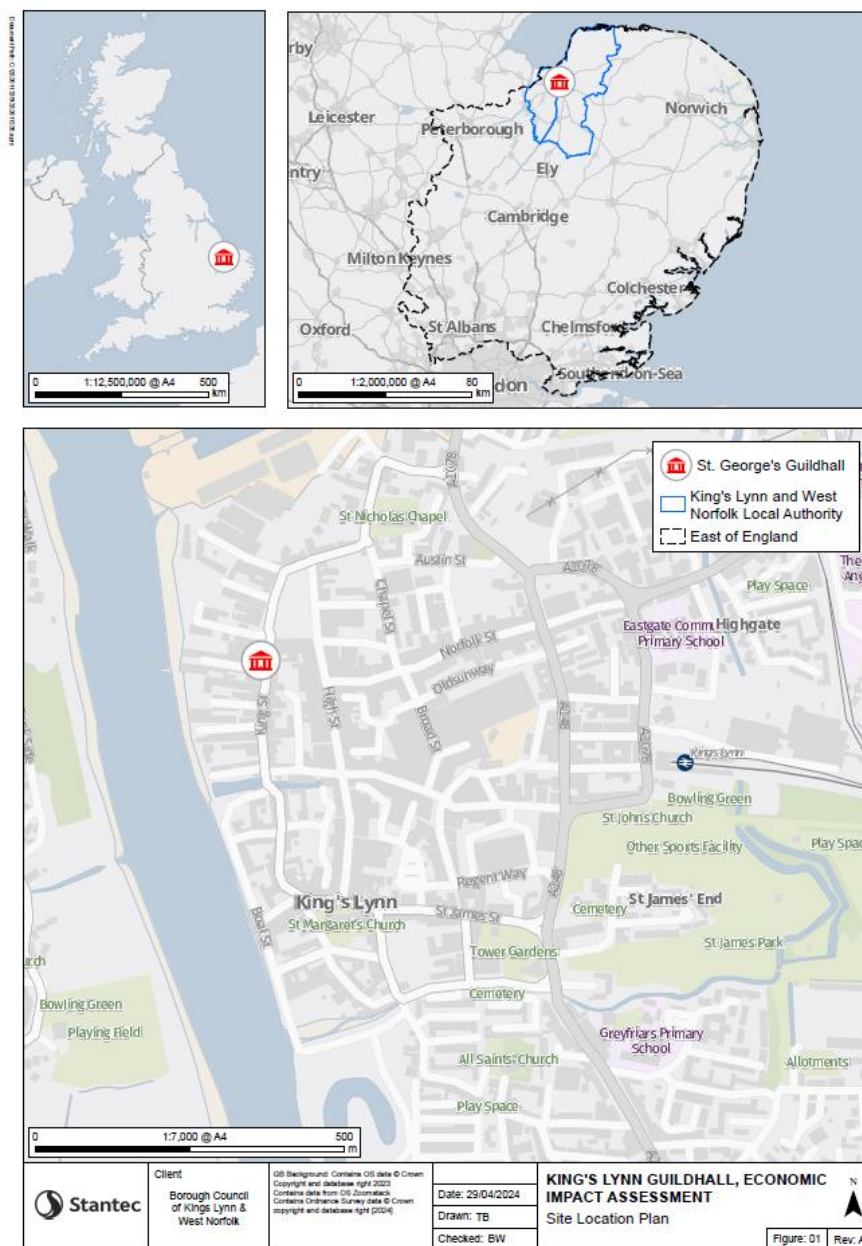
- **Section 2:** provides an overview of the theatre cultural and creative markets, the local context in which the project fits, the SGGCH development and summarises the local economic linkages of the site location.
- **Section 3:** presents a set of five comparator case studies of theatre redevelopments that help demonstrate how the investment could benefit the local area and community. A quantitative analysis of the organisations is also undertaken to inform financial and economic modelling assumptions driving the EIA.
- **Section 4:** assesses the overall economic contribution SGGCH will have to the King's Lynn, East of England and UK economies. The analysis segments the economic output by direct, indirect and induced effects alongside the impacts in the operational and construction phases of the project.
- **Section 5:** analysis of the wider, 'offsite' visitor expenditure impacts anticipated as a result of people visiting the Guildhall and choosing to stay longer in the local area.
- **Section 6:** provides a sensitivity analysis testing the modelling assumptions and the effects of changes to these on the levels of economic impacts.
- **Section 7:** summary describing the significance of the creative, cultural and heritage markets, the Guildhall project and showing the overall economic impact of the SGGCH.

3 Study Context

3.1 Introduction

King's Lynn, the largest town in West Norfolk, serves as a commercial and cultural hub for the area and a major centre for the whole of East Anglia. With a population of approximately 50,000, the town forms a wider catchment area encompassing over 4 additional smaller towns, reaching multiple nearby regions and totalling over 250,000 people. The town is of key strategic importance to West Norfolk and relies on the riverfront and the historic significance of several unique medieval assets in order to support the region through internationally recognised tourism, culture and heritage.

Figure 3 – Map of King's Lynn and West Norfolk



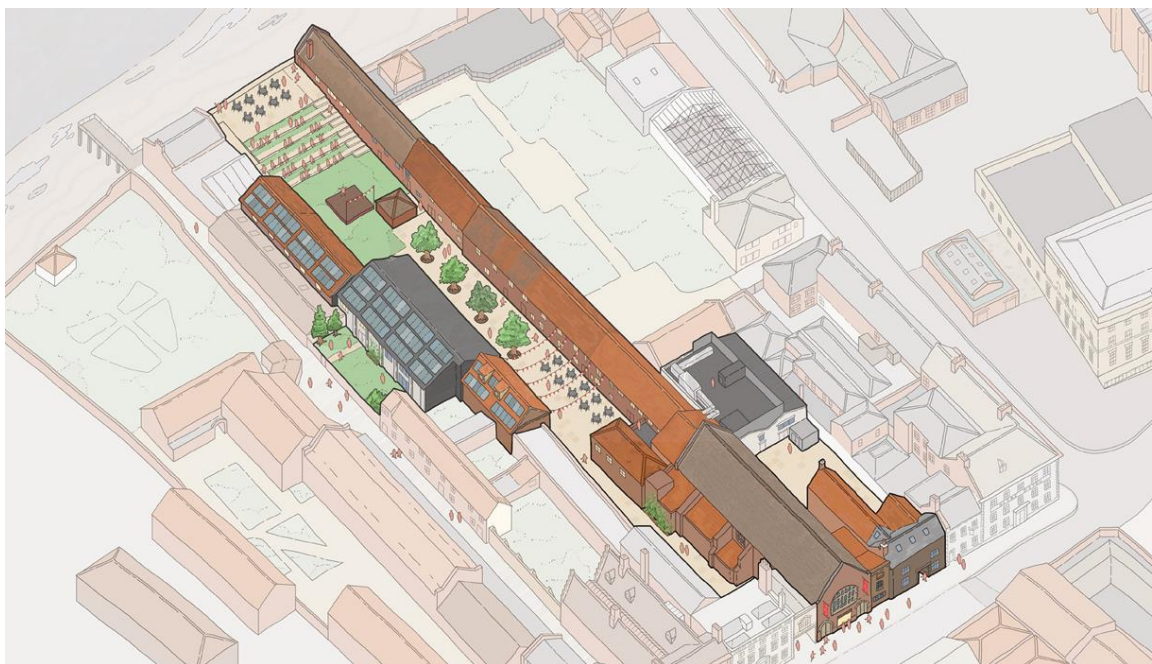
Source: Stantec, 2024

The town has a relatively small working age population that tends to specialise in lower skilled occupations. However, the town centre has significant potential to leverage its stock of historic buildings linking back to the 1200s to boost the cultural, heritage and artistic sectors in King's Lynn. The town centre has the largest number of historic buildings and a vibrant visitor economy built on hospitality, retail, and leisure. The creative, cultural and events sector has been longstanding in King's Lynn. However, since the closing of the Arts Centre in 2015 the local authority has lacked a central hub that could support creative activity, as seen in the stagnated employment growth since then. The re-development of the Guildhall seeks to address this through the provision of a fit-for-purpose space that can flexibly host arts, entertainment, and leisure activity.

The St Georges Guildhall is a Grade 1 listed building of national significance. The Guildhall is largest surviving Medieval Guildhall in England, marking the significance of its survival to King's Lynn, the East of England, and the UK as a whole. It is also believed to be the oldest continually working theatre in England.

Although the age and historical significance of the asset are a key factor in its success and draw, they also come with issues associate with the upkeep and running of the theatre. The site currently runs a deficit to operate and cannot run anywhere near full capacity throughout the year due issues with the building. The re-development of the facilities will allow for operation in profit and maximum utilisation of the space.

Figure 4 – Overview of the Guildhall



Source: Haworth Tompkins, 2024

The Guildhall of St George is also believed to have links to William Shakespeare. Academic research has strongly inferred the theatre hosted William Shakespeare in 1592 or 1593. During recent renovations medieval flooring was discovered, which are believed to form part of the only surviving stage on which William Shakespeare performed. The discovery has garnered significant national and international press with over 217 million people reading the original BBC article in October 2023³. The transformation of the Guildhall is focused on preserving these links to retain current visitor interest and expand tourism to King's Lynn.

³ Online article analytics data scrape, Destination Marketing, 2023.

Figure 5 – Medieval Floorboards within the Guildhall



Source: BCKLWN, 2024

3.2 Theatre, Cultural and Creative Markets

UK Markets

The theatre industry in the UK is a significant contributor to economic activity. Recent research from the Society of London Theatre (SOLT) and UK Theatre shows that the industry supports over 200,000 jobs and contributes approximately £2.4 billion to the UK economy.

