

KING'S LYNN TOWN DEAL - RIVERFRONT REGENERATION

EXECUTIVE SUMMARY

This draft business case sets out the strategic, economic, commercial, financial and management cases for the Riverfront Regeneration project, as set out in the Vision within the King's Lynn Town Investment Plan. The business case has been developed through extensive data and design analysis, stakeholder and local resident and business engagement events, and the Value for Money assessment undertaken in accordance with HM Treasury Green Book guidance estimates a Benefit-Cost Ratio (BCR) of 2.83.

The business case is a requirement of the government's Towns Fund programme to confirm the funding offered under the Heads of Terms agreed in June 2021. This business case will follow the King's Lynn Town Deal Board's Local Assurance Process prior to submission of a business case Summary Document to government.

STRATEGIC CASE

The strategic case sets out a clear and compelling need for the project. King's Lynn is an historic town but with a riverfront and historic core that is underutilised. Development in the town has had the effect of shifting focus away from the historic riverfront, impacting upon the sense of place and the environment for residents, visitors and businesses.

Local community engagement has thus identified the need to renew the town's historic core and waterfront to enhance the visitor economy, which also accords with a range of local, regional and national policies and strategies.

The Riverfront Regeneration project has been identified as an opportunity to reconnect the waterfront with the community, providing:

- A restored Custom House, intended to be used as a multi-functional public space
- Enhanced public realm and lighting at Purfleet, King's Staithe Square and along South Quay
- A redeveloped site adjacent to Devil's Alley, providing public amenity / greenspace and including visitor facilities such as an Observation Tower and dryside facilities for leisure boaters using the nearby visitor pontoons
- Enabling funding in the Sommerfeld & Thomas site to help unlock future private sector investment.

The project has a strong theory of change that will ensure the project will address the issues highlighted, attracting and retaining visitors and their spending, whilst enhancing the public realm and environment for local residents.

ECONOMIC CASE

The project has been presented as the Preferred Option, following early engagement with key stakeholders, including the Riverfront Project Board, Town Deal Board and the Council's Cabinet and Regeneration and Development Panel.

This option is estimated to generate a BCR of 2.83 and economic benefits of £17.7m. A number of sensitivity analyses have been run including an increase in Optimism Bias, the number of FTE jobs supported decreased by 50% and the expected number of attendees at key events reduced by 50%. All these sensitivity tests show value-for-money and an acceptable BCR, with a Net Present Social Value (NPSV) of between £4.8m and £10.2m.

The Riverfront Regeneration project is estimated to generate additional non-quantified benefits that help to strengthen the rationale for Towns Fund investment, including spending by additional visitors to King's Lynn, improved perceptions of the place and a reduction in crime and anti-social behaviour.

FINANCIAL CASE

The project has been split into two core phases, although this business case deals only with Phase One. The first phase is primarily funded by the Towns Fund, with co-funding provided by the Borough Council of King's Lynn and West Norfolk (BCKLWN) which includes an element of Business Rates Pool funding, as well as Capital Programme commitments and Coastal Revival Funding. Overall capital delivery costs for the project are £5.03m, including funding already spent / committed.

It has been assumed that funding for the second phase of works will be sourced by BCKLWN, but this has yet to be secured. The second phase of potential works is considered to be difficult to deliver not only within the existing budget envelope but more particularly within the Town Deal timescales owing to potentially complicated planning and design issues together with wider traffic flow issues that may impact more widely on the town. This second phase requires more detailed analysis over time.

Once completed, the project will generate annual operational income of £585k with annual cost of sales, staffing and overheads of £618k. These figures exclude inflation¹. The project is therefore forecast to run at an operational deficit of £33.5k in a stabilised year of operation. For the purpose of this business case, this has been assumed as 2027/28. This position is broadly similar to the existing lease / maintenance costs incurred by BCKLWN for the empty Custom House but is likely to generate additional revenues / benefit within the wider local economy.

The highest financial risk is in the capital build, given significant uncertainties around construction materials and inflation. Detailed cost estimates have been prepared by Oxbury Chartered Surveyors and tender price inflation has been built into project costs to mitigate this risk. The programme is considered scalable, as necessary, to reflect any increase in costs / market uncertainties at tender stage.

COMMERCIAL CASE

The commercial case demonstrates the approach to procurement and delivery for the Riverfront Regeneration project. The project will be delivered by BCKLWN, supported by external project management provision. BCKLWN has an extensive track record of delivering significant capital and revenue-funded projects.

The Council will follow its Contract Standing Orders for all procurement, with the management of procurement risk overseen by the Riverfront Project Board, the Council's Officer Major Projects Board and the Member Major Projects Board.

MANAGEMENT CASE

The management case clarifies the approach to delivery, timescales and responsibilities. There is a clear project management structure with lines of accountability running through the delivery team, connecting each part of the team to senior BCKLWN leadership.

Whilst the Council has a strong project team assembled, it has recognised the need for additional project management support for the delivery of the Riverfront Regeneration scheme. This is due to the number and scale of the different project elements. A budget allowance has been made for the procurement of project management support and the Council has set out a clear timescale for procurement.

The project has a clear delivery programme and is due for completion in Q1, 2025/26. This provides reassurance that there is scope for project delays prior to the deadline for Towns Fund expenditure.

¹ The detailed figures presented in the Financial Case include an allowance for inflation based on CPI forecasts to 2026.
BCKLWN – Riverfront Regeneration

STRATEGIC CASE

STRATEGIC CASE

INTRODUCTION

The Strategic Case sets out the case for change and seeks to demonstrate how the Riverside Regeneration project provides strategic fit.

King's Lynn is an historic town that was formerly one of England's primary ports, primarily driven by trade as part of the Hanseatic League, an international trading group that transported goods between major ports and markets across northern Europe between the 13th and 19th centuries.

The town's historic assets are currently underutilised and largely ignored, whilst development within King's Lynn has shifted the focus of the town centre away from the historic riverfront, undermining the connection of the town to its trading past. King's Lynn's historic core, based around the riverfront and the town's history within the Hanseatic League, includes many historic buildings and sites, including the Grade-I listed Custom House, and others along the riverfront at South Quay. These historic sites are core to the foundation of King's Lynn, originally known as Bishop's Lynn, and despite their historic importance to the town and the unique history of the town which they illustrate, these sites are underutilised, under-promoted and largely ignored.

The impact of the underutilisation of these sites and a failure to properly promote the town based on its historic character and riverfront has been that King's Lynn has failed to attract overnight visitors and has missed out on the economic benefits these groups can bring to the area through spending in the local economy. Less than 5% of all visitor trips to King's Lynn and West Norfolk are from staying visitors, this is lower than nearby areas / destinations such as North Norfolk (6.1% of all trips from staying visitors) or Great Yarmouth (13.2%).

CASE FOR CHANGE

Comprising a range of linked interventions, the project was identified in the Town Investment Plan as a critical intervention under the 'Historic Riverfront and Repurposed Town Centre' theme. This fits with local community engagement, which identified the opportunity to renew the town's historic core and waterfront to enhance the visitor economy, as well as the priorities of the Town Deal Board which identified an aim for more people to live in the town centre.

The project has two core phases:

- the first phase is focused on Towns Fund investment at Custom House, South Quay, King's Staithe Square and Millfleet, as well as in the Sommerfeld & Thomas and Grain Silo sites as an enabling step to unlock future private sector investment;
- the second phase is focused on additional, aspirational elements including a floating pool at Purfleet and covered events space at King's Staithe Square. The funding for this part of the project has yet to be secured.

Strategically, the Riverfront Regeneration scheme is treated as one project, albeit the Towns Funding focuses on the first phase only. Although the funding for the second phase has yet to be secured it is anticipated that the Borough Council will identify an appropriate funding source(s). For the purpose of this business case, only benefits and costs accruing to the first part of the project have been included.

Rationale for Investment

King's Lynn's historic core is a major asset for the town. However, it is currently underpromoted and underutilised. The area is identified as a major regeneration opportunity to re-establish the riverfront as an attractive place to live, work and visit, surrounded by character and culture to create a renewed sense of purpose in this part of the town centre.

In 2019, West Norfolk welcomed more than 10.4million visitor trips². Less than 5% of these were from overnight (staying) visitors. This is considerably lower than the almost 9% recorded across England as a whole³ or comparable figures for nearby areas including Great Yarmouth. The impact of Covid-19 on the tourism industry in King's Lynn and West Norfolk has been severe, with a fall of 33% in total direct visitor spending and a fall of almost 39% in visitor trips⁴ between 2019 and 2021. There is a need to enhance the offer to encourage visitors to stay for longer in King's Lynn, retaining additional spending within the local economy.

The Riverfront Regeneration project responds to local engagement and the identified challenges through restoring historic assets along the waterfront to active use, as attractions to draw people into the area. In particular, local people and community groups have identified that restoring the historic core is a real opportunity for enhancing attractions, events and visitor stays in the town. The Town Investment Plan acknowledges that *“the historic town and riverfront has long been both an asset and a source of frustration for local people”*.

This project will see the Council re-purpose the historic Custom House to create a new multi-functional public space to attract visitors, increase dwell time and visitor spend. This project will also fund the development of new attractions and activities designed to increase footfall and provide new facilities for residents and visitors, including an observation tower and dryside facilities for leisure boat users making use of the existing pontoon mooring on the River Great Ouse. These facilities will be linked together by a renewed public realm that builds on the historic character of the area and produces a single, continuous public landscape along South Quay, running from Outer Purfleet Quayside through to Millfleet. This link will encourage walking and cycling around the area, connecting the historic waterfront to the natural environment and further increasing the attractiveness of the area to visitors and residents. An enhanced public realm that facilitates walking and cycling is an important aspect in building community resilience in light of the current cost of living crisis – providing new leisure opportunities and supporting enhanced health and wellbeing of local residents. This ties in well with the Active and Clean Connectivity project that is also being delivered as part of the Towns Fund programme.

Figure 1: Riverfront Regeneration project area



Source: Graham Massie Architects

Each of these interventions directly address a specific market failure that have each prevented the redevelopment of this area by the private sector. The market failures that this project will address are:

- **The Custom House** – Custom House is an historic building that is currently in private ownership and leased to the Borough Council. The primary market failure here is one of ‘externalities’. These occur when the benefits of an investment do not accrue proportionally to investors, disincentivising investment propensity. The special requirements to preserve historic buildings such as the Custom

² Economic Impact of Tourism – West Norfolk 2019; Destination Research

³ Tourism in England – Key Facts and Trends 2019; Visit England

⁴ Economic Impact of Tourism – West Norfolk 2021; Destination Research
BCKLWN – Riverfront Regeneration

House prevents the private sector from developing these buildings without public support. The need for additional planning permission to be secured, the levels of capital investment needed to create more usable space and thereafter the costs of maintaining historic buildings has potentially deterred private sector developers from taking on Listed Buildings within the town, and they have instead looked to develop sites elsewhere where these constraints do not apply. The cost issues are exacerbated by the levels of market rents and sale capital values achievable within market towns such as King's Lynn – and private sector developers tend to face significant viability issues when looking at Listed Buildings such as the Custom House. As the building is currently in private ownership, the building is unlikely to be redeveloped by the owners, or another third party, due to the market issues set out above. To address this market failure, the Council will implement the works to deliver the multi-functional space at the site in agreement with the private sector landowner.

- **Land between Devils Alley and the Millfleet, South Quay** – This site comprises part of the former Banks Cargill Grain Silo site that ceased operating in the early 2000's. Several private sector organisations have acquired this site since its closure and attempted to redevelop the site. Unfortunately, the private sector has withdrawn their delivery proposals several times owing to viability issues, and the Borough Council of King's Lynn & West Norfolk subsequently acquired the site in 2015 as it was evident that public sector intervention was necessary. The costs of redeveloping a derelict brownfield site and adjacent riverfront area to create an active public realm space with observation tower and related visitor facilities adjacent to the Millfleet are likely to be high as elements of the site form parts of the coastal and tidal defence structures for the town, and the site will require a degree of remediation. Owing to the high costs of development the project is unlikely to produce a return on investment in the form of cash benefits that would make such an investment viable. Instead, the benefits of this scheme element are primarily societal (public good) and will take the form of wellbeing and health benefits to users, which are unlikely to encourage a private sector developer to fund the scheme due to the lack of an expected return on any investment. To address this, the Council will use the Towns Fund to fund the scheme and deliver the public good produced by it without the need to secure a financial return on this investment.

