

CABINET

DATE: Wednesday 31 March 2021

TIME: 5.30 pm

VENUE: Online only

Due to Covid-19, this meeting will be held remotely and will be livestreamed here: <https://bit.ly/HarrogateYouTube> (Copy and paste the link in your browser)

Notice is hereby given that the above meeting will take place for the purpose following and, by virtue of Section 100B(4)(b) of the Local Government Act 1972, any other matter(s) which the Chair considers should be dealt with at the meeting as a matter of urgency.

AGENDA

Item	Title	Page Number
1.	APOLOGIES FOR ABSENCE:	
2.	DECLARATIONS OF INTEREST: Members to advise of any declarations of interest.	
3.	MINUTES: of the meeting of 2 March 2021.	5 - 12
4.	EXEMPT INFORMATION: To determine whether to exclude the press and public during the consideration of any exempt information items.	
<u>MATTER TO BE REFERRED TO COUNCIL</u>		
5.	LOCAL AUTHORITY CONTROLLED COMPANY INVESTMENT PROJECT BUDGET UPDATE: The Executive Officer Strategic Property and Major Projects to submit a written report.	13 - 16

MATTERS TO BE DETERMINED BY CABINET

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| 6. | LEEDS CITY REGION BUSINESS RATES POOL 2021/22:
The Head of Finance to submit a written report. | 17 - 28 |
| 7. | NON-DOMESTIC DISCRETIONARY RATES RELIEF POLICY 2021/22:
The Head of Finance to submit a written report. | 29 - 52 |
| 8. | COVID-19 ECONOMIC RECOVERY FRAMEWORK - UPDATE AND PRIORITIES FOR 2021/22:
The Director of Economy and Culture to submit a written report. | 53 - 66 |
| 9. | ULEV STRATEGY PHASE 1 IMPLEMENTATION: FORWARD PLAN REF 24PSEG20:
The Executive Officer – Economy and Transport to submit a written report. | 67 - 74 |
| 10. | SPRINGFIELD HOUSE REFURBISHMENT, AWARD OF CONTRACT - FORWARD PLAN REF: 29PSEG20:
The Executive Officer – Strategic Property and Major Projects to submit a written report. | 75 - 80 |
| 11. | HARROGATE THEATRE REFURBISHMENT: FORWARD PLAN REF: 18PSEG20:
The Strategic Property Manager to submit a written report. | 81 - 90 |
| 12. | AWARD OF CONTRACT FOR HYDRO LEISURE CENTRE CARBON REDUCTION PROJECT: FORWARD PLAN REF: 28PSEG20:
The Executive Officer – Strategic Property and Major Projects to submit a written report. | 91 - 94 |
| 13. | AWARD OF CONTRACT FOR CARBON REDUCTION SCHEME AT HARROGATE CONVENTION CENTRE - FORWARD PLAN REF: 30PSEG20:
The Executive Officer – Strategic Property and Major Developments to submit a written report. | 95 - 98 |

MEMBERSHIP: Councillor Richard Cooper (Chair). Councillor Graham Swift, Councillor Mike Chambers, MBE, Councillor Phil Ireland, Councillor Stanley Lumley, Councillor Tim Myatt and Councillor Andrew Paraskos.

Members are reminded that in order to expedite business at the meeting and enable Officers to adapt their presentations to address areas causing difficulty, they are encouraged to contact Officers prior to the meeting with questions on technical issues in reports.

Please contact Elizabeth Jackson, Democratic Services Manager, if you have any queries or need further information on this agenda - telephone 01423 500600 or email: democraticservices@harrogate.gov.uk

**CABINET
HELD ON 2 MARCH 2021
(FROM 5.30 PM – 6.02 PM)**

PRESENT: Councillor Richard Cooper in the Chair. Councillors Mike Chambers, Phil Ireland, Stan Lumley, Tim Myatt, Andy Paraskos and Graham Swift.

Late Arrivals: None

Early Departures: None

128/20 – **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES:**
There were no apologies for absence.