Nationally, there is an acknowledgement that engagement with cultural assets can have positive effects on health and well-being. In addition to this the evidence from other parts of the UK show that large scale cultural and arts projects can have significant multiplier effects and lead to further town centre regeneration. For every £1 of direct expenditure at theatres across the UK this results in an additional £1.30 of turnover in the border economy and £1.40 of additional spending by audiences in local economies.

Creative industries have a growing significance in terms of the UK economy. Research by the Department for Culture, Media and Sport (DCMS) show a growth of 12% between 2019 and 2022 in term of the contribution of the creative industries to the UK economy. Creative industries contribute over £126 billion to UK GVA split across a diverse range of sub-sectors from IT and computer services to performing and visual arts.

Local Markets

The SGGCH will provide a heritage visitor attraction, education resource, commercial creative hub, theatre and entertainment venue alongside food, beverage and retail offering. The project encapsulates a range of aspects across different industries for the town.

The cultural and artistic market is thriving within King's Lynn and the wider area, alongside the economic benefits associated with arts and culture being well documented. As part of the Town Deal Business Case, it was identified that the strong cultural and artistic sector within King's Lynn lacks a home but possess significant demand from the community for additional facilities to support the sector. The Norwich Consortium previously identified a lack of space to support and connect the creative groups within the town. So, although there is a strong base for a vibrant and thriving cultural sector there are a lack of facilities to support one. As part of the Town Deal, it was shown that there is also much support for regeneration of historic cultural assets, which can lead to the improvement of a night-time economy and attraction of young-people to the historic town.

3.3 King's Lynn Economy

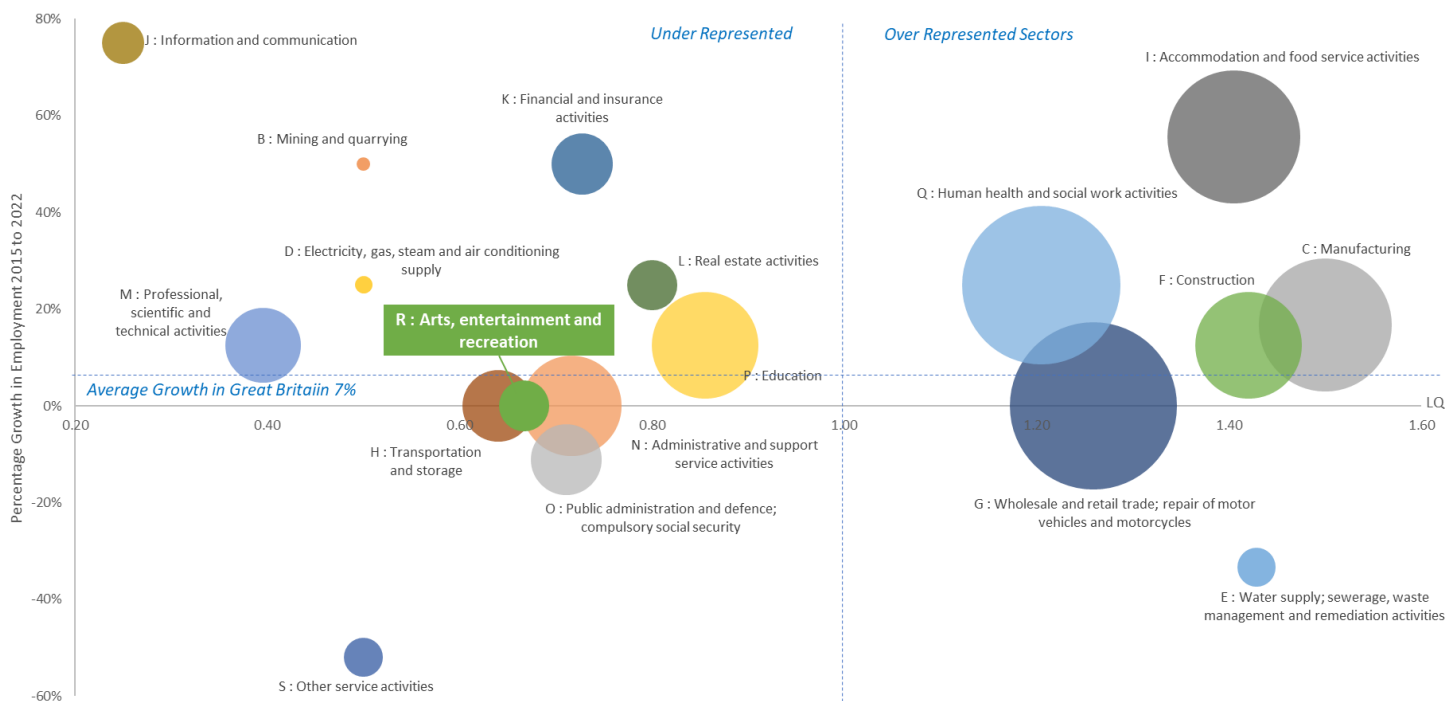
The KL&WN economy has grown slower than the wider region or the UK over the last 25 years. The district has lagged the East of England and the UK in terms of economic growth

between 1998 and 2021. The growth is over 30 percentage points lower in comparison to the wider region and the UK and the divergence is increasing.⁴

KL&WN is home to a number of economic specialisms, including healthcare, manufacturing, retail, accommodation & food services, which are each recognised as central pillars of both the local and regional economies. The figure below illustrates the Location Quotients (LQ)⁵ analysis, indicating that accommodation & food services is the fourth most well represented sector – relative to the national average with an LQ of 1.41 – and third largest in absolute terms, employing 7,000 people. Accommodation & food service activities was also the second fastest growing sector between 2015 and 2022, which stands in contrast to the arts and entertainment industry which experienced no growth and remains underdeveloped (employing 1,000 with an LQ 0.7).

The lack of growth or specialism in the arts and entertainment sector links back to well understood constraints that include the lack of a central hub (particularly, since 2015) for creative activity, which SGGCH would directly address. The fact that KL&WN has a strong and growing accommodation & food sector, suggests there is an infrastructure in place to support future growth in arts and entertainment once the Guildhall becomes fully operational.

Figure 6 – Location Quotient Comparing King's Lynn to Great Britain, 2015 to 2022



Source: Stantec, BRES data, 2024; *the size of the bubbles represents the number of employees; **Agriculture, forestry and fishing sector has been excluded for presentational purposes due to the high LQ (4.2).

3.4 Guildhall Project

The purpose of the SGGCH project is to transform the Guildhall and surrounding buildings into a 'nationally important cultural heritage site at the heart of Kings Lynn's arts and culture scene'. The SGGCH project has been under development since 2021 and has been subject to

⁴ Based off ONS GDP time series data for local authorities, UK regions and countries.

⁵ In the context of geographical concentration, a location quotient of 1.0 indicates that the local share of total employee jobs in an industry is equal to the local share of total employee jobs relative to Great Britain.

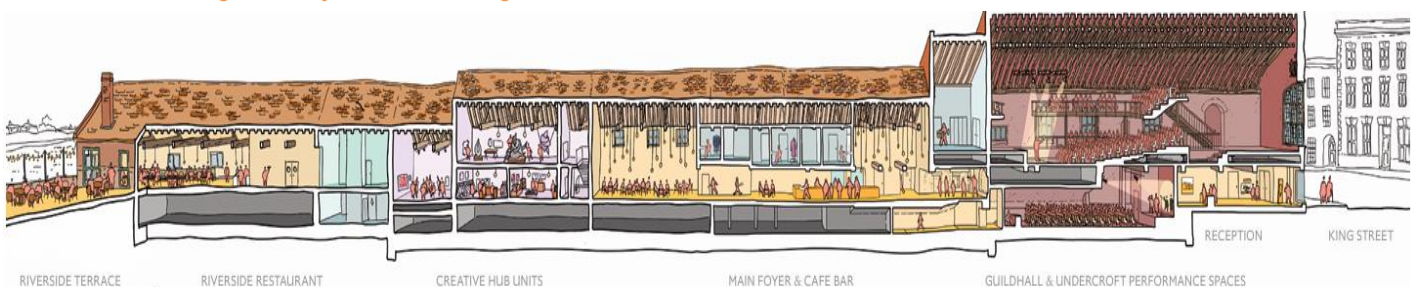
an iterative design, consultation and business planning process that has shaped its specification.

The project will refurbish the medieval theatre improving physical access whilst maintaining historical value and create spaces and opportunities for locals and visitors related to the creative and artistic sectors. The key offerings as a result of the whole project include a heritage attraction, cultural programme, creative hub, education, skills and training and catering and retail. BCKLWN is aiming to renovate, refurbish and develop the whole site to create a unified centre which can then be operated by an independent Charitable Incorporated Organisation (CIO).

Based on the RIBA Stage 1 designs and the operations strategy submitted alongside the Towns Fund business case in 2022, UK government awarded BCKLWN £8.10 million in match funding for SGGCH via the Town Deal Fund. Since the award project development has progressed with RIBA Stage 2 and 3 designs expected to conclude in May 2024 in addition to a finalised business plan.

Whilst the scope of the project to enable a fully operational facility by addressing major structural dilapidations remains the same, the costs and internal space uses have been further refined. These changes reflect prevailing market demand considerations and are outlined in the 2024 business plan update completed by GENECON. The business plan is a crucial evidence base driving this EIA and underpinning the modelling assumptions in addition to confirming SGGCH's financial viability.