NB. although it is considered that the immediate benefits will be societal, it is intended to make use of the end product (the developed public realm space) as a multi-functional space, and it will be used to deliver a new Events Programme that has been developed as part of the Town Deal Riverfront Regeneration project. This new Events Programme will tie-in with the larger scale events within the town in order to improve and enhance the activity offer within the town for both residents and visitors, but the benefits will be felt by the town as a whole rather than any specific site or landowner.

In addition to the above, the Borough Council is actively seeking private sector investment for the remaining (northern) part of the former Banks Cargill Grain Silo site together with the former Sommerfeld & Thomas warehouse site (contiguous site to the north), and it is anticipated that the development of the Millfleet area (and the wider Riverfront Regeneration project proposals) will help to attract, and stimulate, private sector investment in the medium to long-term.

- **Public realm enhancements** – As with the visitor and community facilities, private sector investors are highly unlikely to provide funding for the public realm elements of this project as it would require an investment in an asset in public ownership for which only a very limited return on investment would be received by any investor. Enhanced public realm and visual connectivity at King's Staithe Square and along South Quay will offer opportunities for a wider programme of events that will offer community benefits as well as enhancing the visitor offer. It is anticipated that the public realm enhancements will act as an "attractor" and in a "wayfinding" capacity that will help draw foot traffic up and down the quay front. This should create movement and activity and help contribute not only to the existing business activities that take place along the riverfront, but may also help to crystallise private sector investment in the remaining part of the Grain Silo site and the Sommerfeld & Thomas site. It is important to note that Norfolk County Council, as local highway authority is responsible for the

maintenance of highways. As the private sector would not deliver this scheme, the Borough Council will provide the investment through the Towns Fund in order to secure the wider benefits to society this scheme will deliver.

Table 1: Summary of Market Failure and Rationale for Towns Fund Investment

| Intervention | Market Failure and Rationale |
|-------------------------------------|--|
| Custom House | <p><u>Externalities</u></p> <ul style="list-style-type: none"> The benefits of the investment will not accrue proportionately to the investor. The costs of bringing Custom House back into use would not provide sufficient return to attract private investment of the scale required. This is reflected in the current under-utilisation of the building. |
| Land adj. Devil's Alley / Millfleet | <p><u>Externalities</u></p> <ul style="list-style-type: none"> The benefits of the investment will not accrue proportionately to the investor due to the cost of ground remediation and redevelopment. The scale of development is insufficient to deliver a suitable return on investment and deliver the desired benefits. The site has been in different private ownerships, with redevelopment not occurring. <p><u>Public Good</u></p> <ul style="list-style-type: none"> New public open space will generate health and wellbeing benefits, including through a greater range of activities as well as reduced loneliness. New planting will contribute to net zero aspirations. |
| Public Realm Enhancements | <p><u>Externalities</u></p> <ul style="list-style-type: none"> The benefits of the investment will not accrue proportionately to the investor. It is not feasible or desirable to charge users of the public realm using a market mechanism (outside of the events programme). The small number of businesses that are likely to be positively impacted means the amount that could be raised is unlikely to be of a sufficient scale to raise the investment that is required to deliver the desired benefits. <p><u>Public Good</u></p> <ul style="list-style-type: none"> Active travel improves air quality, reduces greenhouse gases and delivers health and well-being benefits through more walking and cycling. There is not an effective market mechanism for attributing these benefits in a way that can be charged to individuals. |

Source: Mott MacDonald

This project constitutes the first phase of regeneration for King's Lynn's riverfront. Investment in new outdoor public realm and upgraded attractions and facilities will improve the environment in preparation for further investment in leisure and residential development in future phases, particularly at the brownfield sites at South Quay (Sommerfeld & Thomas and former Grain Silo site).

A riverside route starting at King's Staithe Square and running along South Quay will create a continuous, enhanced public landscape from the Outer Purfleet quayside southwards towards Millfleet. This will enhance linkages between the civic character landscaping of the quayside with natural landscapes to the south of the town centre to encourage active travel and attract visitors to dwell in King's Lynn for longer. This enhanced continuity of space will provide extended leisure and recreation facilities and better connect the riverfront from the entry point of the riverside at Custom House towards the open landscapes to the south of the town. The public realm enhancements within the Riverfront Regeneration project will also tie-in well to the wider public realm works being delivered under the Town Deal banner, particularly the "Rail to River" element of the Town Deal programme. Integrating, and coordinating, these public realm works will provide additionality to the overall outcomes and outputs, the sum of which will be greater than its constituent parts.

This phase will also re-animate the iconic Custom House as a visitor space - a key landmark building that, when brought back into use, will help to link the town's retail core to the riverside area. This linkage

is considered important as it is understood that people coming to the town tend either come to shop, or come to view the town's rich, architecturally interesting / important historic core. The investment in the public realm and the Custom House is intended to have reciprocal benefits in that shoppers will be drawn to the riverfront, and visitors to the riverfront and Custom House will be drawn into the town, and its retail offer. The Town Deal Programme of investment should succeed in its ambition to enhance the town and stem the downward spiral of market town centres. This Town Deal investment will be an enabling step for further investment in residential, hospitality, leisure and culture - of which there is ongoing interest - in this part of the riverfront.

Specifically, the case for change associated with investing in the Riverfront Regeneration project is justified by the following points:

- The riverfront is dominated by the car at present. Walking and cycling along the riverfront are considered to be challenging due to the conflict between pedestrians and vehicular traffic both moving and parked in the area. The enhanced public realm and the provision of multi-use spaces to hold an additional programme of events means that more temporary traffic control measures will be put in place along the quay (between Custom House, King's Staithe Square and Millfleet). This will allow Norfolk County Council (local highway authority) to compile significant amounts of data in respect of traffic movements throughout King's Lynn, and particularly the impact of these more frequent road closures. The data compiled will be used to assess longer term traffic control measures, and the future of traffic travelling along the south quay and through King's Staithe Square. It is accepted that this needs to be a long-term process.
- Historically, King's Lynn looked towards the river, but this is no longer the case. There is an opportunity to 'bring the river back into use' to make it a focal point of the town once again. Some investment along the riverside has already taken place, such as the installation of the pontoons for visiting leisure craft, and the Town Deal Riverfront Regeneration project will be the next stage that should help to stimulate and accelerate further investment as already highlighted within this report (remaining Grain Silo site and Sommerfeld & Thomas site).
- Key and high-quality buildings and sites along the riverfront are vacant / underutilised and have the potential for alternative and higher value uses.
- There is an opportunity to address low levels of footfall by improving the urban realm along the riverfront to include places to 'dwell' and to 'green' the area, as well as enhancing active travel and connectivity between key destinations.
- Opportunities exist to capitalise on the 'Sail the Wash' campaign by providing additional dryside infrastructure to attract visiting boats along the River Great Ouse to King's Lynn.
- There is an opportunity to increase the proportion of overnight visitors to King's Lynn, increasing the economic benefits derived from the visitor economy.
- Resident surveys have identified that town centre living is negatively impacted by its limited night-time economy and a lack of culture, music and arts experiences. The Riverfront Regeneration proposals will breathe new life into existing historic buildings, creating new facilities, event spaces and enhance connectivity across this part of the town centre – linking further to other aspects of the Town Deal investment.

POLICY ALIGNMENT

The King's Lynn Town Investment Plan developed during 2020-21 sets out a strategic plan to address the opportunities and challenges that face the town in a changing world through five priorities for investment. The mission set out in the King's Lynn Town Investment Plan includes;

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

- A high-quality residential and leisure offer in the historic town core and riverfront
- A sustainably connected town

The investment priorities identified in the Town Investment Plan were carefully selected to deliver against these aims. This project is primarily focused on reviving the town's historic core and waterfront. This project directly delivers against this vision by:

- Bringing back into use the Outer Purfleet and Custom House to support the rejuvenation of the town's historic riverfront and create a new exhibition space / leisure offer to draw visitors to and along the waterfront.
- Providing a high-quality link between the end of the high street and the riverfront to support connectivity and cohesion between the town centre and riverfront through heritage and regeneration at King's Staithe Square and along South Quay.
- Delivering a new visitor attraction and dryside facilities to support the growth of leisure boating – building on the 'Sail the Wash' campaign - potentially driving wider demand for future leisure and residential development on the waterfront.
- Providing initial funding to enable future private sector investment in key historic buildings and sites, including the Sommerfeld & Thomas warehouse.
- Supporting the regeneration of land at Devils Alley, adjacent to Millfleet to create a new events space, with food & beverage opportunities, particularly for smaller, independent businesses, as well as a new Observation Tower as a focal point of interest.

The Riverfront Regeneration project aligns and delivers against a wide range of national and local policies, as summarised below and detailed in Appendix A:

- National policy fit: the project aligns strongly with key national strategies, including **Build Back Better** and the recent **Levelling Up White Paper**. The project will regenerate and re-purpose existing historic buildings, bringing new life into important assets in the historic core of Kings Lynn. It is a critical aspect of the wider placemaking ambition of the Town Deal, seeking to take control of historic assets of considerable importance to bring new activity to the waterfront and build upon community and business ambitions.
- Local policy fit: at a local level the Riverside Regeneration initiative accords with a wide range of policies and strategies, including the **Public Realm Action Plan (PRAP)**, **Local Cycling and Walking Infrastructure Plan (LCWIP)** and the emerging **West Norfolk Tourism Development Plan**. There is a clear strategic narrative between the project and the wider ambitions of the Council, Town Deal Board and Town Investment Plan. In particular, the development of an enhanced riverside route through Purfleet to Millfleet will provide an improved public realm and environment to better connect the riverfront and historic core with surrounding open spaces. The reimagination of the riverfront as a leisure destination will help to create clear, legible and engaging routes that bring a sense of pride and ownership and create permeability between spaces and routes, making it easy, safe, convenient and attractive for people to find their way around and increase dwell time.

VISION AND OBJECTIVES

By 2026, Town Deal investment will have re-established the riverfront as a focal point of King's Lynn by delivering against the following vision:

- Repurposed and brought back into use prominent and listed riverfront buildings for leisure and recreational purposes
- Delivered a new visitor attraction – the Observation Tower – to draw visitors along the riverfront between Purfleet and Millfleet

- Regenerated a derelict brownfield site at South Quay with a range of visitor and community facilities on a site adjacent to Devils Alley, and de-risking / site enabling work to the Sommerfeld & Thomas & Grain Silo sites
- Improved 7,845m² of public realm to reduce the impact of vehicular traffic along the riverfront.

The project will be measured against the Towns Fund Monitoring and Evaluation framework against the following outputs:

Table 2: Summary of Project Outputs and Outcomes

| Project Outcome | Project Indicator | Project Outputs |
|--|---|---------------------|
| Remediation and development of abandoned site | Amount of rehabilitated land | 3,000m ² |
| | Number of sites cleared | 1 |
| | Number of public amenities / facilities created | 1 |
| Upgraded historic landmark site | Number of historic landmarks and buildings refurbished | 2 |
| | Amount of floorspace (commercial, residential, industrial) created | 4,000m ² |
| Improved perception of place by residents, visitors and businesses | Number of temporary FT jobs supported during project implementation | 154 |
| | Number of FTE jobs created and safeguarded | 12.1 |
| | Amount of public realm enhanced | 7,845m ² |

Source: Mott MacDonald

Critical Success Factors

Critical Success Factors (CSF's) are the attributes deemed essential to successfully deliver the project. CSF's are important for appraising the proposed intervention, but also for evaluating and realising the benefits of the completed project.

For the Riverfront Regeneration project, the following CSF's have been identified:

- Bringing an historic and prominent riverside building back into economic use
- Public realm improvements to reduce the impact of vehicular traffic along the riverfront
- Deliver new visitor and community facilities to draw visitors along the riverfront
- Act as an enabler to de-risk future private sector investment to the Sommerfeld & Thomas and Grain Silo sites.