(5.33 pm)

129/20 – **DECLARATIONS OF INTEREST:** There were no declarations of interest made at the meeting.

(5.34 pm)

130/20 – **MINUTES:** The Minutes of the meeting of the Cabinet held on 3 February 2021 were unanimously approved as a correct record.

(5.35 pm)

131/20 – **EXEMPT INFORMATION:** The report considered at Minute 133/20 was considered to be exempt under paragraph 3 of Schedule 12a to the Local Government Act. Discussion on the item took place in open session.

(5.36 pm)

MATTERS DETERMINED BY CABINET

132/20 – **COUNCIL TAX REDUCTION SCHEME:** The Revenues, Welfare and Customer Services Manager submitted a written report which detailed the annual review of the Local Council Tax Reduction (CTR) Scheme, which was attached at Appendix A to the report. CTR provided support for low-income households and was currently based on a means test. The scheme was split between those of pension age and those of working age; the rules for pension age claimants were set by the government, however the rules for working age households were set by the billing authority. The HBC local scheme was aligned with Housing Benefit processes.

The introduction of Universal Credit in 2016 had added an additional level of complexity to CTR claims. The national Move to Universal Credit pilot was running in Harrogate and was expected to be completed in September 2024. A full review and consultation of the Universal Credit and local CTR Scheme had been proposed for 2020/21 to allow roll out of a new scheme for the 2021/22 financial year. The review had not taken place as planned due to the Coronavirus pandemic as resources within Welfare Services which had been prioritised on the additional work involved in

CABINET

our response, this had included increased CTR applications and the Test and Trace Support payment scheme. Work had been undertaken this year in order to review procedures and improve the speed of processing new CTR applications and had resulted in new claims being processed within 21 days, for the first time within 3 years, this ensured claimants received support as soon as possible.

The proposed amendments to the Local CTR Scheme for 2021/22 included the uprating of personal allowances and premiums; uprating of non-dependant deductions and uprating of income disregards. Currently the scheme awarded just over £8.4 million in council tax reduction to nearly 8000 households in the district.

RESOLVED (UNANIMOUSLY):

That Harrogate Borough Council maintains the Local Council Tax Reduction Scheme in its current format for 2021/22 with the reflection of legislative changes that have come into effect since the 2020/21 scheme review.

Reason for making decision:

The current scheme provided financial assistance for low-income households in the district and supports the Council's aims under its Welfare Strategy.

Legislation required the Council Tax Reduction policy to be approved on an annual basis by 11 March preceding the start of the financial year the policy applies to.

Alternative options considered and rejected:

To make no changes to the scheme. This was not a viable option as the Council must reflect national legislative changes in the local scheme.

Any change made under local discretion would mean disruption in service provision and add complexity to welfare support provision. Changing the scheme would mean reducing support for the most financially vulnerable placing increased pressure on low-income households in the district.

(5.36 pm – 5.39 pm)

(D)

133/20 – MICROSOFT LICENSING UPLIFT REPORT: FORWARD PLAN

REF 23ICT20: The ICT Project Manager submitted a written report which sought approval from Cabinet to award a contract to Phoenix Software Limited (our incumbent partner), HBC's Microsoft Licenses partner, via the Kent County Supplies (KCS) framework agreement. The agreement was for Managed ICT Services Reference Y18018 to implement a programme of work and to commit the required resources which would facilitate the expansion of Microsoft Teams by uplifting our current Microsoft 365 E3 licence to E5. Appendix A to the report contained a Multi-factor authentication (MFA) proposal; Appendix B demonstrated how Microsoft Teams could be expanded and opened for external (partner) access and collaboration and document sharing; Appendix C contained a migration to 365

CABINET

applications plan and Appendix D showed both the current and potential future state of data flows, and outlined some of the potential benefits such as Business Continuity and Disaster Recovery opportunities.

