

CONFIDENTIALITY

The content of this report qualifies as exempt information under section 100(A)(4) and paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as it is "information relating to the financial or business affairs of any particular person (including the authority holding that information)"

and

2) In relation to the "exempt" information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority's ability to manage its commercial financial and business affairs.

Accordingly, it is proposed that Appendix 1 should remain exempt.



URN: 21-177

Subject: Heritage Centre Project - Grant Funding

Report to: Policy and Resources Committee, 17th May 2022

Report by: Kate Blakemore, Strategic Director

SUBJECT MATTER

This report outlines to Members a proposal to deliver a Heritage Centre and residential units in the former Greenwoods building in the Town Centre, owned by Great Yarmouth Preservation Trust, by grant funding monies allocated as part of the Council's Future High Streets Fund award.

RECOMMENDATION

That Committee:

Resolve to grant fund Great Yarmouth Preservation Trust £232,229 to convert the Greenwoods building into a Heritage Centre and residential units from the Council's Future High Streets Fund award, subject to the award funding conditions and other conditions referred to in this report.

1. Background

- 1.1 Great Yarmouth's historic town centre is rich in character, a tapestry of spaces from narrow alleyways to open areas and retail frontages, framing the expansive, ancient marketplace to offer significant physical, commercial, and social/cultural potential and opportunity.
- 1.2 On Boxing Day 2020 the Borough Council was notified of its success in relation to Future High Streets Funding. This totalled £13.7 million to deliver an exciting package of projects to realise the full potential of Great Yarmouth's Town Centre, through the delivery of opportunities defined within 3 intervention areas: Densification, The Market Place, and The Conge.
- 1.3 Specifically the Heritage Centre opportunity sits within intervention one, which has the overall objective of addressing the current, suboptimal Town Centre residential/commercial

mix through co-investment to pump-prime and accelerate the development of residential and commercial co-location, including re-purposing vacant retail space and upper floors to drive local demand in Town Centre enterprises and address the high vacancy rates. Alongside this, a new Heritage Centre within the Town Centre will promote and imaginatively interpret local heritage/culture visitor assets.

2. Introduction

- 2.1 Great Yarmouth Preservation Trust (GYPT) is a registered charity working to preserve the heritage and culture of Great Yarmouth. The Trust, which was established in 1979, often works in partnership with Great Yarmouth Borough Council on joint projects such as the Waterways, St George's Theatre, and the repair of the medieval town wall.
- 2.2 On the 19th December 2019 Full Council approved a loan totalling £230,000 to GYPT to purchase 14 King Street in Great Yarmouth, the former Greenwoods building, with the joint aspiration of converting the ground floor of the building into a Heritage Centre and the upper floors into residential units. GYPT's business model is that the income from the residential flat conversions will service the loan repayments going forwards.
- 2.3 Built in 1838 the former Greenwoods building is a vacant building, which is a strategically placed gateway building creating a link between the town, seafront, and King Street. This was subsequently purchased by GYPT in Spring 2020.
- 2.4 Since the purchase of the building, GYPT has developed the plans for the conversion of the upper floors to residential units. Engagement with development control has taken place and GYPT are now able to apply for planning permission and instruct a quantity surveyor to finalise the costs in relation to the works required on these floors.
- 2.5 GYPT have also commenced renovation works to the outside shop front area and agreed with the Council to the installation of information banners and a TV to animate the shop frontage, so that members of the public can receive information regarding the town's major regeneration projects, whilst the Heritage Centre itself is further developed.
- 2.6 To enable this project to progress as part of the Future High Streets Fund award the Council needs to formally grant the monies in relation to this project to GYPT. This funding allocation totals £232,229. Whilst our funding award requirements enable this ability of awarding grants to third parties, Members need to formally agree to this.
- 2.7 Appendix 1 is the business case developed by GYPT to further support this grant funding request. This is a confidential appendix. As part of developing this business case Members are asked to note that the aspiration of housing part of the Nelson collection within this premises cannot be delivered, due to storage and security requirements. However, the Council is still working to try and find a suitable alternative location.
- 2.8 Appendix 2 outlines the Councils specification of what it requires from this building, this specification will form part of the legal documentation that will support the issuing of this grant funding to the Trust if approved by this Committee. This includes delivering the outcome of curating and providing opportunities for enquirers to access information and

services in one place to provide an immersive physical and digital one-stop-shop for all-year round content visitor experiences, in line with the Borough's aspirations to an all-year-round heritage, culture and tourism offer for residents and visitor.