THE PROPOSED INVESTMENT

The Riverfront Regeneration project will deliver a linear package of measures along King's Lynn's riverfront from the Purfleet in the North to the Millfleet in the South. It will focus on improving the urban realm and bringing new uses to the area with a particular focus on repurposing historic buildings, greening the riverfront and developing high quality public spaces. The proposed investment from the Towns Fund can be summarised as follows:

- **Custom House and Purfleet** – refurbishment of the Grade-I listed building including a passenger lift between ground floor and second floor to make this important and iconic Listed Building more accessible and more viable as multi-functional public space, hard landscaping with services to facilitate pop-up business activity and events, and public realm improvements.

Figure 2: Architect Impression – Custom House and Public Realm Improvements



Source: Graham Massie Architects

- **King's Staithe Square** – public realm improvements with services to facilitate pop-up business activity and events, to enhance sense of place and connectivity along South Quay between Purfleet and Millfleet.

Figure 3: Architect Impression – King’s Staithe Square



Source: Graham Massie Architects

- **South Quay** – public realm improvements to enhance connectivity between Purfleet and Millfleet.

Figure 4: Architect Impression – South Quay



Source: Graham Massie Architects

- **Millfleet / Devils Alley** – development of new visitor facilities (Observation Tower and refreshment kiosk), covered walkway with services to facilitate pop-up business activity and events, play areas, cycle parking, minor flood defence and infrastructure works alongside public realm improvements and dryside facilities to enhance the offer for leisure boats mooring at the existing pontoon facility.

Figure 5: Architect Impression – Land adj. Devils Alley and Observation Tower



Source: Graham Massie Architects

A future phase of investment has been identified by BCKLWN working with key stakeholders and the Project Board. Whilst this is strategically important, it has not been included within this business case, as funding sources for this future delivery have yet to be finalised by the Borough Council.

Project Risks

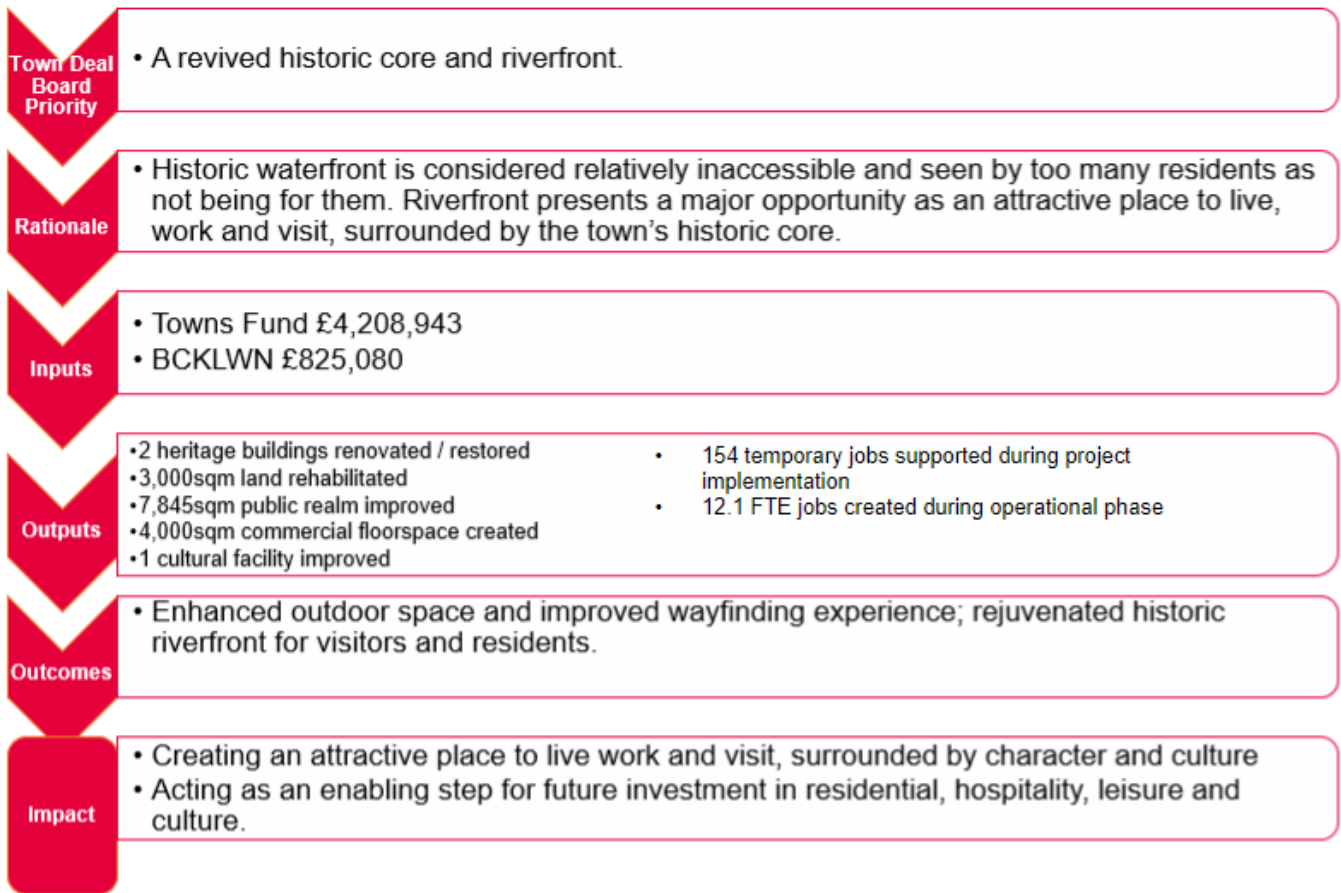
Appendix B provides a detailed risk register for the Riverfront Regeneration project. Those items assessed as being the highest risk are shown below:

Table 3: Areas of Greatest Project Risk

| Risk | Mitigation |
|---|--|
| 2 – Increase in materials / construction costs | Detailed cost plan prepared by QS with inflation allowance and contingency built in |
| 6 – Tenders received exceed budget tolerances | Tender price inflation has been built into project costs. Programme is scalable to reflect cost and market uncertainties |
| 8 – Failure to be granted Planning and Listed Buildings Consents | Early engagement with BCKLWN Planning / Conservation and Historic England has been undertaken |
| 11 – Custom House – failure to agree variation to lease terms for proposed uses | Early and positive engagement with landowner has been undertaken. Existing lease terms allow for some variation to uses. |

Source: Mott MacDonald

Project Theory of Change



STAKEHOLDERS AND PROJECT BENEFICIARIES

The Riverfront Regeneration project responds directly to the wide public consultation and engagement undertaken through Vision King's Lynn and the priorities agreed by the Town Deal Board. The breadth, linear nature of the project, and the importance of the riverfront all mean the project will involve a wide range of stakeholders. These include:

Table 4: Key Project Stakeholders

| Stakeholder | Role |
|---|--|
| King's Lynn Town Deal Board | the Town Deal Board will receive regular progress updates from the Project Board and Team to enable assurance and scrutiny of project delivery to be undertaken. This will include financial monitoring of spend against the agreed schedule and budget, the physical delivery of the project against the project's objectives set out in the business case and the delivery of the project against the agreed schedule. |
| Norfolk County Council | Appropriate permissions / consents may be required, as well as potential for adjustments to existing Traffic Regulation Orders. |
| Borough Council of King's Lynn and West Norfolk | Appropriate planning / listed building consents may be required. Consultation with BCKLWN Conservation Officer will be integral to Custom House. Regular briefings will be required with the Council's Cabinet and the Regeneration and Development Panel. |
| King's Lynn Conservancy Board | The King's Lynn Conservancy Board is the statutory port, harbour and pilotage authority, with operational control of the navigable river and the quay head between Purfleet and Millfleet. Consent / approval from the Board may be required for any changes involving the river frontage. |
| Environment Agency | Riverfront is in a medium flood risk zone. Agency may require additional flood mitigation / protection measures to safeguard existing and proposed future development. |
| Historic England | Event spaces, public realm and visitor facilities likely to impact setting of Listed Building at Custom House. Sightlines from across the river and from King's Staithe Square could be impacted by future development phases. |
| Owner of Custom House | Custom House is leased to BCKLWN from a private owner. It will be essential to maintain regular engagement with the landowner to ensure that regeneration of the site accords with the terms of the lease. Where the proposals do not accord with the current lease terms, a variation to the existing, or a new lease may be required. |
| Alive West Norfolk | A wholly owned, not for profit local authority-controlled company, which operates local leisure facilities, it will be important to engage with Alive WN regarding the Phase 2 plans for a floating pool and other potential leisure facilities. |
| King's Lynn Civic Society | The Society is a registered charity and was founded to protect the town's heritage and to influence the way the town evolves to meet challenges and change. |
| Local Residents | Local residents will be impacted by the proposed new active public realm / visual connectivity at King's Staithe Square and along South Quay. New community amenities are being provided, but there are potential impacts to accessibility by vehicle across the different development phases proposed. An initial local resident engagement event has taken place. |
| Local Businesses | Local businesses will be impacted by the new visitor and community facilities proposed. Additional visitor numbers may increase expenditure with local businesses, although potential for increased competition with new providers at Devils Alley / King's Staithe Square. |

Source: Mott MacDonald summary

STRATEGIC CASE SUMMARY

King's Lynn is an historic town but with a riverfront and historic core that is underutilised. Development in the town has had the effect of shifting focus away from the historic riverfront, impacting upon the sense of place and the environment for residents, visitors and businesses.

The Riverfront Regeneration project has been identified as an opportunity to reconnect the community with its waterfront, providing enhanced public realm / outdoor space, new visitor facilities and a repurposed Custom House at Purfleet. The investment will also reinvigorate the riverfront to support private sector investment in the restored Sommerfeld & Thomas building.

The impact of Covid-19 on the West Norfolk economy has been severe, with visitor numbers and spending still significantly below pre-pandemic figures. The provision of the new facilities will support the recovery of the tourism sector as a key part of the local economy.

As originally highlighted in the Town Investment Plan, there is a strong rationale and case for change underpinning the proposed investment. By 2026 Town Deal investment will have brought an historic landmark back into use, remediated and developed an abandoned site, delivered a new visitor attraction alongside dryside facilities for leisure boating visitors and enhanced the public realm to re-establish the riverfront as a place to live, work and visit.

ECONOMIC CASE

ECONOMIC CASE

INTRODUCTION

The approach taken to the economic case is based on a combination of quantitative and qualitative analysis designed to accurately reflect the emerging proposals for the Riverfront Regeneration project. The quantitative VfM assessment focusses on capturing several core benefits, linked directly to the project's Theory of Change.

APPROACH TO ECONOMIC CASE

The approach taken to the economic case is based on a combination of quantitative and qualitative analysis designed to accurately reflect the emerging proposals for the Riverfront Regeneration project. The quantitative VfM assessment focusses on capturing several core benefits, linked directly to the project's Theory of Change.

The quantitative analysis covers the following key metrics:

- Benefits of Audience Arts
- Labour Supply Benefit
- Valuing Urban Realm Toolkit
- Conservation Deficit

The above benefits have been selected for the quantitative VfM assessment as these benefits capture the core impacts of the scheme and can be reliably quantified at this stage of scheme development. Additional benefits have been captured qualitatively. The quantitative assessment has an appraisal period of 30 years and is presented in 2022/23 prices. For most benefits and all costs, the standard HMT Green Book discount rate of 3.5% is applied in line with HMT Green Book 2020 guidance. Each benefit has been assessed using methodologies and values (where available) from the appropriate UK Government department. Detail on the methodologies used to capture each benefit is set out in the economic benefits section below.

As the proposals for the regeneration of the King's Lynn riverfront were developed as part of the Town Investment Plan, only a single Do Something option has been developed. This option was developed in partnership between the architects, the Council and key stakeholders. As no other Do Something option is viable, this economic case focuses solely on two options, the Do Something and Do Nothing options.

DO NOTHING

Under the Do Nothing scenario, no intervention is made and therefore no change is delivered. This option represents 'business as usual', with no interventions planned for Custom House or the riverfront. This option would incur no capital cost, but will require continuation of existing lease / maintenance costs incurred by the Council at Custom House.

It is likely that, at an as yet unknown point in the future, additional investment will be required on the sites within Council ownership to address any issues of quality or deterioration that may arise over time. This will incur some cost, but it is not possible to accurately assess these costs at this time. This option would also deliver no benefits as no intervention is being made. It is likely that, under this option, and without other major interventions, no increase in visitor numbers would occur and existing historic buildings / sites would remain dormant as the market failures identified will not have been addressed.