Finance and Legal Services had been consulted in preparation of the report and paragraph 6.2 set out the financial implications of the proposals

RESOLVED (UNANIMOUSLY):

That (1) a 3 year contract be awarded to Phoenix Software Limited (Phoenix) via the Kent County Supplies (KCS) framework agreement for Managed ICT Services Reference Y18018. Our E3 licence be upgraded to E5 which includes several security enhancements and capabilities;

(2) multi-factor authentication (MFA) be implemented (**Appendix A**) as a prerequisite for the items below;

(3) Teams be expanded and opened for external (partner) access and collaboration and document sharing (**Appendix B**);

(4) migration to 365 applications takes place to replace the current on premise versions of the Office application suite (**Appendix C**);

(5) migration commence to SharePoint Online as part of the previous elements; and

(6) these separate project elements be considered an integral part of the whole programme, noting that the omission of any one element potentially risks the outcome of the whole.

Reason for making decision:

Our aims were -

To increase efficiencies by enabling the council to quickly benefit from new enterprise software features, enhanced mobile integration and, collaborative ways of working.

To reduce service incompatibilities which decrease the effectiveness of our Organisation.

To maintain or, through additional services, increase the integrity and security of our data to the latest standards and so reduce the risk of data loss and, comply with Government Requirements. Further details of which were outlined in the report.

Alternative options considered and rejected:

All other options had been considered and rejected.

(5.39 pm – 5.40 pm)

(D)

CABINET

134/20 – STRAY CYCLE ROUTES AND BYELAW AMENDMENT:

FORWARD PLAN REF - 19PSEG20: The Executive Officer – Economy and Transport submitted a written report which provided feedback on the outcome of the public consultation undertaken in relation to the proposals to exchange Stray land and to amend the Stray Byelaws to permit cycling on the Otley Road Cycle route. The report sought Cabinet approval to submit the proposals with regards the exchange of the land to the Duchy of Lancaster.

The Executive Officer – Economy and Transport began by giving a summary of the wider context of the proposed byelaw amendment. She explained that NYCC was leading on a National Productivity Investment Fund (NPIF) funded scheme that would improve sustainable transport infrastructure in the West of Harrogate, including a new off-road cycle route along Otley Road. The proposed cycle route intended to use some existing verges and footpaths between Cold Bath Road and Beech Grove, which were designated as Stray land. At the meeting of the 15 July 2020 the General Purposes Committee had given permission to consult the public on the proposed byelaw changes and on the 20 July 2020 Cabinet approved a consultation on the proposed exchange of land options. The subsequent consultation was carried out for twelve weeks between 17 August 2020 and the 9 November 2020. A copy of the online questionnaire was attached at Appendix A to the report, the questionnaire sought the public's views on the exchange of land and amendment of Byelaws that were required in order to enable NYCC to use the Stray land for the creation of the proposed off-road cycle route. The public were also made aware that the Stray Byelaws would be updated to be consistent with the model byelaws at the request of the Ministry of Housing Communities and Local Government. The proposed new byelaws could be found in appendix C to the report. General Purposes had considered the report and associated consultation at its meeting on the 28 January 2021.

The report stated that there had been 443 responses to the consultation, 417 of these responses were from residents and the majority of the respondents agreed to exchange of the Stray land (56% agree, 39% disagree and 5% neither agree nor disagree) and that option 1 (exchange of land for Wetherby Road Land next to the War memorial) was the preferred location. The results also showed the majority of the respondents agreed to amending the Stray Byelaws to permit cycling on the proposed cycle route on Otley Road (59% agree compared to 38% disagree and 3% neither agree or disagree). Responses to the consultation had been grouped into themes as detailed in paragraph 5.11 of the report. A detailed response to each of the themes was outlined in appendices B1, 2 and 3 to the report.

RESOLVED (UNANIMOUSLY):

That the exchange land proposals be submitted to the Duchy of Lancaster.

Reasons for decision:

The use of Stray land and the amendment of Stray Byelaws would enable the North Yorkshire County Council (NYCC) led National Productivity Investment Fund (NPIF) scheme to be completed in full and facilitate a new cycleway on Otley Road.

CABINET

Sustainable transport was a key priority for this Council and this project supported the promotion of sustainable transport on a key route joining the town centre with the West of Harrogate, including schools, business parks, leisure facilities and residential areas.