Figure 7 – Layout of the St George's Guildhall and Creative Hub



Source: Haworth Tompkins, 2024

The RIBA Stage 1 designs projected a capital cost for SGGCH of £12.17 million. Of which, £8.10 million had been secured from Towns Fund and £750,000 directly from the council. Since then, costs of the project have increased to approximately £16 million at RIBA Stage 2, this is due to some small, enforced scope and layout changes but mainly due to the underestimation of the infrastructure works required. RIBA Stage 3 designs are currently underway, and it is expected costs will increase further to approximately £18 million. The age and complexity of the building alongside inflationary increase in construction costs over recent years have resulted in a large increase in the infrastructure costs.

Due to the changes in project costs and layout, designs are currently underway to refresh the project and bring it to RIBA Stage 3. Haworth Tompkins have completed RIBA Stage 2 designs and are currently working on Stage 3; OMA have provided costing for stage 2 and will do the same once stage 3 is complete. In addition to this the changes in costs and design, alongside the discovery of the floorboards, which Shakespeare may have trodden on, a refresh of the original Business Plan has been complete. These have been undertaken by GENECON and the outputs of which have fed into the quantitative analysis in this EIA. The changes to the business plan have captured the increase in national and international recognition of the Guildhall asset due to the links to Shakespeare and increase in historical significance.

Figure 8 – Aerial and Front View of the Guildhall



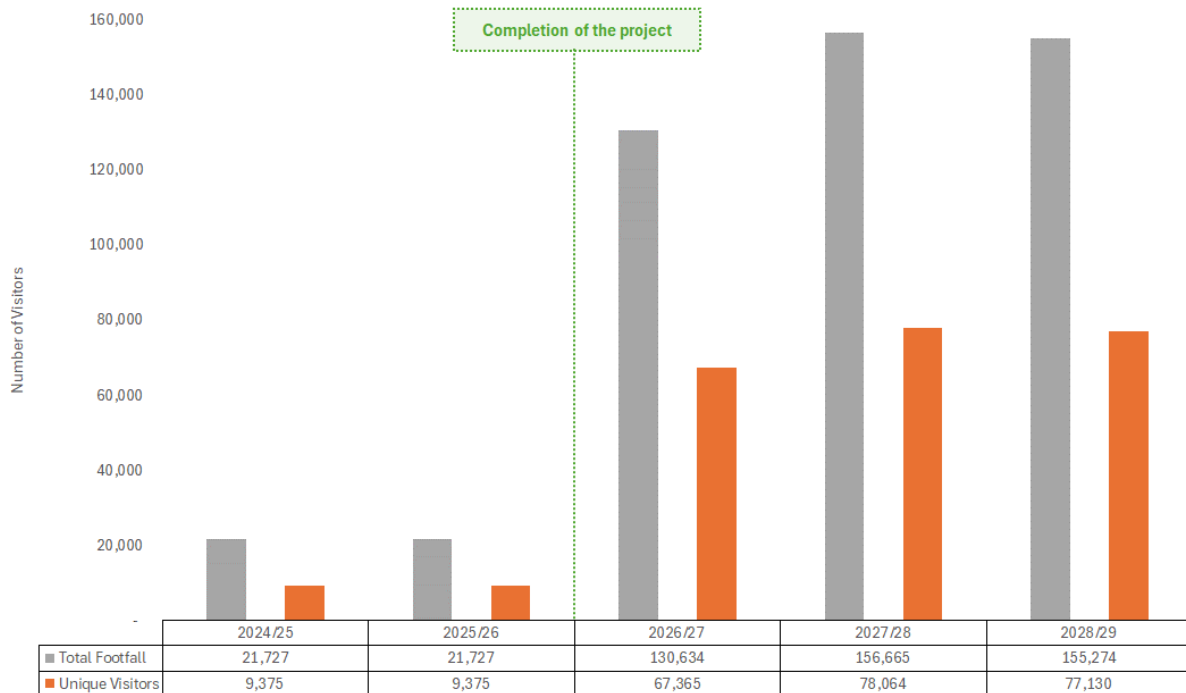
Source: Haworth Tompkins, 2024

3.5 The Business Plan and Visitor Numbers

The Business Plan has used reference cases to build a realistic forecast of the number of visitors attracted to the Guildhall following the redevelopment and what the operational implications would be. The Business Plan details visitor number projections by year as well as staff and volunteer numbers required to service demand. The analysis is underpinned by a schedule of typical and seasonal operations, with events and performances linked to an anticipated revenue stream.

Figure 9 below shows the baseline (2024/25) and future visitor numbers. The figures are broken down by total footfall and unique visits. Total footfall includes an adjustment for repeat visits whereas the unique visits focuses on the individual that can make multiple trips per year. The analysis is crucial to the economic impact analysis.

Figure 9 – Forecasted Changes in Visitor Numbers



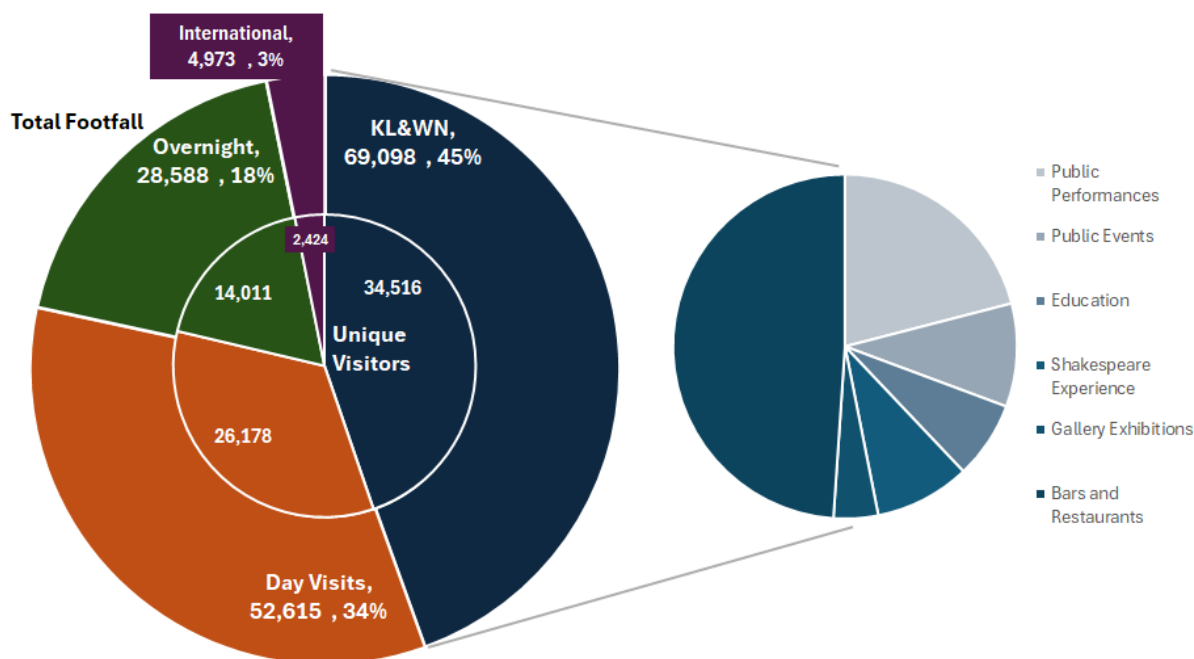
Source: GENECON Business Plan, 2024

The delta in visitor numbers between the previous analysis and the 2024 Business Plan refresh is largely driven by the increase national and international prominence following the discovery of the stage floor linked to Shakespeare. The breadth of the media coverage and interest has been reflected in the anticipated visitor numbers increasing by 65%.

Once the refurbishment is complete, visits are forecast to increase sixfold from approximately 22,000 in 2025/26 to 131,000 in 2026/27. Unique visitors will increase sevenfold in the same period from 9,000 to 67,000. The second year of full operation will see another significant increase in visitor numbers by an additional 10,700, before the number of unique visitors plateaus to around 77,000 from the third year and going forward. The increase in visitor numbers highlights the strategic importance of this project to the local visitor economy, the ability to interest 150,000 visitors per year can give a sizeable economic boost to the town and region.

The SGGCH will draw in a diverse range of visitors from those local to KL&WN, to other domestic visitors and those from outside of the UK. The figure below shows the breakdown of total attendances and unique visitors by KL&WN visits, domestic day visits, domestic overnight visits, and international visits. The second chart shows a breakdown of KL&WN visitors by the attraction at the Guildhall they will attend.

Figure 10 – Forecasted Visits to the Guildhall by Location or Origin and Attraction Visited



Source: GENECON Business Plan, 2024

Figure 10 shows that local visitors and domestic day visitors will make up most of the visits to the Guildhall. For both total attendances and unique visits these make up over 75% of the visitors.

International tourists make up only 3% of total and unique visits, but their impact due to a higher propensity to spend, both at the Guildhall and more widely in the town, mean their impact is outsized relative to local visitors. Of the local visitors, a significant proportion are expected attending public performance and the bars and restaurants associated with the Guildhall, which has positive for the arts and recreation sector as well as the nighttime economy.

4 Case Studies

4.1 Introduction

This section explores four case studies concerning redevelopments of historic theatre and heritage assets that have formed part of wider town centre regeneration investment programmes. The analysis looks to understand how these respective developments have impacted their local areas in terms of the visitor economy, local job opportunities as well as wider regeneration benefits.