Doing nothing would not bring an historic building back into use, nor provide additional visitor and community facilities that would bring additional footfall to the riverfront. As such, this option would not deliver any increase in visitors attending the events programme, nor impact on the riverfront and so fails to meet the CSF's of the project. Although this option incurs no capital cost, it would ultimately lead to the loss of the Towns Fund monies identified, thereby causing the loss of investment in King's Lynn as well as future private sector investment as no de-risking / enabling work would be undertaken.

As a result of the above, this option was rejected as part of the options appraisal process. This option has, however, been included in the appraisal of the preferred option, as the 'Counter Factual' option

against which the preferred option is compared. The quantitative appraisal of the Preferred Option has been undertaken in reference to this Do Nothing option, with all potential impacts of the Do Nothing Option subtracted from the impacts of the Preferred Option. As the Do Nothing option will produce no impacts, this had little effect on the appraisal. The inclusion of the Do Nothing option as a comparator for the Preferred Option has been undertaken in accordance with HMT Green Book guidance.

ECONOMIC BENEFITS OF DO SOMETHING

As set out above, the quantitative VfM appraisal of this project focusses on 4 core metrics, these are:

- Benefits of Audience Arts
- Labour Supply Benefit
- Valuing Urban Realm Toolkit
- Conservation Deficit

The relevance of each of these benefits and how they have been quantified is set out below. The analysis underpinning the economic case contains overarching assumptions that will inform modelling of each of the above metrics. The source, value and an explanation of these model assumptions is summarised below.

Table 5: Economic Model Assumptions

| Assumption | Value | Source / Justification |
|-----------------------|----------|--|
| Model Price Base Year | 2022/23 | The economic modelling for this project was undertaken in the financial year 2022/23 |
| Appraisal Start Date | 2022/23 | The model start date for simplicity will begin in the current financial year |
| Appraisal Period | 30 years | Green Book guidance recommends that refurbishment of existing buildings is considered over 30-year appraisal period. Available at: The Green Book (publishing.service.gov.uk) |

Benefit Phasing

The completion of the construction phase of the Riverfront Regeneration project is expected in June 2025, with the project becoming open for use by July 2025. For the purpose of the economic case, a conservative approach has been taken in regard to the build-up of users to the site. In year 1 of use (2025/26) 50% of total final users has been assumed, this then increases to 75% in year 2 (2026/27) before the site reaches its expected users in year 3 (2027/28).

Audience Arts Wellbeing Benefits

Research undertaken on behalf of DCMS valued the wellbeing impacts of culture and sport. It found that the value per arts attendance was between £46 and £62 (2014 prices). This is not a willingness to pay estimate, these are values in addition to any price paid to participate such as entrance fees and represent the equivalent amount of money participants would need to derive the same wellbeing impact that engaging in culture has⁵.

The benefits apply to being an audience member of a film, exhibition, music, play or dance. Therefore, the estimated audience of only selected events from the potential Events Programme provided by Creative Orchard Events has been applied, to reflect those events that fit within these specific categories. The total estimated audience to these events with full build up is 12,700. The total audience also includes the 18,250 expected attendance to the exhibition space located in Custom House⁶.

⁵ DCMS (2014) Quantifying and Valuing the Wellbeing Impacts of Culture and Sport

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/304899/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf

⁶ Based on estimates provided to BCKLWN by FEI UK

In addition to the total estimated audience numbers, the following additional assumptions have been used in the economic appraisal. The source of each assumption and their justification to calculate the economic benefits associated with the audience is summarised below.

Table 6: Audience Arts Wellbeing Benefits Assumptions

| Assumption | Value | Source / Justification |
|----------------------------------|---------------------|---|
| Annual Audience Numbers | 30,950 (2027/28) | King's Lynn Custom House Financial Business Plan – Events Programme with figures supplied from Creative Orchard Events. This figure is not the total expected audience for the events programme and only includes the events where the audience is member of a film, exhibition, music, play or dance. Benefit phasing is applied to this figure. |
| Value per Arts Audience (£22/23) | £55.50 | A conservative low end value for the DCMS has been used of £46. Available at: Quantifying and valuing the wellbeing impacts of sport and culture.pdf (publishing.service.gov.uk) This value has been uplifted to £2022/23 using a GDP deflator. |
| Additionality | | |
| Deadweight | 0% | The analysis of a do nothing option accounts for any deadweight impact. |
| Leakage | 0% | No leakage impacts have been identified |
| Displacement | 50% | The events programme presents a diverse range of attractions to King's Lynn and is expected to become a draw, increasing the numbers of visitors to the local area and providing locals with a wider array of potential options. The facilities for some of these events however are already present in King's Lynn. For this reason, a medium value for displacement has been applied for this project. A medium displacement is recommended museums that are moderate to an area by Table 2: Employment, Spend and Visitor Assumptions and Ready Reckoners from the AIM Economic Value of the Independent Museum Sector. Available at; A153 AIM Economic Impact Toolkit August 2019 230919 CF (aim-museums.co.uk) This value has been used as a proxy and used in this appraisal. |
| Net Additionality | 50% | Mott MacDonald calculation |

Labour Supply Benefit

Across the Riverfront Regeneration project; the re-purposing of Custom House and event programme are expected to create roles, with the preferred option expecting to create 12.1 FTE. All roles created are expected to have low barriers to entry and be available to local people.

To calculate the welfare benefit of this employment for use in the economic case, DLUHC (formerly MHCLG) guidance gives an approach for quantifying the fiscal benefits of moving locally unemployed workers into employment. The guidance utilises TAG A2.3 (Appraisal of Employment Effects) to calculate welfare impacts over and above user benefits to the Exchequer. These are the tax revenues that result from labour supply impacts and can be estimated as 40% of the resultant change in GDP. This tax revenue impact reflects both the increase in tax revenue (income tax, national insurance contributions and corporation tax) and the reduction in out-of-work subsidies.

The source of each assumption and their justification to calculate the economic benefits associated with the increase in earnings is summarised in the table below.

Table 7: Labour Assumptions

| Assumption | Value | Source / Justification |
|---|---------|--|
| FTE Support | 12.1 | Estimates provided by Festivals & Events International (FEI) for BCKLWN |
| GVA per filled job, (22/23, East) (Wholesale and retail trade, Arts and recreation) | £40,914 | The average for the East of England Region for the sector wholesale and retail trade and arts and recreation. Available at: Region by industry labour productivity - Office for National Statistics (ons.gov.uk) |

| Assumption | Value | Source / Justification |
|-------------------------------------|-------|---|
| | | This value has been uplifted to 2022/23 using a GDP deflator. |
| Welfare Value of Employment | 40% | TAG value - TAG unit 2.3 para 3.2.7 |
| Local Multiplier Assumptions | | |
| Recreational Composite Multiplier | 1.38 | Retail composite multiple from Table 4.12 HCA Additionality Guide. Available at: HCA Policy Covers (publishing.service.gov.uk) |
| Additionality Assumptions | | |
| Deadweight | 0% | The Do Nothing scenario has been modelled to account for deadweight. The Market Failure section identifies the need for public investment for this intervention. |
| Leakage | 22% | Based on travel to work flows in the Kings Lynn area (Census 2011), approximately 22% of King's Lynn jobs are filled by non-King's Lynn residents. |
| Displacement | 25% | A low displacement 25% has therefore been applied in line with Table 4.8 of Additionality Guide 2014. Available at: HCA Policy Covers (publishing.service.gov.uk) |
| Substitution | 0% | No substitution impacts have been identified |
| Net Additionality | 58% | Mott MacDonald calculation |

Valuing Urban Realm Toolkit

VURT has been developed by Transport for London (TfL) to quantify the uplift in the value of existing commercial property space within the immediate vicinity of public realm enhancements. The tool applies an uplift to the rateable values of those businesses most directly dependent upon footfall based on research into how public realm influences land values of existing property.

The logic underpinning the VURT assessment is that an improved streetscape, with better lighting, a higher quality environment, and a greater sense of personal security improves the attractiveness of an area and increases footfall in that area.

Based on research undertaken by TfL, a 1.22% uplift for each stepped increase in quality that is ascribed to the public realm enhancements being proposed in a scheme is applied to the current rateable value of each retail business assessed to be directly impacted by the enhancement to the public realm. The four parameters which TfL found to have a statistically significant impact on land values:

- Lighting;
- Personal security;
- Quality of environment; and
- Maintenance.

Improvement to public realm for the Riverfront Regeneration project are expected to occur across multiple locations in King's Lynn, Custom House, Millfleet, King's Staithe Square and South Quay. To identify the number of local businesses and the current land values, a Valuation Office Agency (VOA) search was undertaken for the local area. From the VOA search, only retail, café and restaurant properties were included, with all business taken from the area directly surrounding Custom House and other business along South Quay, Purfleet, King's Staithe Square, St Margaret's Lane and Nelson Street.

The funding profile for the project shows the investment into lighting and external furniture in all locations. Therefore an uplift of 1.22% for each parameter is applied, giving a total uplift 2.44% increase in rateable value. In additional assumptions have been used in the economic appraisal shown in the table below.

Table 8: VURT Assumptions

| Assumption | Value | Source / Justification |
|------------------------------|------------|--|
| Year of Uplift | 2025/26 | Uplift will occur once construction of all public realm has been completed; this is expected to occur in 2025/26 |
| Total Rateable Value (22/23) | £1,089.326 | Total Rateable Value for retail, café and restaurant for the search area highlighted above |

| Assumption | Value | Source / Justification |
|--|---------|---|
| Uplift | 2.44% | A one point uplift, equating to 1.22% each is expected in two parameters. |
| Uplift in Rateable Value | £26,580 | Mott MacDonald calculation |
| Annual Real Term Property Value Increase | 5% | A 5% per annum real terms property value growth rate has been applied (as per MHCLG guidance). This is used to uplift rateable values that were calculated before the price base year. The 5% per annum real terms property value growth rate is applied over a 30-year appraisal period. |
| Additionality | | |
| Deadweight | 0% | The analysis of a do nothing option accounts for any deadweight impact. |
| Leakage | 0% | No leakage impacts have been identified |
| Displacement | 10% | For caution, a displacement factor of 10% is applied to reflect that some of the value unlocked on the affected sites may be relocated from other schemes. |
| Net Additionality | 90% | Mott MacDonald calculation |

Conservation Deficit

Custom House is one of the most identifiable buildings in King's Lynn and forms a central part of the area's cultural heritage, reflected in the Grade 1 listing. Due to its listed status, the building has a high cost to repair, requiring specialist techniques and materials. This is shown through the market failures associated with the site and the lack of private sector investment.

These factors mean that the construction costs associated with refurbishing this listed building will result in a negative residual land value (i.e. the cost of redeveloping Custom House is £1,301,089 in nominal prices, including refurbishment and landscaping, a sum that exceeds the value of the completed development).

Public sector support is justified to bridge the gap because of the historical and architectural significance of the Custom House as reflected in its Listed status. According to Heritage Enterprise guidance⁷, a conservation deficit is where the existing value of a heritage asset plus the cost of bringing it back into use is greater than the value of the asset after development has been completed. Without addressing the deficit, the Custom House would be at risk of further decline and ultimately lead to the loss of an historically important asset as the building is an integral part of King's Lynn heritage.

The proposals will reveal and enhance the building's special historic character and aesthetic value and provide a wider regenerative impact for King's Lynn and a more sustainable financial cashflow. For the purposes of this assessment, it is considered that a negative residual value would be observed for this scheme and so there is a conservation deficit.

In line with the treatment of Section 106 and CIL payments presented within the MHCLG Appraisal Guide, the conservation deficit has been treated in a similar way to Land Value Uplift estimates, as although this is a cost to the developer it is a benefit to wider society.

The conservation deficit is calculated by subtracting any uplift in land value from the costs of bringing the building back into use. Without a development appraisal or a simple Valuation Office Agency benchmark comparison, future land value has not been calculated. However, as land value uplift is not claimed as a benefit elsewhere in the appraisal it is not necessary to subtract the future land value from the conservation deficit for the purposes of this calculation.

It is estimated that the present value of the conservation deficit once discounted is £1.2m assuming the deficit is closed in 2025/26 when the refurbishment is complete.