The scheme supported the Council's ambitions to see a reduction in congestion in Harrogate, improve air quality, contributing to reductions in carbon emissions whilst also promoting an active and healthy lifestyle.

Alternative option considered and rejected:

Not to submit the amended Byelaws to the Secretary of State (MHCLG) for approval and not to submit the exchange land proposals to the Duchy of Lancaster. This was recommended for rejection as it would mean the cycleway for Otley Road, which the government was providing funding towards, could not be completed and the benefits associated with the project would not be achieved.

(5.40 pm – 5.47 pm)

(D)

135/20 – THE PREFERRED SITE FOR A NEW LEISURE FACILITY IN THE EAST OF THE DISTRICT: FORWARD PLAN REF: 14CTS20:

The Executive Officer – Strategic Property and Major Projects submitted a written report which sought to update Cabinet on the outcome of a period of Public Consultation for the preferred site for a new Leisure Facility in the East of the District and recommend to Cabinet the preferred site to take forward through the design and development phase for the creation of a New Leisure Facility. Subject to approval of the preferred site, design work for this site would be developed to RIBA stage 4 at which point Cabinet would receive a report detailing the costs and business case for the scheme prior to a decision whether to proceed with construction.

On 2 December 2020 Cabinet approved the existing Leisure Centre site (although not necessarily the same footprint as the existing building) as the preferred site for the new Facility. Cabinet also approved a public consultation process regarding the preferred location and asked to receive a future report recommending the preferred location taking into account the results of the consultation. The public consultation was undertaken from the 4 December 2020 to 18 January 2021 and 471 responses were received, 98% of which were Knaresborough residents. 81% of respondents agreed that the current Knaresborough pool site be the location for the new leisure centre. The full analysis of responses could be found in appendix 1 to the report.

RESOLVED (UNANIMOUSLY):

That following a technical site options appraisal, reported to Cabinet in December 2020, and a period of public consultation, the existing Leisure Centre site (although not necessarily the same footprint as the existing building) be approved as the preferred location for the new facility for the East of the District.

Reasons for decision:

CABINET

There was a need to achieve best value for the services the Council provided, to reduce net operating cost wherever possible, whilst at the same time maintaining and where possible improving service for residents.

The June 2020 Leisure Review report recognised the significant investment in the new facility for Ripon and the need to refurbish and remodel the Harrogate Hydro venue to meet current and future user expectations.

The Local Plan highlighted the need for a new facility in the East of the District to meet future demand. The 2020 report recognised that the current venues in this area were 30 and 150 years old, had significant operational and unplanned maintenance issues and would not meet the current and future expectations of their users.

The location of the new facility for the East of the District needed to be confirmed in order for design development to progress.

Alternative option considered and rejected:

To deliver a new facility on an alternative site to the existing facility.

This was rejected; an independent site options appraisal was carried out that considered locational, physical, access, planning, and legal factors. This recommended that the existing site should be the preferred location for a new leisure facility in the East of the District.

Following a period of public consultation 81% (381) of people who responded agreed with the current Knaresborough Pool site as the location for the new leisure centre site.

(5.48 pm – 5.53 pm)

(D)

136/20 – **KEY DECISIONS - FINANCIAL THRESHOLDS:** The Democratic Services Manager submitted a written report in relation to the annual review of the financial thresholds for key decisions. The current thresholds were listed in paragraph 5.2 of the report and Cabinet was asked to decide on financial thresholds for key decisions for the year to 31 March 2022.

RESOLVED (UNANIMOUSLY):

That the current financial thresholds for key decisions as detailed in paragraph 5.2 of the report, remain unchanged for the year to 31 March 2022.

Reason for making decision:

To comply with the Local Authorities (Executive Arrangements) (Access to information) (England) Regulation 2000 as amended.