3. Legal Considerations

Subsidy Control and Conditions of Funding

- 3.1 The recommendation within this report is to grant £232,229 to GYPT from the Council's Future High Streets Fund allocation, and as such consideration needs to be given in terms of subsidy control, and as such legal advice has been obtained from nplaw.
- 3.2 A "subsidy" is characterised as:
- given by a public authority.
 - makes a contribution (this could be a financial or an in-kind contribution) to an enterprise, conferring an economic advantage that is not available on market terms.
 - affects competition, investment, international trade (low threshold but subsidies to truly local companies or a small tourist attraction for example are unlikely to be caught).
- 3.3 The UK-EU Trade & Cooperation Agreement provides for a replacement of the EU 'state aid' rules by the UK's own domestic 'subsidy control' regime. This legal framework has not yet been finalised, but nplaw have provided best practice guidance to ensure compliance with these regulations in terms of this grant award.
- 3.4 The proposed new UK subsidy control scheme is intended to be more permissive rather than restrictive. A key discipline will be for public authorities to appraise proposals against what are to be known as the six "Subsidy Control Principles" – a subsidy may be allowed if it complies with these six principles, for example, that it is a proportionate response and in line with the authority's public policy objective.
- 3.5 In accordance with this "best practice" approach the Borough Council has been advised that the proposed funding amounts to a permitted subsidy subject to:
- a review of the proposed project against the Subsidy Control Principles, as set out at Annex A.
 - transparency in respect of the project through publication of details of the funding on the UK's official website at <https://searchforuksubsidies.beis.gov.uk/>.
 - a requirement that any profits arising from the conversion of this building shall be applied solely in accordance with the Trust's charitable objectives, funding conditions will include controls on operating profits and a requirement on the Trust to charge market rates on any residential lettings created as part of this grant award.
- 3.6 Members are also asked to note that if this grant award is approved, that there will be a legal agreement to enable this funding to be passported to GYPT to ensure that the

outcomes for this element of Intervention one within the Future High Streets Fund award are met. This will become the responsibility of GYPT to include not just the conversion of the ground floor to a Heritage Centre, but also the management of this Centre for a minimum of a 5-year period.

4. Financial Considerations

- 4.1 The funding allocated to this property to enable both the residential unit conversions and the renovation of the ground floor to provide a Heritage Centre totals £232,229. By grant funding these monies, along with requirements in relation to the operation of the Heritage Centre, this will negate the need for the Council to provide ongoing revenue funding for at Centre's operation over the first five years of its opening.

5. Legal Considerations

- 5.1 Members are asked to note that if this grant award is approved, there will be a legal funder's agreement in place to enable this funding to be passported to the Preservation Trust. The agreement will ensure that the outcomes in relation to the Future High Street award are met, as outlined within this report and Appendices. This will be the responsibility of the grant recipient.

6. Risk Implications

- 6.1 There is a risk that the costs for this project may exceed the grant award. However, GYPT are confident they can mitigate this risk and deliver the project in its entirety without requiring any additional funds from the Council.
- 6.2 NPLaw is charged with the preparation of the grant funding agreement for the passporting of funds to the delivery partner. The agreement will include the conditions attached to grant drawdown linked to the delivery of outputs and outcomes and the initial cost spend profile for the renovation of the building as set-out in the Trusts business case, provided confidentially in Appendix 1. Such grant conditions will provide safeguards for the Council as the accountable body for the Future High Streets award, should the recipient not deliver the totality of the project, including a charge of the building and clawback as required.