⁷ Heritage Enterprise Grants from £250,000 to £5million Application guidance (heritagefund.org.uk)
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ECONOMIC COSTS

The works element cost summary for the Riverfront Regeneration project were developed by Oxbury Chartered Surveyors and is presented in full in the financial case.

The costs include inflation and a risk allocation to reflect the risk assessment undertaken on the project at this stage which is outlined in the financial case. Optimism bias (OB) of 24% has been applied to all project costs. This figure is aligned to the upper-bound optimism bias value for standard infrastructure projects within the HMT Green Book supplementary guidance on optimism bias⁸. The CAPEX costs used in the economic case for the Riverfront Regeneration project are detailed in the table below, with cost incurred before the current financial year (2022/23) are sunk costs and, in line with Green Book Guidance, excluded from the value for money assessment.

Table 9: Capital Expenditure – Economic Costs

| | Total | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|-------------------|---------|---------|-----------------|-----------------|-------------------|-----------------|
| CAPEX Economic Cost (Incl. Contingency & Inflation, Excl. OB) | £5,034,024 | £28,684 | £76,456 | £442,922 | £215,974 | £3,131,265 | £1,138,723 |
| CAPEX Economic Cost (excl. sunk costs) | £4,928,884 | | | £442,922 | £215,974 | £3,131,265 | £1,138,723 |
| CAPEX Economic Cost (Excluding Inflation) | £4,726,486 | | | £442,922 | £210,891 | £3,001,906 | £1,070,767 |
| CAPEX Economic Cost 2022/23 prices discounted | £4,414,763 | | | £442,922 | £203,759 | £2,802,311 | £965,770 |

Source: Mott MacDonald calculation

The operation of both Custom House and the events programme is expected to produce an annual deficit of £40,291 once inflation is accounted for. The Council has confirmed that the annual deficit to the Council will continue to be met through existing operational budgets but will continue to be reviewed as the project progresses and the operator route is determined to ensure the use of council budgets is minimised where possible. The operational deficit is included within the economic costs of the project to account for the lifetime net economic costs over the appraisal period of this option.

Table 10: Operational Expenditure – Economic Costs

| Operational Expenditure | Total |
|---|-----------------|
| Operational Deficit (Undiscounted) | £1,087,857 |
| Operational Deficit (Discounted) | £635,281 |

Source: Mott MacDonald calculation

The total present value (discounted) cost of this project, including both capital and operational expenditure totals £5,050,044. This is the economic cost of the project.

VALUE FOR MONEY ASSESSMENT

There are two key metrics set out in the MHCLG appraisal guidance that can be used to assess Value for Money (VfM): the calculation of Benefit Cost Ratios (BCR), which simply show the ratio of benefits to costs; and the Net Present Social Value (NPSV), which represents the present value of benefits less the present value of costs. A BCR of above 1 and a positive NPSV indicates that the intervention option under consideration represents good VfM. The higher the BCR, the higher the overall VfM (not taking into account non-monetised costs and benefits).

The VfM assessment for this project is based on a 30-year appraisal period. In line with HMT Green Book 2020 guidance values have been discounted at a rate of 3.5% per annum. The price base year is 2022/23.

The results of the VfM assessment for the Riverfront Regeneration are outlined below, including the Do Nothing option. The VfM assessment for the core scenario shows a **high BCR of 2.83 and a NPSV of £11.5m.**

⁸ HMT Green Book, Supplementary Green Book Guidance, Optimism Bias, Table 1.
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Table 11: Value-for-Money Assessment

| Value for money assessment (£m, discounted, 2022/23 prices) | Do Nothing option | Preferred option | Sensitivity 1 - 51% OB | Sensitivity 2 - 50% less jobs | Sensitivity 3 - 50% less Audience |
|---|-------------------|--------------------|------------------------|-------------------------------|-----------------------------------|
| Economic benefits | | | | | |
| <i>Benefits of Audience Arts</i> | £0 | £13,284,313 | £13,284,313 | £13,284,313 | £6,642,157 |
| <i>Labour Supply Benefit</i> | £0 | £2,466,085 | £2,466,085 | £1,233,042 | £2,466,085 |
| <i>VURT</i> | £0 | £818,203 | £818,203 | £818,203 | £818,203 |
| <i>Conservation Deficit</i> | £0 | £1,173,508 | £1,173,508 | £1,173,508 | £1,173,508 |
| <i>Total economic benefits</i> | £0 | £17,742,109 | £17,742,109 | £16,509,066 | £11,099,952 |
| Economic costs | | | | | |
| <i>Total public sector funding</i> | £609,145 | £5,050,044 | £5,050,044 | £5,050,044 | £5,050,044 |
| <i>Private sector funding</i> | £0 | £0 | £0 | £0 | £0 |
| <i>Total economic costs</i> | £609,145 | £5,050,044 | £5,050,044 | £5,050,044 | £5,050,044 |
| <i>Total economic costs (+OB)</i> | £755,339 | £6,262,055 | £7,625,567 | £6,262,055 | £6,262,055 |
| Benefit-Cost Ratio (BCR) | 0.00 | 2.83 | 2.33 | 2.64 | 1.77 |
| NPSV | - £755,339 | £11,480,054 | £10,116,542 | £10,247,012 | £4,837,897 |

From Green Book (2020) guidance (p. 40): When considering proposals from a UK perspective the relevant values are viewed from the perspective of UK society as a whole. Where appraising a place-based policy or a UK wide proposal with place-based effects the relevant values include effects in the place of interest and similar nearby travel to work areas. The relevant costs and benefits which may arise from an intervention should be valued and included in Social CBA unless it is not proportionate to do so. The priority costs and benefits to quantify are those likely to be decisive in determining the differences between alternative options. The appraisal of social value involves the calculation of Net Present Social Value (NPSV) and Benefits Cost Ratios (BCRs) the ratio of benefits to costs.

Source: Mott MacDonald calculation

To test the robustness of the analysis, three sensitivity tests have been produced to stress test the analysis with the following assumptions applied:

- **Sensitivity 1** – Optimism Bias is increased from 24% to 51%⁹.
- **Sensitivity 2** – The number of FTE supported by the project is decreased by 50%
- **Sensitivity 3** – The expected number of audience members is decreased by 50%

The results of the VfM assessment for all sensitivity tests show an acceptable BCR and a NPSV of between £4.8m to £10.2m, whilst ‘doing nothing’ results in a negative NPSV.

NON-QUANTIFIED BENEFITS

Benefit to the wider local economy

The increase in quality public realm, events programme and new attractions will bring a greater number of visitors to the Riverfront, with the Borough Council anticipating around 125,080 new users / visitors per annum, based on estimates provided by FEI UK. More visitors is likely to increase spending in the

⁹ A 51% OB is representative of the upper bound of a non-standard building. Available at: [Microsoft Word - GreenBook_optimism_bias.doc \(publishing.service.gov.uk\)](#)
BCKLWN – Riverfront Regeneration

wider local economy and support further jobs in the area, alongside supporting the jobs directly supported and quantified within the appraisal.

The event programme will bring further benefits to the local economy, through creating a visitor attraction and providing an opportunity for local entrepreneurs. The street food events, vintage weekend and summer and winter fair, for example, will all create opportunities to test out new businesses that could then become a staple of the local community.

An improved internal perception of King's Lynn

The project is likely to have a positive impact on the internal image of the town, creating new and exciting opportunities for residents and improving the urban environment. As highlighted by the Vision King's Lynn young people survey there is a lack of variety in the town centre, with young people suggesting improvements of more independent shops (46.2%) and leisure facilities for young people (42.9%). A second main theme was the need for the modernisation of the town centre, examples given included 'refurbishing and renovating the town centre, improving infrastructure, making it prettier with more colour and green space'. The Riverfront Regeneration project is expected to start to address some of these key issues, providing more room for independent businesses through the event programme and creation of new leisure facilities.

For King's Lynn the student age group bracket (15-24) is the only age group with a negative net flow of people at -354 in 2019. This group has the highest proportion of its population leaving the area at 10.9%, compared to 25-49 (5.7%), 50-64 (2.6%) and over 65 (2.1%)¹⁰. The main reason for people in this age bracket intending to leave West Norfolk is for education and to go to university specifically. The next reason is for access to greater opportunity. A significant theme was a 'push' away from west Norfolk because of a negative perception of the area. Creating an improved internal perception of the town, especially for young people is important to the long term sustainability of the area through retaining talent to support growth in key economic sectors.

Reduction of Crime and Anti-social Behaviour

A second key theme for the Vision King's Lynn young people survey is a concern about perceptions of antisocial behaviour present in the town centre itself. This was further reflected in the recent engagement event held with local residents and businesses. The Riverfront Regeneration project can reduce this in two main ways, firstly by creating more leisure opportunities within the town to give people other places to spend time and potentially prevent anti-social behaviour.

Secondly the project will improve the public realm within the town centre, increase lighting and regenerate an underutilised site in Millfleet. The built environment plays an important role in safety and security, with increasing level of natural and informal surveillance, a better level of environment and a reduction in unused spaces all linked to reducing the opportunity to commit a level of anti-social behaviour¹¹.

¹⁰ ONS Internal Migration

¹¹ [102417-Crime-Hotspots-Briefing-Paper-v4.pdf \(bre.co.uk\)](#)

FINANCIAL CASE

FINANCIAL CASE

INTRODUCTION

The Riverfront Regeneration programme is a critical part of the King's Lynn Town Deal and comprises a range of schemes that contribute to the overall vision of a revived historic core and riverfront. The programme is at a relatively early stage and, following business case approval, RIBA Stage 3 is planned for commencement in Q4 2022/23 ahead of a planning submission. Capital works are planned to start in 2024/25 and scheduled for completion in 2025/26 in line with Towns Fund requirements.

The preferred base case option is to deliver a refurbished Custom House, public realm enhancements at South Quay and King's Staithe Square, an Observation Tower, the redevelopment of derelict land at Devil's Alley and enabling steps to unlock the Sommerfeld & Thomas and Grain Silo sites through Towns Fund investment.

The Borough Council's Cabinet is keen to explore the feasibility and viability of the second phase of work identified through the Town Deal Riverfront project development phase. There are several options for the Council's financial commitment, which include the potential for asset disposal to realise capital receipts, and for the council to look at various grant funding sources, and these will be explored in due course. Note the delivery of the Town Deal funded works should positively affect either the viability of these additional schemes and / or help present a stronger positive case for future grant funding applications.

Although there are plans for a second stage of the project incorporating additional public realm improvements and events space at King's Staithe Square, these have not been included as funding has yet to be secured.

APPROACH TO FINANCIAL CASE

Riverfront Regeneration will be delivered through four primary sources – the Towns Fund, the Business Rates Pool (comprising business rates levy payments from local authorities in Norfolk to be used for future investment in the county), the BCKLWN's Capital Programme and funding secured via the Coastal Revival Fund.

FUNDING PROFILE

The funding for the capital phase is derived from four identified sources and is summarised in the table below. The Towns Fund is the primary funding source, augmented by match funding of £825,080 in total.

Table 12: Funding Sources

| Source of Funding | Custom House, Devils Alley/Millfleet, King's Staithe Square & South Quay |
|--------------------------|--|
| Towns Fund | £4,208,943 |
| Business Rates Pool | £350,000 |
| BCKLWN Capital Programme | £425,080 |
| Coastal Revival Fund | £50,000 |
| TOTAL | £5,034,023 |

Source: BCKLWN

The allocation of co-funding has been confirmed by the Borough Council of King's Lynn and West Norfolk, who are the Accountable Body for the King's Lynn Town Deal funding.

The investment in the Sommerfeld & Thomas site is likely to act as an enabler for future investment from the private sector. At the time of writing, however, it is not currently possible to quantify this match funding and so this has not been included within this assessment.

The cost plan provided by Oxbury Chartered Surveyors and augmented by information provided by Greyfriars Project Management and the BCKLWN attributes funding to the Riverfront Regeneration

project. This funding profile is shown below - in nominal terms - by financial year from 2020/21 to 2025/26. This includes any professional fees associated with the scheme as provided to Mott MacDonald, as well as any sunk costs to date from match funding that has already been spent / committed to support project delivery.

REDACTED

As shown, the bulk of funding (more than 60%) is planned for spending in 2024/25, with 2022/23 and 2023/24 focused on progressing plans to RIBA Stage 3 (for planning and listed buildings applications) and subsequently to RIBA Stage 4. A smaller allocation of less than £1million of Towns Funding is planned for 2025/26.