Alternative options considered and rejected:

None

(5.54 pm – 5.55 pm)

(D)

137/20 – **FURTHER USE OF COVID-19 HARDSHIP FUNDING 2020/21:** The Revenues, Welfare and Customer Services Manager (RWCSM) submitted a written report which updated Cabinet on the current Covid-19 Hardship funding position. The report also sought approval for further uses of the remaining Hardship Funding allocated by Central Government in response to the COVID-19 pandemic.

The RWCSM advised that as part of its response to COVID-19, the Government announced in the Budget on 11 March 2020 that it would provide Local Authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area. The Government awarded Harrogate Borough Council hardship funding of £863,157 and provided guidance outlining the underpinning principles for use of the fund. They expected the majority of the funding to be used to provide additional support to help with Council Tax payments for working age claimants of Council Tax Reduction (CTR). The award of hardship payments of up to £150 for working age CTR claimants through this financial year was agreed by Cabinet on 1 July 2020 and at the end of January 56.3% of the fund had been allocated. It was estimated that total spend would be £512,622 this year leaving remaining unspent funding at end of 31 March 2021 of approximately £350,535. Any unspent monies had to be returned to Government, in order to avoid returning these monies to Government. In line with delegated authority the Director of Corporate Affairs in consultation with the Cabinet Member (REED) and the Head of Finance had agreed to increase the CTR hardship funding level by £75.00 from £150 to £225 across all existing and new cases during 2020/21. Work was ongoing to administer this increase and it was estimated that the cost of this increase would be approximately £235,500 and would provide further financial support to over 4,000 households. The report set out the proposed uses for remaining hardship funding for approval.

The report would also be considered by the Cabinet Member for Resources Enterprise and Economic Development on 3 March 2021, where the Cabinet Member would be requested to agree proposals to use £10,000 of the remaining money to cover retrospective adjustments to CTR hardship payment awards and £75,000 to provide additional Council Tax Support to customers who were in receipt of a Discretionary Housing Payment (DHP), as detailed in Paragraphs 5.8 to 5.14.

Cabinet were asked to consider approving £10,000 to fund top-up to Discretionary Housing Payment scheme. The total estimated amount of funding required to meet all the proposals set out in this report was £330,500. This would leave approximately £20,000 remaining and this report sought the view of the Cabinet for any further use of the remaining balance.

RESOLVED (UNANIMOUSLY):

That (1) the current Hardship spend and funding position be noted;

CABINET

(2) the Hardship Funding be used to top-up the funding for Discretionary Housing Payment scheme to enable the continuation of support through to 31 March 2021;

(3) consideration be given to adding any remaining balance to the Local Fund and if that is not possible to increase the amounts to be made available to the existing schemes; and

(4) authority be delegated to the Section 151 Officer, or Deputy in his absence, to approve the final amounts required for each agreed use of the funding above, and to approve any further use of the Hardship funding to ensure funding is spent by 31 March 2021.

Reasons for making decision:

The decisions would allow the Council to use the Hardship funding in line with Government guidance and to provide continued financial support to economically vulnerable residents.

The delegation of authority to the Section 151 Officer to agree further use if there was remaining hardship funding and to agree the final levels of funding between the agreed uses in this report will ensure the remaining funding was fully spent by 31 March 2021 ensuring financial support to economically vulnerable customers is maximised.

Alternative options considered and rejected:

Not to proceed with the recommendations in this report would mean the opportunity to provide financial support from Central Government funding to those residents in our district who were economically vulnerable would be missed. This was not recommended.

Not to delegate authority to the Section 151 Officer to approve further use of the remaining hardship funding and to agree the final levels between each agreed use would mean we may not act quickly to support economically vulnerable residents resulting in unspent hardship funding. This was not recommended as any unspent funding had to be returned to Central Government. This was not recommended as it would prevent financial support reaching our economically vulnerable residents.

(5.56 pm – 6.01 pm)

(D)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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REPORT TO:	Cabinet
DATE:	31 March 2021
SERVICE AREA:	Finance
REPORTING OFFICER:	Financial Services Manager (<i>Graham Byrne</i>)
SUBJECT:	Leeds City Region Business Rates Pool 2021/22
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

- 1.1 To seek approval for the memorandum of understanding and terms of reference associated with the Leeds City Region Business Rates pool, of which Harrogate will be a member authority in 2021/22. To seek approval for the Leader to sit on the Joint Committee of the pool.