Background Papers

Loan to Great Yarmouth Preservation Trust to Purchase 14 King Street Great Yarmouth, Full Council
19th December 2019

| Area for consideration | Comment |
|---|--|
| Monitoring Officer Consultation: | Throughout the development of the paper and via ELT consultation |
| Section 151 Officer Consultation: | Via ELT consultation |
| Existing Council Policies: | Town Centre Masterplan |
| Financial Implications (including VAT and tax): | As outlined in the report |

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| Legal Implications (including human rights): | As outlined in the report (along with Annex A Subsidy Control Principles Appraisal) |
| Risk Implications: | As outlined in the report |
| Equality Issues/EQIA assessment: | N/A |
| Crime & Disorder: | N/A |
| Every Child Matters: | N/A |

Annex A Subsidy Control Principles [Draft] Appraisal

Proposal: To grant fund Great Yarmouth Preservation Trust £232,229 from the Council's Future High Streets Fund award to convert the Greenwoods building into a Heritage Centre and residential units.

The proposed funding has been considered against the Subsidy Control Principles as set out below:

| Principle | Requirement | GYBC Assessment |
|-------------------------------|---|---|
| Principle A (common interest) | Subsidies should pursue a specific policy objective that address a market failure or equity rationale; for example, social difficulties or distributional concerns. | <p>The Town Centre Masterplan plans to enhance its 'offer' to better service the needs of visitors, as well as meet the expectations of local residents in terms of residential options, environmental quality, retail/leisure, civic services, and the overall cultural/heritage provision addressing the current, suboptimal Town Centre residential/commercial mix through co-investment to pump-prime and accelerate the development of residential and commercial co-location, including re-purposing vacant retail space and upper floors to drive local demand in Town Centre enterprises and address the high vacancy rates.</p> <p>Alongside this, a new Heritage Centre within the Town Centre will promote and imaginatively interpret local heritage/culture visitor assets.</p> <p>There are a number of potential Market Failures which provide a strong rationale for the provision of support to town centre interventions that aim to address economic decline and provide environmental amenity.</p> <p>The proposals are within and pursue New Anglia's Economic Recovery Restart Plan, Norfolk and Suffolk's Economic Strategy, Great Yarmouth's Economic Growth Strategy 2020-2025, and Great Yarmouth's Culture, Heritage and Tourism Strategy.</p> |
| Principle B (proportionality) | Subsidies should be both proportionate and limited to what is necessary to achieve the policy objective. | <p>An assessment of the economic case for the proposal has provided an appraisal of its value for money to the public sector.</p> <p>The Master Plan advocates re-purposing vacant retail space and upper floors to drive local demand in Town Centre enterprises and address high vacancy rates. This is viewed as an effective</p> |

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| | | and proportionate approach to achieve the policy objective in relation to economic redevelopment and providing environmental amenity. |
| Principle C (incentives and behaviour change) | Subsidies should lead to a change in the economic behaviour of the recipient and must help to address the public policy objective being pursued. | <p>GYPT's charitable object is <i>"To preserve for the benefit of the inhabitants of the Borough of Great Yarmouth and of the nation, whatever of the historical, architectural and constructional heritage may exist in and around the Borough of Great Yarmouth in the form of (a) buildings of particular beauty, historical architectural, or constructional interest: (b) land of particular beauty or historical interest or (c) fixed machinery of historical interest."</i></p> <p>GYPT was created to acquire heritage assets at risk, fully restore them back to viable economic use, and then ring-fence any income generated for their long-term management and maintenance.</p> <p>Accordingly, the proposed funding should enable an enhancement of its essential activity and behaviour.</p> <p>The proposed completed scheme will provide a high profile restored asset for the town, which will be brought into economic use, ensuring the longstanding security of the asset.</p> <p>This would establish a viable and sustainable end use, bring vacant floorspace back into circulation, create employment, reinforce the town's special heritage character, and support culture and tourism sectors.</p> |
| Principle D (additionality) | The subsidy should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy. | <p>The funding beneficiary is GYPT.</p> <p>As a lynchpin a new Heritage Centre within the Town Centre will promote and imaginatively interpret local heritage/culture visitor assets.</p> |