COSTS

Capital Phase

The cost plan provided by Oxbury Chartered Surveyors has made a number of key assumptions that have been included in this business case, including:

- Preliminaries 15%
- Contractor Design Fees 3%
- Main Contractor OH&P 6%
- Design Reserve 10%
- Allowance for Tender Price Inflation 3.1%.

The attribution of costs by project has been provided inclusive of the above figures. The costs shown reflect the information provided to Mott MacDonald. Where specific cost allocations have not been provided, it has been assumed that these are incorporated within the existing cost envelope. This has subsequently been confirmed by Greyfriars Project Management, who has supplied a summary of cost items included in the professional fees allocation for this project.

The contingency is allocated within the Design Reserve. However, current uncertainty over inflation rates provides additional risk to the cost estimates supplied. Whilst the finances of the programme are capped from the Towns Fund and Borough Council investment, cost uncertainties pose a considerable risk to the level of intervention that can be delivered within the agreed budget. Whilst this might pose little in the way of financial risk, it remains a risk to the realisation of benefits.

Detailed cost breakdown for each project allocated Towns Funding is shown in Appendix C.

Revenue Phase

Following completion of capital works, there are ongoing costs and income associated with operation of the facilities.

Operational costs and income have been collated by Festivals and Events International UK (FEI UK), who have undertaken an options appraisal to identify a preferred operational option for Custom House. The preferred option will provide exhibition and meetings space alongside a café. This option was agreed at the Riverfront Regeneration Project Board meeting on 1 September 2022, subject to ongoing review as the scheme develops through RIBA Stages 2 - 4.

The figures provided by FEI UK were correct in July 2022, but with no allowance for inflation or build-up of use. Accordingly, we have assumed a 3-year build up to achieve the figures highlighted by FEI UK. We have also applied inflation using Consumer Price Index (CPI) forecasts¹² for all operational years. The figures provided are for a stabilised year and represent estimates from:

- Creative Orchard events – events programme estimates of visitor numbers, costs and income.

¹² CPI Forecasts 2022-26 (<https://www.statista.com/statistics/306720/cpi-rate-forecast-uk/>) accessed 01/09/2022
BCKLWN – Riverfront Regeneration

- FEI UK – operation of Custom House as a café / restaurant / exhibition space.

In a stabilised year of operation, the new facilities are forecast to provide an annual operational deficit of £40,291 once inflation is accounted for. This is broadly similar to the existing (£32,000 in nominal terms) cost to BCKLWN to maintain Custom House, as referenced by FEI UK’s report (once inflation has been included).

Following completion of construction activity in 2025/26, we have estimated that it will take three years to achieve full operation (i.e., a stabilised year). This is assumed to be 2027/28 financial year. Including inflation allowance, a summary of operational costs and income for 2027/28 is shown below.

Table 14: Operational Costs and Income – Stabilised Year of Operation

| Source | Income | Cost of Sales | Surplus / (Deficit) |
|-------------------------------|-----------------|-----------------|---------------------|
| Custom House | £182,952 | £139,388 | £43,564 |
| Events Programme | £521,054 | £480,161 | £40,893 |
| Staff, Overheads, Contingency | - | £124,748 | (£124,748) |
| TOTAL | £704,006 | £744,297 | (£40,291) |

Source: FEI UK (with inflation adjustments calculated by Mott MacDonald)

The Council has confirmed that the annual deficit to the Council will continue to be met through existing operational budgets but will continue to be reviewed as the project progresses and the operator route is determined to ensure we minimise the use of council budgets where possible.

AFFORDABILITY ASSESSMENT

Project affordability has been assessed over a 10-year period and is based on the projections provided by the Borough Council and its partners. No facilities renewal or management costs have been included in the information provided, but it has been assumed that the Council will offset any annual deficit as set out above. A summary is set out below, both with and without Towns Fund investment.

Table 15: Project Affordability Assessment – with Towns Funding

| With Towns Fund | 10-Year Period |
|-----------------------------------|----------------|
| Cumulative Project Costs | £8,216,844 |
| Cumulative Project Income | £8,216,844 |
| Cumulative Profit / (Loss) | £0 |

Source: Mott MacDonald calculation

Table 16: Project Affordability Assessment – without Towns Funding

| Without Towns Fund | 10-Year Period |
|-----------------------------------|---------------------|
| Cumulative Project Costs | £8,216,844 |
| Cumulative Project Income | £4,007,901 |
| Cumulative Profit / (Loss) | (£4,208,943) |

Source: Mott MacDonald calculation

As shown, without Towns Fund investment, the Riverfront Regeneration programme would be unviable.

FINANCIAL RISKS

A number of risks have been identified during the capital phase of the Riverfront Regeneration programme that may have a high impact on overall delivery. These are identified as follows:

Table 17: Key Financial Risks

| Risk Type | Description | Impact | Mitigation |
|-----------|--|--------|--|
| Budget | Increase in materials / construction costs | High | Tender price inflation built into project costs. Programme is scalable to reflect cost and market uncertainties. |

| | | | |
|-----------|--|------------|---|
| Budget | Inaccurate cost estimates | High | Cost estimates produced by QS and reviewed by Project Manager |
| Timescale | Failure to be granted Planning and Listed Buildings consents | Med / High | Engagement has already taken place between project team and key stakeholders including BCKLWN Planning, Historic England and Environment Agency |
| Tenders | Tenders received exceed budget tolerances | High | Tender price inflation built into project costs. Programme is scalable to reflect cost and market uncertainties. |
| Tenders | Tender process does not elicit positive responses | Low / Med | Detailed specification to be prepared by Project Manager and robust tender review process planned. |

Source: Mott MacDonald

WIDER FINANCIAL IMPLICATIONS

The financial case has been prepared on the basis of information provided by the Borough Council and its partners. Any cost overruns as the capital phase progresses will need to be met by the Borough Council / obtained from alternative sources of funding.

COMMERCIAL CASE

COMMERCIAL CASE

INTRODUCTION

This section examines the approach to procurement and delivery for the Riverfront Regeneration project. The project will be procured and delivered by BCKLWN and will deliver against the investment priorities identified in the Town Investment Plan, specifically focused on reviving the town's historic core and waterfront.

The investment priorities identified in the Town Investment Plan were carefully selected to deliver against these aims. This project is primarily focused on reviving the town's historic core and waterfront. This project directly delivers against this vision by:

- Bringing back into use the Outer Purfleet dock and Custom House to support the rejuvenation of the town's historic riverfront and create a new exhibition space / leisure offer to draw visitors to the waterfront.
- Providing a high-quality link between the end of the high street and riverfront to support connectivity and cohesion between the town centre and riverfront through heritage and regeneration at King's Staithe Square and along South Quay.
- Delivering a new visitor attraction and dryside facilities to support the growth of leisure boating – building on the 'Sail the Wash' campaign - potentially driving wider demand for future leisure and residential development on the waterfront.
- Supporting the regeneration of land at Devils Alley, Sommerfeld & Thomas and Grain Silo sites adjacent to Millfleet to create a new events space, with food & beverage opportunities as well as a new Observation Tower to draw visitors along South Quay.

COMMERCIAL DELIVERABILITY

Project Objectives

Project delivery will be led by BCKLWN, supported by external project management provision, with key commercial objectives including:

- To deliver high quality new visitor facilities and community amenities to support Council and stakeholder aspirations around enhancing commercial activity, leisure, culture, tourism and events.
- Ensure value for money through the procurement process to take into account the whole life costing and on-going operational/maintenance considerations.

Track Record

BCKLWN has an extensive track record of managing significant projects. The Council has a strong track record of both managing and investing in the heritage it cares for. Council staff are experienced in both developing and managing high quality heritage and visitor economy projects and working with County Council colleagues to deliver public realm enhancements. Recent examples include:

St Margaret's Townscape Heritage Initiative – £2m (2014-2019). A jointly funded project between the Borough Council of King's Lynn and West Norfolk, the Heritage Lottery Fund and private investment to conserve, enhance and regenerate the historic shopping streets of the High Street and St James Street in the St Margaret's Conservation Area. These works included the structural and external repairs to historic buildings currently in use, the repair and conservation of vacant or partly vacant historic buildings and the authentic restoration of architectural features. Furthermore, the project included the high-quality enhancement of public realm in the historic Saturday Market Place.

The Stories of Lynn – £3m (2016). This project jointly funded by the Heritage Lottery Fund transformed public access to - and engagement with - the Grade I Listed Trinity Guildhall and Town Hall complex and its collections. The project improved the local landscape of the Town Hall, encouraging more people to access and use the building. There were significant improvements to disabled access and key visitor facilities. Enhanced visitor experience of the Town Hall through new displays and other interpretation, providing access to both collections and the story of the building, alongside significantly improved access to all parts of the historic complex including the nationally important Borough Archives which were housed in a new purpose-built archive facility.

The Walks - £4.3m (2008). A Grade II registered historic park in the heart of King's Lynn, incorporating a number of historic features including the Grade I Listed Scheduled Ancient Monument, the Red Mount Chapel. After years of decline a major restoration project was completed in 2008. This included the conservation of the historic structures and features, but also the addition of new components such as a new park management building incorporating toilet facilities and a café. The restoration project was jointly funded by the Heritage Lottery Fund (£3.75m) and the Borough Council.

Sail the Wash - £660k (2019-21). The project was funded through the Coastal Communities Fund and sought to create and develop existing destinations for leisure boating activity. This included the development of new visitor pontoons / berths at several locations including South Quay, adjacent to some of the proposed Riverfront investment contained within this business case. The project was delivered by BCKLWN in conjunction with Fenland District Council and Lincolnshire County Council.

PROCUREMENT STRATEGY

The Council has adopted a robust Procurement Strategy that seeks to set a framework to guide procurement activity, setting out ambitions to maximise local economic benefits of any procurement. Alongside this, the Council's Contract Standing Orders set clear rules for the procurement of goods, works and services.

Procurement Approach

All procurement will be in accordance with the BCKLWN's Contract Standing Orders. These set clear rules for the procurement of goods, works and services for the Council. The rules should ensure that the Council is fair and accountable in its dealings with contractors and suppliers in line with the requirements of Section 135 of the Local Government Act 1972. The Council is able to use pre-existing public sector frameworks to procure contractors and suppliers and, by exception, is able to request exemptions to accelerate procurement with direct awards.

The BCKLWN's Contract Standing Orders also incorporate Council standards for contracting conduct over and above the requirements of the Act, specifically:

- that all contracts be able to demonstrate value for money;
- requisite behaviours are shown in terms of integrity, fairness and exposure to risk;
- contracts support Corporate and Service aims and policies.

There are a number of thresholds for tender values that Officers must adhere to as part of the Contract Standing Orders. These are shown below. Given the value of works proposed in the Riverfront Regeneration project, it is likely that most of the items for tender will need to follow an open OJEU-compliant route.

Table 18: BCKLWN Contract Standing Orders – Procurement Thresholds

| Total Value | Advertising Process | Award Procedure |
|---------------------|--|--|
| Up to £5,000 | At least one written or electronic quotation. If price is obtained by a catalogue or website, evidence of this price must be recorded and retained | Officer and, if desired, the relevant Executive Director |
| £5,000.01 - £25,000 | At least three written or electronic quotations against a formal specification | Officer and, if desired, the relevant Executive Director. Quotes are to be |

| | | |
|-----------------------|---|---|
| | | approved by the Procurement Team, before award the Procurement Team may request for additional quotes |
| £25,000.01 - £100,000 | Tender conducted via Delta and advertised on both the Council's website and on Contracts Finder | Opened on Delta with an Officer with appropriate authority within the register of officer financial authorisation levels, the relevant Executive Director or a nominated deputy and evaluate together with a member of the Procurement Team |
| Above £100,000 | Contract advertised as above | Opened on Delta with the Monitoring Officer or nominated Deputy present and evaluated by the Officer and appropriate Executive Director together with the Procurement Team |
| Above EU threshold | Contract advertised as above and a Contract Notice placed in OJEU | Opened on Delta with the Monitoring Officer or nominated Deputy present and evaluated by the Officer and appropriate Executive Director together with the Procurement Team |

Source: BCKLWN

In addition, where tenders for services are above EU thresholds, the appropriate Council Officer must complete a social value form in line with the Public Services (Social Value) Act 2012 to specify how the tender will deliver improvements to the Borough's economic, social and environmental wellbeing.