2.0 RECOMMENDATIONS

- 2.1 That it is noted that the existing North and West Yorkshire (N&WY) Business Rates pool is to be revoked on 31 March 2021 and the current N&WY Business Rates pool Joint Committee will therefore be disbanded on the same date.
- 2.2 That the memorandum of understanding (Appendix 1) and terms of reference (Appendix 2) for the new Leeds City Region (LCR) Business Rates pool for 2021/22 be approved.
- 2.3 To appoint the Leader to the Joint Committee for the LCR Business Rates pool for the 2021/22 financial year.

3.0 RECOMMENDED REASONS FOR DECISIONS

- 3.1 The council is a member of the LCR Business Rates pool that has been approved by the Ministry of Housing, Communities and Local Government (MHCLG) to operate for 2021/22. In order for the pool to operate, the existing N&WY pool must be revoked. Each member authority must approve the memorandum of understanding and terms of reference for the new LCR pool.

3.2 As part of the governance arrangements, Harrogate is stated as being one of the members of the Joint Committee that will oversee the LCR pool in 2021/22.

4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 Not to approve the memorandum of understanding and terms of reference. Not recommended as arrangements must be in place for the commencement of the new pool on 1 April 2021.

4.2 Not to approve that the Leader sit on the Joint Committee for the pool. Not recommended as this would contradict the memorandum of understanding and would diminish the Council's influence on the pool.

5.0 THE REPORT

5.1 Since 1 April 2013, the Council has been a member of a Business Rates pool each year; for the past two years as part of an N&WY pool, and before that as part of an LCR pool. The other North Yorkshire authorities did not wish to pool in 2021/22 and, on 16 December 2020, MHCLG confirmed that for 2021/22 approval had been given for an LCR pool to operate. At their meeting of 6 January 2021, Cabinet approved the involvement of the Council in the pool.

5.2 The financial benefits to all authorities involved are likely to be smaller than in previous years and the council's budget for 2021/22 does not therefore include any additional income due to our involvement in the pool. However, levies paid by the tariff authorities within the pool (Leeds, York and Harrogate) will be retained by the pool rather than being paid to central government and will therefore benefit the district and the wider region.

5.3 The current N&WY pool will be revoked on 31 March 2021 and the current N&WY pool Joint Committee will be disbanded. In order to provide leadership for the 2021/22 LCR pool, it is proposed that the 7 member authorities of the pool agree to set up a single-purpose joint committee that will have specific responsibility for leading the pool. It is proposed that the new LCR pool will be led by a Joint Committee comprising the Leaders (or their nominees) of the member authorities making up the pool. As such, a new memorandum of understanding, which sets out the governance arrangements, and terms of reference are required.

5.4 The proposed memorandum of understanding is set out at Appendix 1 and the terms of reference for the Joint Committee are set out at Appendix 2. These will be formally ratified at the first meeting of the 2021/22 LCR Pool Joint Committee.

5.5 The key features of the governance arrangements are:

- The membership and operation of the pool's Joint Committee are set out. Harrogate is included as a representative member of the Joint Committee, along with the other members of the pool.