The case study selection parameters outlined below are intended to ensure realistic comparators to help contextualise the ultimate economic impacts of SGGCH. These comprise:

- **Thematic relevance** – cases were selected on the basis of relevance to the SGGCH specification, with the delivery of creative and performance space. Linkages to Shakespeare were also prioritised as it is believed this dimension will drive more international interest than other comparable developments.
- **Scale of the capital investment** – the total CAPEX costs of the selected examples range between £9 million and £65 million. With the total SGGCH investment expected at around £20 million, significantly smaller (<£2 million) and significant larger (>£70 million) were excluded on compatibility grounds.
- **Scale of operations** – any redevelopment example that had a post-investment employment profile that exceeded the definition of an SME (i.e. <250 employees) was excluded.
- **Location** – redevelopments of facilities that have been undertaken in major conurbations, with high populations densities (for instance, London, Edinburgh, Glasgow, Birmingham and Manchester) were excluded as they are unlikely to reflect the market in King's Lynn.

The case studies have formed a basis for the economic impact analysis of the Guildhall. They have been used to calculate bespoke indirect, induced and expenditure multipliers. These have fed into analysis for the economic impact of the jobs created by the redevelopment of the Guildhall and Creative Hub.

4.2 Shakespeare North Playhouse

Table 1 - Shakespeare North Playhouse Case Study

Item	Description
Theatre	Shakespeare North Playhouse
Location	Prospero Place, Prescott L34 3AB
Background	In the 1590s, a remarkable theatre stood in the town of Prescott. The playhouse hosted performances made possible by the Earl of Derby, resident at Knowsley Hall. It is thought that it was the only purpose-built indoor playhouse outside of London. Players brought with them new shows from a popular playwright of the day, William Shakespeare, and were grateful for the Earl's support. This is the inspiration for Shakespeare North Playhouse. Which is a Shakespearean era playhouse, based on the Cockpit-in-court theatre 1630 and earlier designs by the celebrated architect Inigo Jones. This unique theatre is at the heart of a remarkable and contemporary building for education and social activity. A place that welcomes its community and theatre lovers from around the world to celebrate creativity and the joy of performance.

Costs and funding breakdown	<p>Total: £62.55 million</p> <ul style="list-style-type: none"> ▪ Liverpool City Region Combined Authority: £10.55 million ▪ Knowsley Council: £12 million ▪ HM Treasury: £5 million ▪ Strategic Investment Fund: £35 million
Current status	After the grand opening in July 2022, the Playhouse drew 100,000 visitors in the first year. Using its traditional 470 seat timber framed Shakespearean theatre to deliver 1,316 performances and 149 captivating workshops and events.
Quantified economic impact	<ul style="list-style-type: none"> ▪ 124 temporary construction jobs. ▪ Over 100,000 visitors in the first year, with a significant 10% of these visitors never having set foot in a theatre before. ▪ During the first year there has been a 25% increase in spending in the borough.
Wider regeneration impacts	<ul style="list-style-type: none"> ▪ In 2018-20, eleven new, independent, leisure-related businesses (such as Shakespeare-linked, independent 'eateries' and bars) opened evidencing the penetration of Shakespeare North into community consciousness. These replaced derelict, betting, charity, or pawn shops in Prescott's central streets; a Prescott-business collective spontaneously formed. ▪ The construction of 1,500 new homes by national developers directly resulting from Prescott's development as a new cultural destination.

Source: Shakespeare North Playhouse, 2024

4.3 Chester Storyhouse

Table 2 – Chester Storyhouse Case Study

Item	Description
Theatre	Storyhouse
Location	Hunter St, Chester CH1 2AR
Background	In the mid-2000s, city partners came together in recognition of the need to strengthen Chester's arts and cultural offer, and Chester Performs was set up to lead the development of new events and performance activities. The opportunity to develop a new performing arts venue was quickly identified. Although slowed by the economic downturn, a preferred site emerged which Cheshire West and Chester Council purchased in 2011. Chester Performs evolved into Storyhouse and was appointed to operate the new cultural centre, which would incorporate theatre, cinema, and a library, integrally designed around the central spaces in the building. Storyhouse opened its doors in May 2017.
Costs and funding breakdown	<p>Total: £37.20 million</p> <ul style="list-style-type: none"> ▪ Cheshire West and Chester Council: £33 million ▪ Arts Council England: £3 million ▪ MBNA (Bank of America): £0.6 million ▪ MBNA (Bank of America): £0.6 million
Current status	The redevelopment became operational in May 2017 and houses an 800-seat auditorium, a 200-seat studio theatre, a restaurant and two bars and a 100-seat boutique cinema. One million visitors recorded one year after opening
Quantified economic impact	<ul style="list-style-type: none"> ▪ 100 jobs directly supported – including around 40 full-time, 30 part-time and 30 casual/seasonal staff members. ▪ 15 per cent increase in footfall – footfall count data shows that from early 2017 to early 2018, footfall around Storyhouse increased by 15 per cent, bringing potential new spend to surrounding city centre businesses. ▪ 1,000,000 visitors recorded within one year of opening, with Storyhouse representing an additional strength to Chester's significant tourism offer.

	<ul style="list-style-type: none"> 160 volunteers – with benefits from volunteering including developing skills and confidence levels, as well as deriving personal satisfaction and making new friends. 150 community groups supported – Storyhouse is regularly used as a venue or meeting place by over 150 community groups in the area.
Wider regeneration impacts	<ul style="list-style-type: none"> Community cohesion – an estimated 54 per cent of users report that they are not there to see a play or to use library books or the café/bar facilities, but are just spending time in the building, in line with the aspiration for a primarily community focused facility. Storyhouse set clear objectives and priorities to establish it as a community focused centre and to ensure that it offered something to residents and communities across the whole area through its programmes and activities. As part of the Chester Growth Partnership the Chester One City Dashboard identifies the Storyhouse as linking to 25 other town centre regeneration projects.

Source: Chester Storyhouse, 2024

4.4 Colchester Mercury Theatre

Table 3 – Colchester Mercury Theatre Case Study

Item	Description
Theatre	Mercury Theatre
Location	Balkerne Gate, Colchester CO1 1PT
Background	Expansion and redevelopment of the Mercury Theatre, a significant regional cultural performance and training venue. The Mercury occupies a prime site in Colchester's town centre, with Colchester Arts Centre next door and key local heritage landmarks. include expanded Front of House facilities and retail offer; a new and improved Production Hub; a Creative Learning Space to accommodate an active workshop programme for children and young people; and improved Backstage and Rehearsal Facilities as well as small creative business space provision for start-up creative businesses.
Costs and funding breakdown	<p>Total: £8.99 million</p> <ul style="list-style-type: none"> SSLEP - £1 million CBC - £1 million ECC - £1 million Arts Council England - £4 million Mercury Theatre Fundraising - £1.99 million
Current status	The refurbishment of the theatre began in 2018 and is now nearing completion. The project aims to safeguard the future of performing arts in Colchester and the surrounding area. It will deliver a 620 capacity Main Theatre, a new Foyer area, Education and Training Rooms, 2 Rehearsal Spaces and a Production Block.
Quantified economic impact	<ul style="list-style-type: none"> £5,329 million Annual Economic Impact to the economy of Colchester, Essex and the South-East Region. 44 new employment opportunities per annum (34 direct and 10 new hosted creative businesses). 1,838 people engaged in Employability Skills per annum.
Wider regeneration impacts	<ul style="list-style-type: none"> Close proximity to other creative enterprises in the Borough will stimulate opportunities to imitate, share and recombine ideas and practices – knowledge spill overs. This investment will further consolidate The Mercury Theatre as part of the 'supply chain' to London, elsewhere in the region and nationally. In turn this raises the profile of the region as one that can create work of a national professional standard. The benefits are not restricted to the creative and cultural sector but will have some positive impact upon other sectors related to its supplier and

	consumer sides – tourism, leisure and hospitality, notably, but also ICT, Financial and Professional Services, and Education.
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Source: Colchester Mercury Theatre, 2024

4.5 Chichester Festival Theatre

Table 4 - Chichester Festival Theatre Case Study

Item	Description
Theatre	Festival Theatre
Location	Oaklands Way, Chichester PO19 6AP
Background	The Chichester Festival Theatre is situated to the north of Chichester City Centre in Oaklands Park. It comprises the main Chichester Festival Theatre with a capacity of 1206 and the smaller Minerva Theatre, which is able to accommodate 283. The Minerva building also houses a cafe and ‘The Brasserie in the Park’ restaurant.
Costs and funding breakdown	The theatre is not currently under development it has been operational for many years. However financial support for any required activities comes from: <ul style="list-style-type: none"> ▪ Chichester District Council, ▪ West Sussex County Council ▪ Arts Council ▪ Corporate sponsorship, ▪ Income from “Friends” ▪ Individuals, ▪ Trusts, ▪ Foundations, ▪ Legacies ▪ Bequests.
Current status	The last economic impact assessment was completed in 2010. A refreshed version was commissioned but cancelled due to the pandemic. An updated one is scheduled for 2024. The theatre currently has capacity for 1,209.
Quantified economic impact	These impacts are taken from the 2010 impact assessment so are not up to date. <ul style="list-style-type: none"> ▪ The Theatre directly support 168 jobs and £7.8 million of expenditure. ▪ £4.7 million is a result of the multiplier effect of the theatre employment which supports a further 188 jobs. ▪ The multiplier effects of the theatre have a positive impact to every sector of employment in the local area.
Wider regeneration impacts	These impacts are taken from the 2010 impact assessment so are not up to date. <ul style="list-style-type: none"> ▪ Contributes to the promotion of Chichester as a tourist destination and place of residence. ▪ Provide opportunities for education and learning across the town.