Procurement Strategy

To deliver the Riverfront Regeneration project, there will be a number of procurement phases to ensure effective delivery. These have been provided by BCKLWN and are shown, with estimated timescales for the procurement, below:

Table 19: Key Procurements Anticipated

| Scheme Item | Procurement Route | Timescale |
|-----------------------------|--------------------------|------------------|
| External Project Management | Open Tender | 2022/3 Qtr 3 |
| Lead Design Team | Open Tender | 2022/3 Qtr 4 |
| Public Realm | Open Tender | 2023/4 |
| Custom House | Open Tender | 2023/4 |

Source: BCKLWN

Market Testing

BCKLWN has good experience of working with contractors of the relevant size and skill set to deliver the capital projects over the last 10 years and it is considered that there is likely to be healthy competition between available contractors. The scale of the project may attract contractors from outside the local geographical area.

Procurement Risk

Management of procurement risk is overseen by the Riverfront Project Board and monitored at detailed level by the Project Team. The Riverfront Project Board meets monthly and is led by James Fowler (Town Deal Board Member). Geoff Hall (Executive Director) is the Project Sponsor. Risks are identified by the team and documented on the risk register (picked up by the highlight reports) and escalated and dealt with at the appropriate level (Project Board, Programme Board, Town Deal Board).

Roles and Responsibilities

These are set out in the Management Case but in summary, at the organisational level the roles and responsibilities for the project's development phase are as follows:

Figure 6: Project Governance



Source: BCKLWN

Subsidy Control

The potential risk relating to Subsidy Control for the Riverfront Regeneration project (including Custom House) has been considered by specialist solicitors. This advice highlights that the subsidy control risk in relation to the overall project is low. A summary of advice on core project elements is shown below.

- the public realm aspects, including installing electrical connections for events and the areas adjacent to development plots are unlikely to give rise to a subsidy
- the refreshment Kiosk, Observation Tower and Dryside Facilities, if they are charged for could give rise to a subsidy, but this is very low risk
- the use of the Custom House as an exhibition space with ancillary café would not give rise to a subsidy.

MANAGEMENT CASE

MANAGEMENT CASE

INTRODUCTION

The management case for the Riverfront Regeneration project outlines the proposed approach to deliverability, timescales and responsibilities.

The Council's approach to project management is based on a clear structure with lines of accountability running throughout the delivery team, connecting each part of the team to senior leadership / the project sponsor, enabling monitoring of progress, accountability and the ability to escalate issues where required through the Towns Fund Programme Management Board.

The Council will lead on all aspects of the Riverfront Regeneration and has a track record of delivering similar projects as set out in the commercial case.

PROJECT ORGANISATION AND GOVERNANCE

Project Team

A multi-disciplinary Project Team from across the Council and Stakeholders has been formed to manage and deliver the project. The experience of the key Project Team members is set out below:

Geoff Hall, Borough Council of King's Lynn & West Norfolk, Executive Director – Environment and Planning

Geoff is the Project Sponsor and is responsible for project assurance, authorising expenditure within delegated levels of authority and act as the ultimate client representative for the scheme on behalf of the Town Deal Board.

Matthew Henry, Borough Council of King's Lynn & West Norfolk, Assistant Director – Property and Projects

Matthew is the Council's Project Manager for the Riverfront Regeneration programme. Matthew is a Chartered Surveyor with around 30 years' experience and has worked at the Borough Council of King's Lynn and West Norfolk for nearly 20 years, including having overall responsibility for the Council's assets including the sites covered by this business case. In addition, Matthew has previously passed the PRINCE2 Practitioners project management course and has been responsible for the successful delivery of a number of large-scale property-related projects. At present Matthew is the lead officer for the Nar Ouse Regeneration Area Enterprise Zone and the construction of £6.5m of speculative offices and light industrial units, and the delivery of £7.6m of road, and other, infrastructure to open up the Enterprise Zone for private sector development investment.

Jemma Curtis, Borough Council of King's Lynn & West Norfolk, Regeneration Programmes Manager

Jemma is the lead for the King's Lynn Towns Fund programme and responsible for the coordination and preparation of the Towns Fund Business cases, ensuring the investment priorities for all Towns Fund projects is in line with the overall vision and objectives for King's Lynn agreed by the Town Deal Board. Jemma has previously passed the PRINCE2 Practitioners project management course, and has experience of planning, managing, and delivering a wide range of regeneration projects including a successful £1.2m restoration of the Hunstanton Heritage Gardens, in 2017 and the £2m St Margaret's Townscape Heritage Initiative from 2014-2019, both co funded by the NLHF.

External Project Manager (to be procured)

The Council plans to procure external project management to support Officers in delivering the Riverfront Regeneration project. An allowance for project management costs (to RIBA Stage 6) has been included within the professional fees allowance within the financial model.

This core team will be supported, as needed, by other Council officers, including roles such as Project Accountant, Cultural Officer, Conservation Officer and Principal Project Surveyor. The Council is giving further consideration to support required to ensure effective delivery of the proposed events programme.

Project Management Structure

The Riverfront Regeneration programme will be governed through existing organisational structures in place at the BCKLWN and those established to oversee the King's Lynn Town Deal.

To monitor performance the project reports regularly to the Town Deal Programme Management Board, which meets fortnightly, chaired by the Chief Executive of the Borough Council (as the accountable body) to monitor progress on project delivery, ensuring outputs are on track, evidenced, reported, and evaluated in accordance with Towns Fund Monitoring and Evaluation Framework.

To provide oversight on the strategic alignment and achievement of expected outcomes, the project will report regularly to the King's Lynn Town Deal Board, the representative body for the Towns Fund programme. Project assurance for the Project will take the form of regular progress updates and meetings between the BCKLWN, external project management support and the contractors procured to deliver the works identified.

There are several identified workstreams that are integral to successful project delivery, which are shown in the project management structure below. The roles and responsibilities of the different organisations are as follows:

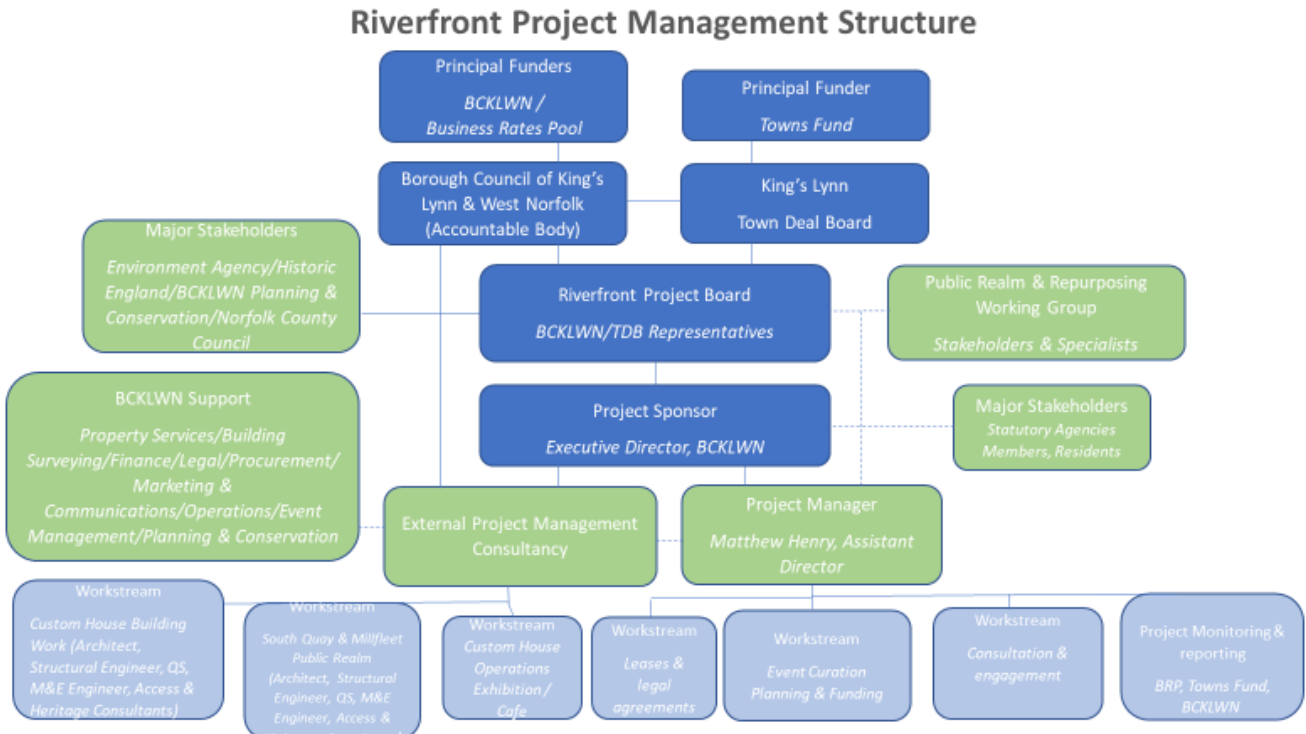
Table 20: Project Roles and Responsibilities

| Organisation | Role | Responsibility |
|--|-----------------------------|---|
| DLUHC - Towns Fund | Funder | |
| BCKLWN | Accountable Body and Funder | |
| Town Deal Board | Approval | Monitor, assurance, sign off |
| Town Deal Programme Board | Accountable Body | Monitor, assurance, sign off |
| Riverfront Project Board | Executive Board | Monitor, assurance, sign off |
| Public Realm & Repurposing Working Group | Advisory | Contribute to business planning, stakeholder engagement and support |
| Project Team | | Project delivery |

Source: BCKLWN

This structure can be represented as follows:

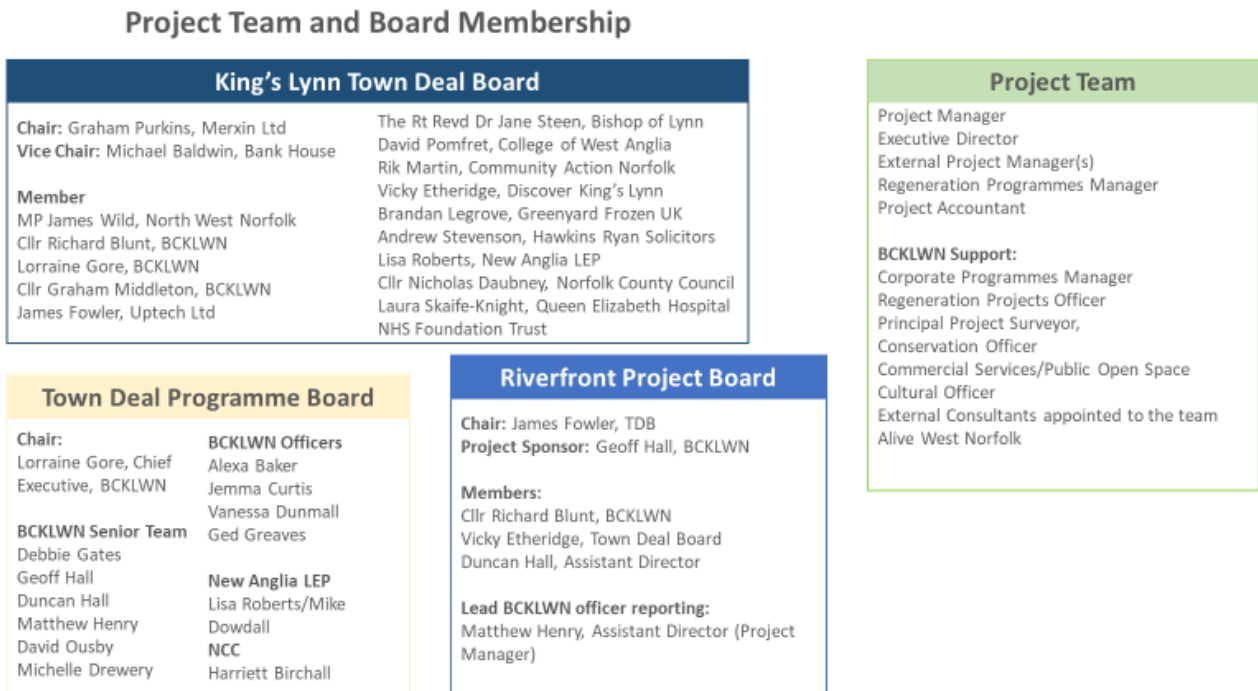
Figure 7: Project Management Structure



Source: BCKLWN

Membership of the various project boards and teams is shown below:

Figure 8: Project Team and Board Membership



Source: BCKLWN

ASSURANCE

Geoff Hall (Project Sponsor) will be responsible for project assurance, authorising expenditure within delegated levels of authority and act as the ultimate client representative for the scheme on behalf of the Town Deal Board.