- The lead authority, responsible for the administration of the pool, will be Leeds City Council, as has been the case under the LCR pool and N&WY pool in previous years.
- The process for dissolving the pool is set out.
- The processes for dealing with potential losses of income and the treatment of residual benefits or liabilities are set out.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.
- 6.2 Under Schedule 7B of the Local Government Finance Act 1988, the Secretary of State may designate two or more relevant authorities as a pool, subject to conditions requiring the authorities to appoint a lead authority to exercise those functions specified in such conditions, and subject to such other conditions as the Secretary of State thinks fit.
- 6.3 This report makes recommendations with regard to the governance arrangements of the LCR Business Rates pool for 2021/22 following the revoking of the 2020/21 N&WY pool. Each pool member authority is being requested to approve these arrangements and the appointment of the members as a joint committee of the authorities in the LCR Business Rates pool for 2021/22.
- 6.4 The agreement will need to be approved by each pool member authority individually. Under Regulation 11(6) of The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012, where functions are all the responsibility of the executive of the authority, the appointment of the joint committee is to be made under Section 102(1)(b) of the Local Government Act 1972, and the number of members to be appointed, their term of office, and the area (if restricted) within which the committee is to exercise its authority, are to be fixed, under Section 102(2) of the 1972 Act. These matters must all be dealt with, in the case of an authority having a leader and cabinet executive, by the executive leader, or unless the executive leader otherwise directs, by the executive, another member of the executive, or a committee of the executive, of the authority. As matters relating to the pool are all executive functions, each member authority will therefore need to resolve, as specified above, to appoint the new joint committee on the terms set out in this report.
- 6.5 The following risks have been identified:
- The levels of income do not reach the projected amounts (this is most likely to occur because of successful appeals by businesses against their rating valuations).

- Another authority could decide to withdraw from the pool. If this occurs from this point onwards, all LCR authorities will operate independently for 2021/22.

The first of these risks will be mitigated by regular monitoring throughout the year (internally, monitoring is undertaken on a monthly basis; pool-wide monitoring will be undertaken quarterly). The Council has not included any income from the pool in 2021/22, so there should be no budgetary impact of reduced income across the pool. If income drops dramatically across the pool as a whole, there may be a small cost to the Council of providing 'safety net' payments to other authorities, but the risk is considered to be low and the Council's share of these costs would be very small compared to the other members of the pool.

7.0 CONCLUSIONS

- 7.1 The Leeds City Region Business Rates pool has been designated by MHCLG to operate in 2021/22. Each of the member authorities must approve the memorandum of understanding and terms of reference for the pool, and a new Joint Committee must be formed to oversee the operation of the pool.

Background Papers –

OFFICER CONTACT: Please contact Graham Byrne, Financial Services Manager, if you require any further information on the contents of this report. The officer can be contacted at Finance, PO Box 787, Harrogate, HG1 9RW; by telephone on 01423 500600 ext 58564; or by e-mail at graham.byrne@harrogate.gov.uk

LEEDS CITY REGION BUSINESS RATES POOL

MEMORANDUM OF UNDERSTANDING

1. Title

- 1.1. Leeds City Region Business Rates Pool.

2. Membership

- 2.1. City of Bradford Metropolitan District Council, The Metropolitan Borough Council of Calderdale, Harrogate Borough Council, Kirklees Council, Leeds City Council, The Council of the City of Wakefield, City of York Council.

3. Commencement

- 3.1. This Memorandum of Understanding will come into force on 1st April 2021 and will continue until any one of the members formally leaves the Pool (see “Dissolving the Pool”, below).

4. Rationale and Objectives

- 4.1. The Leeds City Region Pool exists to benefit the individual members and to further the aims of the region as a whole.
- 4.2. The income received by the Pool will be shared out so that each member authority receives at least the same amount that they would if they were treated individually under the Business Rates Retention scheme. The only exception to this is set out in **Section 8 and 9**, below. Any excess income arising from reductions in levy payments will, after allowing for agreed expenses, be allocated to activities that support economic growth and regeneration across the Pool area.
- 4.3. Any variation to the arrangements set out in **4.2**, above, will require the formal agreement of the Leeds City Region Business Rates Pool Joint Committee.

5. Leadership and Accountability

- 5.1. The Pool will be led by a joint committee comprising of representatives of the member Authorities making up the Pool. Joint Committee representation will be as follows:

- City of Bradford Metropolitan District Council
- The Metropolitan Borough Council of Calderdale
- Harrogate Borough Council
- Kirklees Council
- Leeds City Council
- The Council of the City of Wakefield
- City of York Council

5.2. The joint committee shall be responsible for:

- any changes to the purposes for which the income received by the pool should be used, but the principle that no authority should receive less than they would if treated individually, shall be maintained;
- agreeing the expenses to be deducted by the lead authority administering the Pool;
- considering any applications for other councils to join the Pool;
- any variations to the membership of the joint committee;
- any other matters relating to the administration and governance of the Pool including replacement of the lead authority.