Source: Chichester Festival Theatre, 2024

4.6 Multiplier Analysis

Analysis was undertaken of the operational information of each theatre in order to calculate the employment multipliers for the theatre sector in the UK. The steps taken to arrive at these multipliers are outlined below:

- Direct number of employees was lifted from the company accounts of each theatre.
- The direct GVA impact was calculated by multiplying the direct number of jobs by local GVA per worker values for the relevant sector.

- Using data from company accounts and GVA per worker values from ONS an estimation of non-wage expenditure for each of the theatres has been derived. These have been adjusted to account for leakage outside of the local authority based on information for the Guildhall which is assumed to be relatively consistent across the theatres.
- Using company accounts information for employees and turnover an average turnover per job has been calculated.
- The indirect jobs have been calculated by the proportion of average turnover per employee to the leakage adjusted non-wage expenditure.
- The indirect multipliers are the proportion of indirect jobs to direct jobs.
- The direct salary expenditure is the spending of each company on employee salaries from their company accounts. Indirect salary expenditure is the average salary for each of the locations of the theatres multiplied by the indirect jobs' numbers.
- Adjusting salaries for disposable income through applying UK averages for tax and savings ratio.
- Leakage of employee expenditure is calculated through origin destination workplace data and shows the proportion of jobs that leave the target area.
- The disposable income is adjusted for the leakage values to show the amount of income retained within the target area.
- The induced jobs are calculated based on the proportion of average turnover per employee to the disposable income retained within the target area.
- The induced multiplier is the proportion of induced jobs to direct jobs the composite multiplier is the combination of the previous two multipliers.

Table 5 – Case Study Multiplier Analysis

Input	Value				Source/ Description
	Shakespeare North	Chester Storyhouse	Colchester Mercury	Chichester Festival	
Direct Jobs	53	142	95	168	The values for direct employment have been taken from the most recently available company accounts of each theatre, as listed on Companies House.
Direct GVA Impact	£1,696,848	£4,789,802	£2,780,745	£5,293,176	The Direct GVA Impact has been calculated based on the values for Direct Jobs and the GVA per worker for the Arts, Entertainment and Recreation sector in the Local Authorities in which each theatre is located. The GVA per worker values are from the ONS Labour Productivity Measures.
Leakage of Non-Wage Expenditure	56%	56%	56%	56%	The Leakage values have been calculated based on information provided by GENECON and the Guildhall for the expenditure of the Guildhall development outside of the local authority and assumed to be similar for the other theatres.
Leakage Adjusted Non-Wage Expenditure	£287,555	£848,596	£936,778	£4,344,770	The Non-Wage Expenditure for each of the companies has been calculated based on GVA per worker values from ONS and the turnover and expenditure from the company accounts. These have been adjusted for the leakage values above.
Average Turnover per Job	£44,347	£47,313	£51,682	£90,284	The average turnover per job is calculated from companies account information on number of employees and turnover.
Indirect Jobs	6	18	18	48	Indirect jobs generated by each theatre are calculated from the Non-Wage Expenditure and Average Turnover per Job.
Indirect Multiplier	0.12	0.13	0.19	0.29	The Indirect Multiplier is the proportion of Indirect Jobs created to the proportion of Direct Jobs.
Direct and Indirect Salary Expenditure, Disposable Income	£806,718	£1,929,547	£1,836,103	£3,709,013	The Direct and Indirect Salary Expenditure is expenditure on wages taken from the company accounts and the number of Indirect Jobs multiplied by the local average salaries. Salaries are from the NOMIS Labour Market profiles for each local authority. These are then adjusted to give average disposable income using the UK averages for tax rate (24%) and savings ratio (10%).
Employment Expenditure Leakage	41%	22%	19%	30%	The Leakage values are calculated based on 2021 Census Travel to Work Data. They indicate the likelihood of jobs within the local authority to be filled from outside of it and therefore for the expenditure to leave the local authority.
Total Disposable Income Leakage Adjusted	£475,964	£1,505,047	£1,487,243	£2,596,309	The disposable income values have been adjusted for the leakage assumptions to give the retained disposable within the target area.
Induced Jobs	11	32	29	29	The Induced Jobs are calculated using the disposable income and turnover per worker.
Induced Multiplier	0.20	0.22	0.30	0.17	The Induced Multiplier is the proportion of Induced Jobs created to the proportion of Direct Jobs.
Composite Multiplier	1.35	1.38	1.55	1.51	The Composite Multiplier is a combination of the Induced and Indirect Multipliers to give a single multiplier value.

Source: Stantec, 2024

The analysis suggests the Composite Multiplier for the similar scale theatre-orientated developments is between the upper and lower bounds of 1.35 and 1.55. The range has been used as part of the economic analysis to present a range of impacts that SGGCH could have on the local and regional economies.

In terms of forecast revenue and direct employment, based off the Business Plan, the Guildhall most closely resembles the Shakespeare North attraction. In addition to this, the shared link to Shakespeare suggests this is the most appropriate multiplier to apply. The composite multiplier was selected on comparability grounds, but also to reflect a conservative approach that avoids over-stating the economic impacts in the core scenario.

5 Economic Impact Assessment

5.1 Introduction

This section assesses the economic impacts associated with SGGCH operations following its refurbishment in 2026/27. The overall economic contribution is measured and presented in terms of employment (FTEs) and GVA. The net results are presented at two geographic levels, namely, the BCKLWN local authority and the East of England level.

5.2 Operational Phase Impacts

Using Stantec's bespoke economic impact model, the Place-Led Assessment Calculator for Economic Development (PLACED), the results for the operational benefits have been calculated at the two spatial levels. Applying the sectoral multipliers calculated in Section 4 and applying net additionality factors. The results for the direct, indirect, and induced jobs created and the GVA generated for these jobs are presented below.

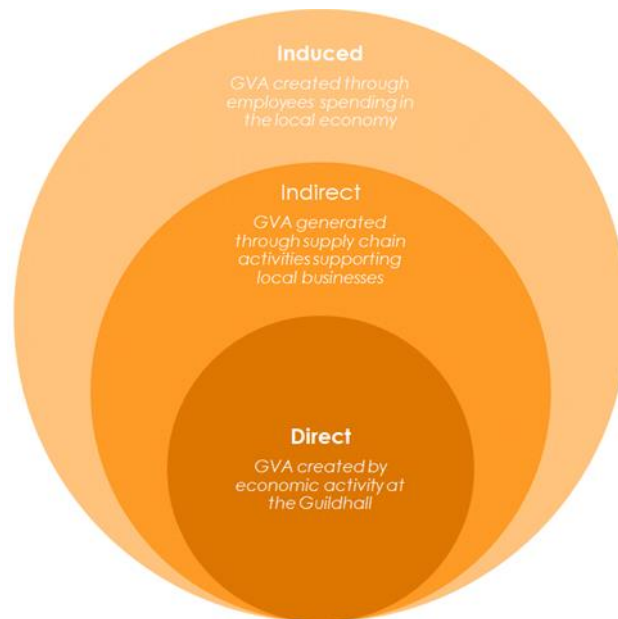
Methodology and Assumptions

The PLACED tool applies an HMT Green Book and DLUHC Additionality Guidance compliant approach to estimate the gross direct, indirect, and induced contribution SGGCH operations contribute to the local and regional economy. These include:

- **Direct impact** – The economic activity generated by the site itself, both its direct employees and economic output (measured by GVA). This is calculated by using the information directly provided GENECON as part of the 2024 Business Plan.
- **Indirect impact** – The economic activity which results from the purchase of goods and services as a result of the SGGCH site operations (i.e., first round effects) and further purchases associated with linked firms along the supply chain (second round effects).
- **Induced impacts** – The economic activity created by staff and those employed by the Guildhall supply chain deriving all or part of their income from the site's activity spending their wages on consumer goods and services (first round effects) and further economic activity supported in the industries supplying these purchases (second round effects).

These three channels through which SGGCH will contribute to the BCKLWN and East of England economies are illustrated in the Figure below.

Figure 11 – Direct, Indirect and Induced Impacts



Source: Stantec, 2024

These gross employment impacts are the adjusted to isolate the net additional effects of the SGGCH investment within the specific spatial geographies. These adjustments are described below.

- **Deadweight** – The comparison against the counterfactual or ‘no redevelopment’ scenario. This is the estimation of the economic impacts that would have occurred anyway without the proposed intervention. In the case of the Guildhall this is the economic impacts resulting from its operation in the current state (current jobs and visitor numbers).
- **Displacement** – The likelihood that the economic benefits associated with a development are displacing activity from another source or location. This is netting off any impacts that are a result of a reduction in economic activity from elsewhere. For the Guildhall this is the displacement of economic activity from other similar locations within King’s Lynn.
- **Leakage** – proportion of benefits that will occur outside of the study. That is, the level of economic activity leaving the specified geographical area (i.e., BCKLWN and the East of England, respectively) currently being examined.

Applying additionality adjustments to the gross number of FTEs created will result in the net additional direct employment levels at the separate geographic study areas. That is, the process isolates the economic activity that could not have happened in the absence of the SGGCH investment. Expenditure multipliers, derived from the case study analysis, are then applied demonstrating how the Guildhall activities spillover and benefit the local and regional economies.

The net additional jobs created and GVA per worker figures for the sector and areas, the annual GVA impact has been calculated. The operational jobs and GVA impact have been presented as an economic impact per annum and over the first 15-year period. The table below shows the assumptions that have fed into the analysis.