The Project Sponsor and the Town Deal Board will receive regular progress updates from the Project Board and Team to enable assurance and scrutiny of project delivery to be undertaken. This will include:

- Financial monitoring, of spend against the agreed schedule and budget
- The physical delivery of the project against the project’s objectives set out in the business case
- The delivery of the project against the agreed schedule.

SCOPE MANAGEMENT

The scope of the Riverfront Regeneration programme is as set out in the strategic case, with significant Towns Fund investment matched by an in-principle funding commitment from the Borough Council. Any changes to the defined scope will be escalated to the Project Sponsor and the Programme Board to determine whether these are justified for escalation to the Town Deal Board and DLUHC. DLUHC will determine if a project adjustment request form is required to amend the scope of the project and approve accordingly.

PROGRAMME/SCHEDULE MANAGEMENT

A high-level project programme has been provided by Greyfriars. This is shown below in summary form, with the full programme attached as Appendix D.

Figure 9: High Level Project Programme

| KING'S LYNN RIVERFRONT REGENERATION PROJECT | | | | | | | | | | | | | | | | |
|---|---------|----|----|---------|----|----|----|---------|----|----|----|---------|----|----|----|---------|
| BOROUGH OF KING'S LYNN AND WEST NORFOLK | | | | | | | | | | | | | | | | |
| HIGH LEVEL PROJECT PROGRAMME | | | | | | | | | | | | | | | | |
| Project Stage | 2022/23 | | | 2023/24 | | | | 2024/25 | | | | 2025/26 | | | | 2026/27 |
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| RIBA Stage 2 design and Business Case | | | | | | | | | | | | | | | | |
| Business Case BCKLWN approval process | | | | | | | | | | | | | | | | |
| Business Case submission and grant fund approval process | | | | | | | | | | | | | | | | |
| Grant approved and RIBA Stage 3 commenced | | | | | | | | | | | | | | | | |
| RIBA Stage 3 completed, community consultation and council approval process | | | | | | | | | | | | | | | | |
| Planning submission and determination | | | | | | | | | | | | | | | | |
| RIBA Stage 4 | | | | | | | | | | | | | | | | |
| Tender period | | | | | | | | | | | | | | | | |
| Tender return, evaluation, contract award | | | | | | | | | | | | | | | | |
| Construction period - 12 months allowed | | | | | | | | | | | | | | | | |
| Defects liability period (12 months) and final account | | | | | | | | | | | | | | | | |

Source: Greyfriars PM

As shown, the Riverfront Regeneration project is due for completion in Q1, 2025/26. This provides sufficient time for any project delays prior to the deadline for Towns Fund expenditure.

MANAGING CONSTRAINTS AND BARRIERS TO DELIVERY

Key project constraints are set out below, supported by proposed mitigation measures which will be implemented by the project team.

Table 21: Key Project Constraints

| Constraint | Proposed Mitigation Measure |
|---|---|
| Funding: cumulatively the improvements will be an expensive undertaking with limited opportunities for revenue generation capable of funding the capital works and will therefore rely on grant funding. | Cost plan identifies budget including risk allowances and inflationary sums. Match funding secured and confirmed by BCKLWN. |

| | |
|--|---|
| Planning: The Project Team will need to secure planning and listed building consent for the project. | Early engagement has been undertaken with Historic England, and BCKLWN Planning and Conservation Officers to help shape the project and understand the constraints around setting of the listed building in particular. |
| Project Team Capacity: The Project Team is restricted in capacity due to the number of Town Deal projects being progressed. | An opportunity to procure external project management support has been identified and incorporated within the project cost plan. |
| Timescales: The works must be delivered in accordance with the Towns Fund timescales. | Works planned for completion in Q1,25/26. This allows sufficient time for reasonable project delays. |

Source: Mott MacDonald

RISK MANAGEMENT

The Project Manager is responsible for ensuring that risks are identified, recorded and regularly reviewed with the Project Sponsor, who will escalate to the Project Board as appropriate. The Project Manager, working with the project team, will:

- identify and evaluate potential risks
- obtain agreement to action plans to contain the risks
- take the actions
- monitor the results

The Project Board has four main responsibilities with regard to risks:

- to assess any external or internal risk exposure to the project
- to make decisions on the recommended reactions to risk exposure
- to strike a balance between the level of risk and potential benefits which the project may achieve
- to make decisions on any risks that affect the project's ability to meet project constraints

The Project Manager will ensure that the plans are modified to include agreed actions to avoid or reduce the impact of risks.

A Risk Register has been prepared, setting out the key financial, organisational, regulatory and stakeholder risks identified for the project. This is shown as Appendix B.

STAKEHOLDER ENGAGEMENT

An overview of key stakeholders is presented in the Strategic Case. There has been a good level of stakeholder engagement thus far, with regular consultation events under the Vision King's Lynn banner.

Those of most relevance to the Riverfront Regeneration project include:

- Town Deal Consultation (February 2019) with 752 responses
- Town Centre Ideas Consultation (May 2020) with 119 responses
- Walking & Cycling Survey (October 2020) with 424 responses
- Young People Survey (October 2021) with 167 responses
- Town Deal Board/Borough Council of King's Lynn & West Norfolk Workshop Session (April 2022)
- Local Resident and Local Business Engagement Event (August 2022) with approximately 60 - 80 attendees.

A broad summary of these events/surveys is shown below:

Table 22: Summary of Key Consultation Events and Surveys

| TD Consultation Feb 2019 | Town Centre Ideas Consultation May 2020 | Walking & Cycling Survey Oct 2020 |
|--|--|--|
| <ul style="list-style-type: none"> • People want a thriving, inspiring, safe town that makes them feel good and which is inclusive for all • People want a town that makes the most of its attributes – its heritage, layout, its friendly people – and which maximises its potential. | <ul style="list-style-type: none"> • Night-time economy: what is missing from people’s experience is the night-time economy. Respondents also feel that this is a barrier to town centre living • Public realm: improvements to the public realm are cited regularly, and especially signage and seating • Heritage (Events): events is a key focus, especially for how heritage can be brought to life, building on what has previously and successfully taken place. | <ul style="list-style-type: none"> • Leisure: the primary purpose for walking and cycling in the King’s Lynn area is for leisure. Whether this is to keep fit, visit green spaces, or go shopping / visit the town centre, people are walking and cycling as a leisure activity • Safety: a thread running through the feedback is a theme of safety. Respondents want to be safe when they’re walking or cycling, be this through safe routes, better lighting, or better storage and security. This appetite for safety suggests this is a need that is not being completely met currently • Routes, paths, pavements: a key improvement that respondents want to see is to the routes, paths, pavements they use – the condition and availability of what walkers and cyclists travel on is of importance and a priority for improvement. |
| Young People Survey Oct 2021 | TD Board / BCKLWN Workshop April 2022 | Local Resident/Business Event August 2022 |
| <ul style="list-style-type: none"> • Sports / leisure facilities: high appeal of a trampoline park, adult soft play / climbing adventure and indoor go karting. To a lesser extent, creative workspaces • ‘Other’ facilities: high appeal of free Wi-Fi and fast broadband speeds, space to meet up with friends • Retention: sense that town isn’t sufficiently attractive’ to young people to encourage them to stay in King’s Lynn. Perceived lack of career development opportunities, for graduates and in the creative industries. • ‘Somewhere for young people’: there is a general sense that young people would like a designated space they can call their own, where they can meet up with friends, study, have fun. | <p>Core themes emerging from workshop were:</p> <ul style="list-style-type: none"> • Leisure • Culture • Unique Stays • Nature • Sports • Tourism • Events. <p>Graeme Massie Architects took these themes and applied their knowledge and experience to the project area. The initial design concepts and ideas were then presented to the Town Deal Board, the Council’s Cabinet, and the Council’s Regeneration and Development Panel.</p> | <ul style="list-style-type: none"> • Support for refurbishing and opening up Custom House, with a preference for exhibition / gallery space. Less support for F&B provision within Custom House • Desire to focus regeneration on southern end of project area, as deemed in greater need • Support for park / gardens, although some concern expressed around anti-social behaviour. |

Source: Mott MacDonald summary

The Riverfront Regeneration project addresses a number of these themes. It will enhance public realm on the waterside, providing better links between the Millfleet and Purfleet. The project will bring a derelict site back into use (adjacent to Devils Alley) to create new community and visitor facilities as well as restoring the Grade-I listed Custom House and providing new space for events. It will provide a base for leisure, culture, nature, tourism, sport, events and unique stays, in line with the engagement.

In scoping and developing the revised project to reflect budget restrictions, BCKLWN Officers have engaged extensively with key stakeholders. These have included the landowner of Custom House, Historic England, Environment Agency, BCKLWN Planning, BCKLWN Conservation Officer, BCKLWN Regeneration & Development Panel, Norfolk County Council, King’s Lynn Conservancy Board, Town Deal Board, BCKLWN Informal Cabinet Briefing and Alive West Norfolk.

The responses have generally been positive, although key comments that will need to be addressed include:

- **Historic England** – concerned over any changes to the external fabric of Custom House and any impact to its setting from enhanced public realm / covered events space
- **Environment Agency** – may require heightening of flood defence works if works proposed to these structures
- **King’s Lynn Conservancy Board** – need to maintain access to operational quayside owned by the Conservancy Board.
- **BCKLWN Regeneration & Development Panel** – feel that Custom House should be the ‘centre-piece’.

The Council’s Project Manager – Matthew Henry – provided a project update to the Town Deal Board on 22 August. The Board agreed that the proposals were transformational, but that community engagement is critical to ensure that the project continues to attract broad support.

As such, it is important to keep local residents and businesses fully engaged with the project, as they will be among those most impacted by the scheme. Subsequently an “engagement” event was held on 25 August, and it is recommended that regular communication with local residents and businesses is maintained throughout the project.

The Riverfront Regeneration project will continue to be progressed by BCKLWN Officers, with regular reporting to the Town Deal Board and the Town Centre Repurposing and Public Realm Working Group.

BENEFITS, MONITORING AND EVALUATION

All baselining, data collection and reporting will be conducted in line with M&E indicator guidance. During project delivery targets will be monitored by the project manager and monthly highlight reports shared with the Riverfront Regeneration Project Board. The headline outputs from the Riverfront Regeneration project are:

Table 23: Summary of Project Outputs and Outcomes

| Project Outcome | Project Indicator | Project Outputs |
|--|---|------------------------|
| Remediation and development of abandoned site | Amount of rehabilitated land | 3,000m ² |
| | Number of sites cleared | 1 |
| | Number of public amenities / facilities created | 1 |
| Upgraded historic landmark site | Number of historic landmarks and buildings refurbished | 2 |
| | Amount of floorspace (commercial, residential, industrial) created | 4,000m ² |
| Improved perception of place by residents, visitors and businesses | Number of temporary FT jobs supported during project implementation | 154 |
| | Number of FTE jobs created and safeguarded | 12.1 |
| | Amount of public realm enhanced | 7,845m ² |

Source: Mott MacDonald

At project completion a report will be provided to the Town Deal Board and BCKLWN Cabinet to confirm delivery of the capital works and to set out the detailed benefits realisation plan for monitoring and evaluating the expected benefits over time. Post-completion, monitoring and evaluation of outcomes will be led by the BCKLWN as the Accountable Body for the Towns Fund, with regular reporting to the Town Deal Board, Cabinet and relevant working groups as required.

NEXT STEPS

Following business case sign-off, it is planned to hold a Stakeholder Workshop including Town Deal Board Members, Councillors and other key stakeholders to discuss the way forward for the project. This flexible, inclusive approach will enable the project team to consider additional opportunities that may emerge, and that have not been assessed in this business case.