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| Principle E (alternatives) | The subsidy is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means. | <p>The intervention will realise significant economic and social benefits throughout an expansive and interconnected supply chain, providing employment and opportunity for thousands of local people.</p> <p>Distortion to competition and investment are not anticipated.</p> <p>Alternatives are not available without a continuation of the status quo and risk of further economic decline.</p> |
| Principle F (minimal market impact) | Subsidies should minimise the impact on competition and investment within the UK's internal market. | Localised aspects of the initiative mean that funding and proposals will have minimal impact on competition and investment within the UK's internal market. |
| Principle G (net positive effect) | Where relevant, record consideration against Article 3.5 [Prohibited subsidies and subsidies subject to conditions], including consideration of whether that subsidy has or could have a material effect on trade or investment between the Parties. | <p>The beneficiary is not an ailing or insolvent business.</p> <p>An unlimited guarantee is not being provided.</p> <p>The beneficiary is not a bank, credit institution or insurance company.</p> |

Heridge & Culture Centre - Specification

Vision for the Centre

The ability to create and/or attract new tourism markets to reflect and anticipate consumer trends is critical in (a) capitalising economically upon out-of-season, year-round and experiential vacationing and (b) improving the 'offer' to visitors and current/future residents.

As such, the Great Yarmouth Heritage Centre will provide an immersive physical and digital one-stop-shop to showcase and signpost enquirers to local culture, heritage and artistic provision, communicating the wealth and diversity of both seasonal provision and high quality, year-round attractions to maximise the visibility, accessibility and interpretation of what's on offer locally.

When the Heritage Centre opens enquirers will be able to:

- Discover what makes Great Yarmouth such a unique place.
- Find out more about the borough's attributes such as the mediaeval Town wall, the Toll house, Waterways, and the rows
- Meet Heritage Centre staff and volunteers who will be able to share information on the amazing history and heritage of Great Yarmouth and help you plan some great days out.

There is clear scope for collaboration with the visitor economy sector, strategic bodies and the wider community to capitalise upon local culture, heritage and arts to foster a more positive, coherent 'sense of place' and transition to a less seasonally-sensitive visitor economy.

Building a year-round visitor economy is a consistent policy theme at a local and regional level; the need to attract visitors outside of the main summer season is key to driving growth and productivity, as well as better servicing the expectations of growth industries' employees and creating revenue throughout the entire value chain.

Outputs

- To design, operate, brand, and market the ground floor of the former Greenwoods building as a Heritage Centre for a minimum five-year term.
- To enable access to and interpretation of the borough's cultural assets and heritage, galvanising the historical significance of its people and the borough as a sense of place.
- To curate and provide opportunities for enquirers to access information and services in one place to provide an immersive physical and digital one-stop-shop for all-year round content visitor experiences, in line with the Borough's aspirations to an all year-round heritage, culture and tourism offer for residents and visitor.
- To promote public knowledge, appreciation and understanding of the historic and cultural aspects of the town and borough including promotion of public access to the structures, equipment and public knowledge, appreciation and understanding of their architectural, constructional, scientific and craft features and advancement of wellbeing and education.
- To build upon and sustain a community of advocates and supporters for the town and borough.

- To work in partnership with other organisations as appropriate to operate the Heritage Centre

Outcomes

- To contribute to new footfall in the town and Borough.
- To enhance the visibility, accessibility and interpretation of the Borough's rich and diverse heritage culture and tourism offer.
- To extend direct resident and visitor engagement with an uptake of the Borough's heritage culture and tourism offer.
- To help position Great Yarmouth among one of the top places in the UK to discover culture and heritage.
- To explore commercial opportunities to enable the ongoing development of the Centre.

KPIs

- Increased headline pedestrian footfall in the local area over the 2021 baseline.
- Increased average spend per day trip over the modelled 2021 baseline.
- Increased number of enquirers interested in the town and borough's heritage experiences.
- Increase/sustaining the number of volunteers involved with and paid staff working in the sector locally.

Opening Times – Minimum Requirements

To aspire to be open 7 days a week throughout the year, though developing the offer of the centre and increasing its commerciality over time, and at a minimum to deliver daily opening for 4 days a week on average throughout the year.

Additional Requirements

To comply with the Disability Discrimination Act in undertaking reasonable steps to provide access for disabled people.