Table 6 – Operational Impact Assumptions

Assumption	Value	Description
GVA per Worker for Direct Jobs	£32,016	The Gross Value Added per worker for the Guildhall. Based on the KL&WN Arts, Entertainment and Recreation sector GVA per worker taken from ONS and NOMIS Productivity and Employment Data
GVA per Worker for Indirect and Induced Jobs	£55,157	The Gross Value Added per worker for the indirect and induced jobs. Based on KL&WN GVA per worker taken from ONS and NOMIS Productivity and Employment Data.
Additionality at a Local Level: <ul style="list-style-type: none"> ▪ Deadweight ▪ Displacement ▪ Leakage 	37%: <ul style="list-style-type: none"> ▪ 15% ▪ 50% ▪ 14% 	Assessments of additionality are performed by Stantec based on information available and the method is based off HCA Additionality Guidance. <ul style="list-style-type: none"> ▪ Deadweight – A low level of deadweight is assumed. This is based off an assessment of the counterfactual scenario against the future employment numbers. Outputs provided by GENECON give future gross job numbers for the Guildhall as 34. There is currently the equivalent of 3 FTEs working at the Guildhall. Therefore, netting the current employees from the future job numbers 90% of the new jobs are net additional. However, additional deadweight on the grounds that some of these jobs might occur elsewhere. ▪ Displacement – medium levels of displacement some other firms are affected. Examining the labour market in King's Lynn and the surrounding area, activity could at the Guildhall could displace employment from other organisations. However, given the unique nature of the development and the links to Shakespeare, and interest it is expected that the developed will increase aggregate employment in the town. Displacement is lower than in the original Business Case due to the discovery of the floorboards. ▪ Leakage - There is assumed to be medium levels of leakage, a reasonably high proportion of the benefits will be retained in the target area. Using Travel to Work data in order to calculate leakage values based on origin-destination workplace data for BKLWN a low level of 14% of the benefits is expected to accrue outside the area.
Additionality at a Regional Level: <ul style="list-style-type: none"> ▪ Deadweight ▪ Displacement ▪ Leakage 	20%: <ul style="list-style-type: none"> ▪ 15% ▪ 75% ▪ 7% 	<ul style="list-style-type: none"> ▪ Deadweight – This remains consistent across both spatial levels. ▪ Displacement – This has been adjusted to medium-high levels of displacement at the regional level to reflect the larger geography and corresponding labour market pool. The competition between areas in the East of England increase the scope for activity to be displaced and the scale of the development is less likely to add to aggregate employment. ▪ Leakage - There is low levels of leakage, the majority of the benefits will go to the

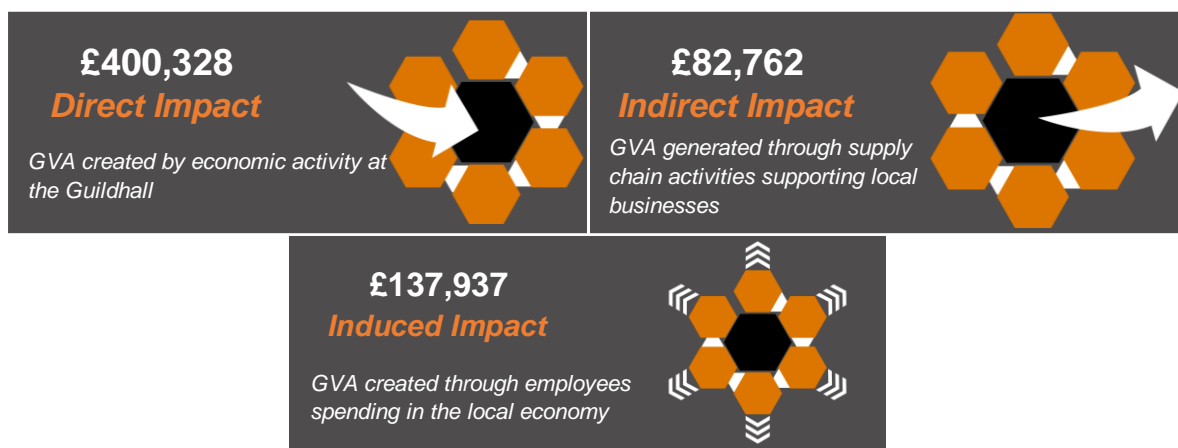
		target area. Based on origin-destination workplace data for the East of England it is likely that 7% of the benefits will leave the target area. This is far less than the amount of benefits that will leave King's Lynn
Composite Multiplier	1.35	Based on the analysis of the case studies and the calculation of various multipliers, a composite multiplier of 1.35 has been applied to the economic benefits of the Guildhall.

Source: Stantec, 2024

Results

Figure 12 shows a summary of the GVA impacts at BKLWN level broken down by direct, indirect and induced impacts which is then given in more detail in the tables below.

Figure 12 – Impacts of the Guildhall to King's Lynn and West Norfolk






Source: Stantec, 2024

The gross on site job numbers, as provided by the Business Plan, are 34 FTEs. These are made up of management, commercial and marketing, operational and technical, catering and other casual staff members. The direct impact of the Guildhall at local level is based on the proportion of these staff that are net additional to the area. Applying the additionality factor of 37% gives 13 net additional direct jobs operating on site at the Guildhall. These attribute approximately £400,000 additional GVA to the area per year. Applying the bespoke theatre sector multipliers to the net additional direct jobs give 2 indirect and 3 induced jobs. These are supported in other local businesses through supply chain activities and Guildhall employee spending. Overall, in the 15 years post completion the Guildhall will contribute over £9 million to the local economy.

Table 7 – Operational Impact at the King's Lynn and West Norfolk Level







	KL&WN Level		
	Number of Jobs 	GVA Impact per Annum 	Nominal Impact Over 15 Years

Direct 	13	£400,328	£6,004,925
Indirect 	2	£82,762	£1,241,431
Induced 	3	£137,937	£2,069,052
Total	17	£621,027	£9,315,409

Source: Stantec, 2024

Applying adjustments to additionality factors gives the impacts of the Guildhall to the East of England. The leakage has been adjusted to factor in the reduced likelihood that jobs will be filled by workers from outside of the region and the displacement has been adjusted to show the reduction in economic activity elsewhere in the region. This means a decrease of net additional employment to 9 and a decrease of GVA impact of approximately £300,000.

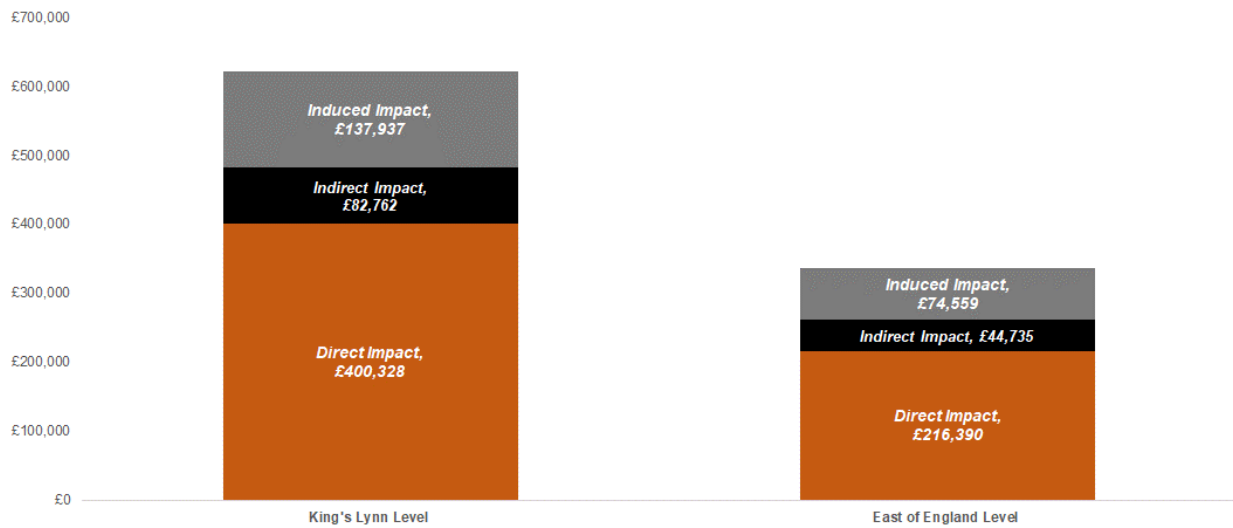
Table 8 – Operational Impact at the East of England Level

	East of England Level		
	Number of Jobs 	GVA Impact per Annum 	Nominal Impact Over 15 Years 
Direct 	7	£216,390	£3,245,846
Indirect 	1	£44,735	£671,032
Induced 	1	£74,559	£1,118,386
Total	9	£335,684	£5,035,264

Source: Stantec, 2024

Figure 13 and Figure 14 show a summary of the overall economic impacts of the operational jobs and GVA of the Guildhall and Creative Hub. The results are presented for two spatial levels and Figure 13 shows the proportion of the impacts by direct, indirect and induced jobs. These are the annual impacts of the jobs created by the project once the theatre and associated spaces are fully operational.

Figure 13 – Operational GVA Impacts of the Guildhall



Source: Stantec, 2024

Figure 14 – Operational Jobs and GVA Impacts of the Guildhall



Source: Stantec, 2024

5.3 Construction Phase Impacts

In addition to the operational phase jobs and GVA impact Stantec's PLACED tool has been used to quantify the economic impact from the construction of the Guildhall. Using a similar approach to the operational impacts the net additional direct and multiplier effects of the construction of the Guildhall and Creative Hub have been captured.

Methodology and Assumptions

In order to calculate the gross construction jobs, the overall construction spend is needed. This value has been taken from the OMA RIBA Stage 2 Costs Plan and is given as £16.789 million. This value is estimated to increase to approximately £18 million so the construction impact may increase alongside it, however this EIA has been conducted with the information

available at the time. The PLACED model has applied a Jobs to CAPEX ratio for the construction industry in the East of England based on ONS data. As before factors for additionality and a composite multiplier has been applied. The construction impacts are given per annum and for the entire construction period in nominal terms. The assumptions used in the calculations are given in the table below.

Table 9 – Construction Impact Assumptions





Assumption	Value	Description
Construction Spend	£16,789,021	The value for the construction spending is taken from the RIBA Stage 2 Cost Plan REV 3 from OMA. The project costs are expected to increase to approximately £18,000,000 at RIBA Stage 3 phase so this value may change going forward.
Jobs to CAPEX Ratio	£168,135	The Jobs to CAPEX Ratio for the construction industry in the East of England based on ONS ABS and ASHE data.
Additionality: <ul style="list-style-type: none"> ▪ Deadweight ▪ Displacement ▪ Leakage 	40%: <ul style="list-style-type: none"> ▪ 20% ▪ 0% ▪ 50% 	Standard values for additionality in the construction sector have been applied. <ul style="list-style-type: none"> ▪ Deadweight – Low values for deadweight are applied. This is a judgement based on other construction projects and the likelihood of the project to go ahead. ▪ Displacement – There is no displacement applied, this is based on the judgement of spare capacity in the sector. ▪ Leakage - There are high levels of leakage applied based on the HCA Additionality Guide and the mobility and willingness to commute of the construction industry.
Composite Multiplier	1.38	The HMT Green Book standard employment multiplier has been applied.


Source: Stantec, 2024

Results

Applying the Jobs to CAPEX ratio to the total construction spend creates 100 gross construction jobs. These result in 40 net additional direct jobs and 15 indirect and induced job years. The overall GVA impact of the construction phase of the St George's Guildhall and Creative Hub project is £6.495 million as seen in Table 10 below.

Table 10 – Construction Impact

	Number of Jobs 	GVA Impact per Annum 	Nominal Impact Over the Construction Period 
Direct 	40	£2,486,651	£4,955,283

<p>Indirect and Induced</p> 	15	£932,494	£1,883,008
Total	55	£3,419,145	£6,495,331

Source: Stantec, 2024

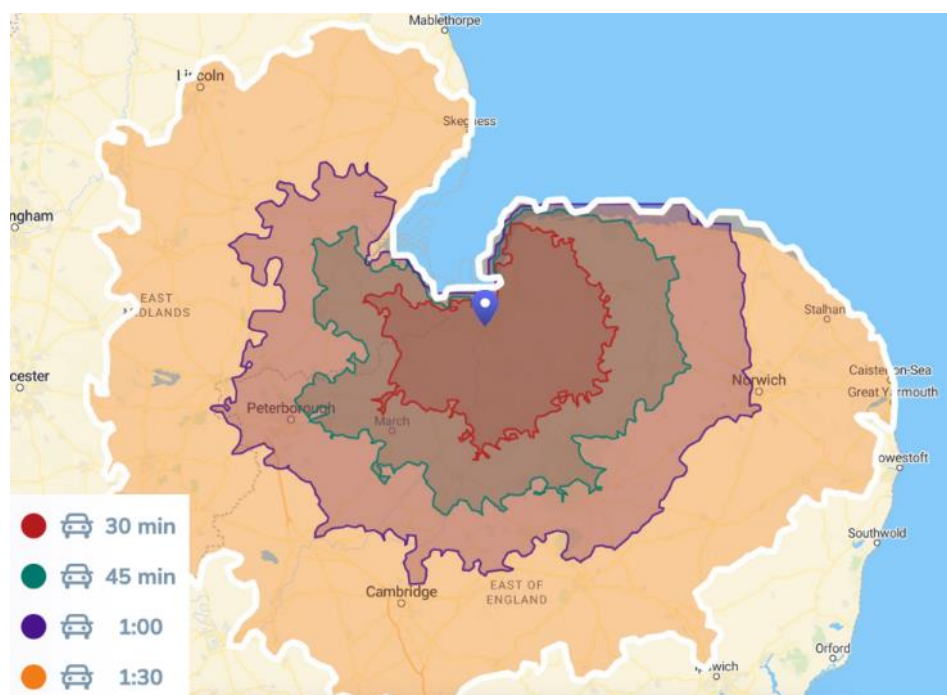
6 Wider Visitor Expenditure

6.1 Introduction

In addition to the economic impacts generated by the direct operations and refurbishment of SGGCH, this section quantifies wider “off-site” spending generated by the additional visitors attracted to King’s Lynn to visit SGGCH. The direct “on-site” expenditure⁶ is estimated to be £1.6 million per year according to the 2024 Business Plan, which supports the operational activities, direct jobs and economic impact quantified in GVA terms in Section 4. As such, the “off-site” analysis looks to isolate the expenditure impacts pertaining to visitors that will remain in King’s Lynn after interacting with SGGCH further stimulating the local economy.

The map below represents the visitor travel categories that have helped to refine the GENECON analysis of the origin of visitors to the Guildhall.

Figure 15 – Map of Visitor Travel Categories



Source: GENECON, 2024

In order to capture the economic impact of this wider spending the following assumptions have been applied.

Table 11 – Visitor Spend Assumptions

Assumption	Value	Source
Total Direct Spend 2028/29 Onwards	£1,608,753	Value is from the GENCON Business Plan for Forecast Visitor Spend at the Guildhall.
Average Direct Spend 2028/29 Onwards	£21	Calculated using the Forecast Visitor Spend and Future Visitor Numbers from the Business Plan.

⁶ This is comprised of ticket sales, food and beverage purchases and other on-site revenue generation activity.







Average Spend Domestic Day Visits in England	£44	Value for the average spend per domestic day visit in England. Taken from the Visit England Domestic Day Visits: Q4 2024 and 2023 Overall.
Average Spend Domestic Overnight Visits in England	£259	Value for the average spend per domestic overnight visit in England. Taken from the Visit England Domestic Overnight Trips: GB and England Q4 2023.
Average Spend International Visits in England	£927	Value for the average spend per international visit in England. Taken from the Visit Britain Total UK: Quarterly Inbound Update Q3 2023 from the International Passenger Survey
KL&WN Additionality	75%	Based on a qualitative assessment of the visitor numbers by type of visit. A judgement has been made that 75% of the visitor are net additional at local level. This is based on the number of international visitors, domestic day and overnight visitor sand a proportion of the local visitors being net additional.
East of England Additionality	20%	Based on high level assessment of the visitor numbers by type of visit. A judgement has been made that 20% of the visitor are net additional at regional level. This is based on the number of international visitors, and a proportion of the domestic day and overnight visitors.
Visitor Spend Required to Support 1 FTE	£114,942	Calculation based on ONS Labour Force Survey and Annual Business Survey for Jobs, Turnover and GVA.
GVA per Worker	£21,593	

Source: Stantec, 2024

6.2 Results

For the economic impact associated with the wider visitor spend to be quantified, the net additional number of visitors must be calculated. Considering the net additionality of visitor numbers at both KL&WN level and East of England level gives the values of 75% and 20% from Table 11 above. These give the net additional unique visitor numbers below.

Table 12 – Net Additional Unique Visitor Numbers







	Net Additional Unique Visitors					
	2026/27		2027/28		2028/29	
	KL&WN 	East of England 	KL&WN 	East of England 	KL&WN 	East of England 
KL&WN Visits	22,610	6,029	26,201	6,987	25,887	6,903
Day Visits	17,148	4,573	19,872	5,299	19,634	5,236
Overnight	9,178	2,447	10,635	2,836	10,508	2,802
International	1,588	424	1,840	491	1,818	485
Total	50,524	13,473	58,548	15,613	57,847	15,426

Source: Stantec, 2024

Overall visitor spending is likely to differ based on the type of visit as categorised by the Business Plan. Visitors more local to the theatre (KL&WN and Domestic Day Visits) will spend

less than those further away or those spending more time in the area (Domestic Overnight and International Visits). Table 13 shows the net additional total spend by type of visitor to the Guildhall, this is inclusive of both direct on-site and wider spending. This is based on Visit Britain and Visit England tourism expenditure data and forecast visitor numbers.







Table 13 – Total Visitor Spend

	Total Visitor Spend					
	2026/27		2027/28		2028/29	
	KL&WN 	East of England 	KL&WN 	East of England 	KL&WN 	East of England 
KL&WN Visits	994,832	£265,288	1,152,824	£307,420	1,139,030	£303,741
Day Visits	754,523	£201,206	874,351	£233,160	863,889	£230,370
Overnight	2,377,030	£633,875	2,754,532	£734,542	2,721,572	£725,753
International	1,472,193	£392,585	1,705,995	£454,932	1,685,582	£449,489
Total	5,598,577	£1,492,954	6,487,702	£1,730,054	6,410,073	£1,709,353

Source: Stantec, 2024

In order to calculate the wider visitor spend, the direct expenditure at the Guildhall site has been netted off. The total forecast visitor spend in the Business Plan resulted in an average spend per visitor of £21⁷. Direct spend by type of visitor was then deducted from total spend per visit to give the wider “off-site” visitor spend outlined below.

Table 14 – Visitor Spending Outside of the Guildhall

	Wider Visitor Spend					
	2026/27		2027/28		2028/29	
	KL&WN 	East of England 	KL&WN 	East of England 	KL&WN 	East of England 
KL&WN Visits	£523,241	£139,531	£606,338	£161,690	£599,083	£159,756
Day Visits	£396,849	£105,826	£459,873	£122,633	£454,370	£121,165
Overnight	£2,185,603	£582,827	£2,532,704	£675,388	£2,502,399	£667,306
International	£1,439,068	£383,751	£1,667,610	£444,696	£1,647,656	£439,375
Total	£4,544,760	£1,211,936	£5,266,525	£1,404,407	£5,203,508	£1,387,602

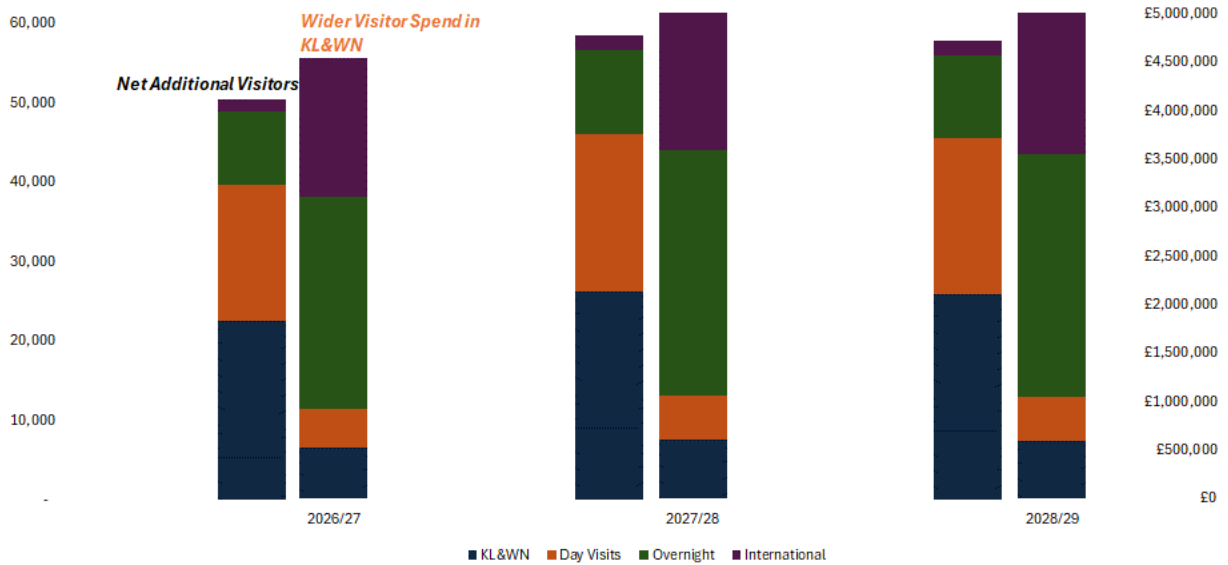
Source: Stantec, 2024

Table 14 shows that wider visitor spend across the town centre and surrounding area will be £5.204 million per year at local level and £1.388 million per year at regional level from 2028/29 onwards. This shows the effect of tourism to the region as a result of the Guildhall development, excluding the direct impacts at the Guildhall site.

⁷ Spend per visitor may vary between type of visitor but for this analysis it was assumed to be approximately consistent across the different visitor types.

Figure 16 shows a comparison of forecast visitor numbers and estimated wider visitor spend, by type of visit at local level. This presents the groups of visitors that will drive economic activity. Although local and domestic day visits will generate the greatest number of visitors, domestic overnight and international visitors will contribute the most to the wider local economy. Due to the higher visitor spending numbers for these groups, they will have a greater contribution to the economic impact of the region.

Figure 16 – Comparison of Visitor Numbers by Type of Visit and their Contribution to Visit Spending



Source: Stantec, 2024

Using ONS Data the numbers for net additional visitor spend has been converted to number of jobs supported at both a local and regional level. Finally using GVA per worker data this has resulted in the GVA impact of wider visitor spend of £977,516 and £260,671 at both spatial levels. The results are presented in the figure below.

Figure 17 – Visitor Spending Jobs and GVA Impact

Level	Net Additional Wider Visitor Spend 28/29 onwards	Jobs Supported	GVA Generated by Jobs Supported	Nominal Impact Over 15 Years
King's Lynn and West Norfolk Level	£5,203,508	45	£977,516	£14,662,734
East of England Level	£1,387,602	12	£260,671	£3,910,062

Source: Stantec, 2024

7 Sensitivity Analysis

To ensure the robustness of the results of the EIA sensitivity analysis has been conducted. The economic impact assessed rely on critical assumptions in order to drive the level of benefits. These are based external information that is estimates of real-world values. Changes to these assumptions can alter the output of this assessment. The below sensitivity tests examine the effects of changes to the assumptions driving the economic impacts. Table 15 shows the results of the sensitivity tests for each of the economic impacts assessed in the EIA.

Operational Jobs and GVA - Multipliers

The bespoke theatre sector multipliers calculated off the previous case studies gave a range of composite multipliers from 1.35 to 1.55. For the core scenario in the EIA the value of 1.35 was chosen based on the similarities between the Shakespeare North project and the Guildhall. This drove the level of indirect and induced impacts for the operational jobs and GVA. The sensitivity analysis has been conducted on the basis of selecting different multiplier values.

- **Core Scenario** – A composite Multiplier of 1.35 based on the Shakespeare North Playhouse development.
- **Test 1** – A Composite Multiplier of 1.38 based on the Chester Storyhouse theatre.
- **Test 2** – A Composite Multiplier of 1.51 based on the Chichester Festival theatre.
- **Test 3** – A Composite Multiplier of 1.55 from the Colchester Mercury theatre.

Construction Jobs and GVA - Additionality

The construction jobs and GVA impact is driven by the assumptions for additionality. These are based on quantitative and qualitative information fed into the PLACED model. The sensitivity analysis has been conducted by altering the deadweight, displacement and leakage values in order to assess the effects of changes to the additionality of the construction impact.

- **Core Scenario** – Additionality is at 40%.
- **Test 1** – Additionality is increased to 68%.
- **Test 2** – Additionality is reduced to 19%.
- **Test 3** – Additionality is reduced to 7%.

Wider Visitor Spend – Net Additional Visitor Numbers

The jobs supported by the wider visitor spend are dependent on the net additional number of visitors at each spatial level. These assumptions are based on a qualitative assessment of the visitor numbers by type of visit. Adjusting the proportion of either local or regional visitors viewed as net additional have resulted in the sensitivity test below.

- **Core Scenario** – Visitor numbers additionality at 75% for KL&WN and 20% for East of England.
- **Test 1** – Visitor numbers additionality increased to 100% for KL&WN and 50% for East of England.

- **Test 2** – Visitor numbers additionality reduced to 50% for KL&WN and 100% for East of England.
- **Test 3** – Visitor numbers additionality reduced to 25% for KL&WN and 5% for East of England.

Table 15 – Sensitivity Tests

	Core Scenario		Test 1		Test 2		Test 3	
	Total Jobs	Annual GVA Impact	Total Jobs	Annual GVA Impact	Total Jobs	Annual GVA Impact	Total Jobs	Annual GVA Impact
Operational Jobs and GVA								
<i>Multiplier sensitivities</i>								
KL&WN Level	17	£621,027	17	£631,427	18	£682,877	19	£696,908
East of England Level	9	£335,684	9	£343,313	10	£371,287	10	£378,916
Construction Jobs and GVA								
<i>Additionality sensitivities</i>								
Construction Impacts	55	£3,419,145	93	£5,769,808	26	£1,602,724	10	£6,495,331
Visitor Spend GVA								
<i>Visitor number sensitivities</i>								
KL&WN Level	45	£977,516	60	£1,303,354	30	£651,677	15	£325,839
East of England Level	12	£260,671	30	£651,677	6	£130,335	3	£65,168

Source: Stantec, 2024

8 Summary

The theatre, cultural and creative markets are significant contributors to economic activity in King's Lynn and the UK as a whole. The industry supports over 200,000 jobs and contributes approximately £2.4 billion to the UK economy. Within King's Lynn it has a longstanding history, but current activity is diffuse and had limited growth potential due to the lack of space to connect and support local groups.

The SGGCH redevelopment is a project that can create a nationally important heritage asset in the centre of King's Lynn and provide a "home" for the local cultural market. The project will refresh the medieval theatre while retaining the historic value of the asset. It will deliver a diverse range of offerings including a heritage attraction, cultural programme, creative hub, education, skills and training and catering and retail.

Based on previous academic research and recent discoveries the Guildhall is also believed to have strong links to William Shakespeare. During the ongoing works at the site medieval flooring was discovered which is believed to have been part of the stage on which Shakespeare performed. As the only surviving stage of this nature the news reached over 217 million people.

The anticipated visitor demand and schedule of events projected in the 2024 Business Plan indicates a full operational capacity of 34 FTEs following SGGCH redevelopment. Using Stantec's PLACED model, and applying additionally factors, we have estimated economic impact of the SGGCH via three sperate revenue channels at two spatial levels over a 15-year period. These impacts comprise of the following:

Indicator	KL&WN		East of England	
	Annual Jobs (FTEs)	GVA, £m (15-years)	Annual Jobs (FTEs)	GVA, £m (15-years)
Direct	13	£6.000	7	£3.246
Indirect	2	£1.241	1	£0.671
Induced	3	£2.069	1.5	£1.118
Total Operational	17	£9.315	9	£5.035
Visitor Impacts	45	£14.663	12	£3.910
Construction	55	£6.419	55	£6.419