5.3. The local authority representatives, as noted in 5.1 above, will be the leaders of the representative local authorities. Representatives of the member authorities will be able to nominate substitutes.

5.4. The members of the Joint Committee will elect a chairperson.

5.5. The Joint Committee will meet as and when required but no less than twice each year.

5.6. The quorum for the meetings will be no less than 5 members.

5.7. Member voting rights will be one vote for each member of the Joint Committee. Voting will be by simple majority. In the event of a tie, the chair of the meeting will have a casting vote.

5.8. The Joint Committee will be supported by officers drawn from the lead authority.

5.9. The Joint Committee may establish any sub-groups or any officer forums that they believe to be appropriate.

5.10. Minutes of Joint Committee meetings will be published as required by law.

6. Lead Authority

6.1. The initial lead authority responsible for the administration of the Pool shall be Leeds City Council.

6.2. The lead authority will normally act as such for a full year and may only be replaced at the year end. A lead authority wishing to relinquish the role at the year end (i.e. 31st March) must give a minimum of four months' notice.

6.3. Each member of the Pool will be jointly and severally liable for any payments required to the Ministry of Housing, Communities and Local Government but, notwithstanding that, the lead authority will take responsibility for all matters in relation to the administration of the Pool including (but not limited to):

- All liaison with MHCLG and other government departments including the completion of all forms and returns associated with the Pool;
- Administration of payments to and from the Pool and all calculations relating to the collection fund for the Pool;
- Producing an annual report showing how income has been distributed and preparing periodic monitoring reports for Pool members;
- Calculation of the costs of administering the Pool which are to be deducted from the rewards of the Pool. If the excess income generated by the Pool was insufficient to cover the administrative costs of the Pool in any year, then the shortfall would be shared between the Pool members in proportion to their spending baselines;
- The lead authority will ensure that the pooling arrangements, annual reports and other financial information is published and is freely available on the lead authority website or elsewhere as appropriate.

7. Dissolving the Pool

7.1. If any member decides to leave the Pool the regulations require that the Pool will be dissolved. Pools can only be dissolved at the end of a year.

7.2. Any authority seeking to leave the Pool should inform MHCLG and all other members of the Pool as soon as possible. Once the Pool has been established, this must be by 30th September in any year, to allow the remaining members time to seek designation of a new pool for the following year (see 7.4, below).

- 7.3. The lead authority will make the necessary calculations and submit the required returns associated with the dissolving of the Pool.
- 7.4. The remaining members of the Pool may choose to form a new Pool and, if they wish, include new members for the following year (subject to new designation by MHCLG).

8. Treatment of Potential Losses in Income

- 8.1. The Pool will have a single safety net threshold set at 92.5% of its baseline funding level. Authorities that suffer reduction in 'retained rates income' to a threshold that is below 92.5% their Baseline Funding Level shall receive a safety net payment to restore their income to 92.5% of their Baseline Funding Level.
- 8.2. If such an authority is a member of a business rates pool, the safety net payment could be lost because the *loss across the pool* may not be as much as the 7.5% threshold. Indeed, if growth across the rest of the pool was weak, it could be that the loss of safety net payments could be greater than the amounts gained from paying reduced levies and the pool could be in deficit for the year.
- 8.3. Authority(s) that would otherwise have qualified for safety net(s) will have their share of pool proceeds calculated in such a way as to include what they would have received as a safety net payment.
- 8.4. The loss in income to the Pool from the safety net(s) foregone in any year will be met from the income generated from other authorities within the pool not having to pay levies in that year. If that levy income is insufficient, then the net loss from the safety net foregone will be shared amongst all the members of the Pool (including those that would have otherwise qualified for a safety net payment) in proportion to their spending baselines for the year to which the safety net(s) would have applied.



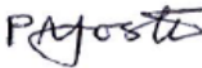



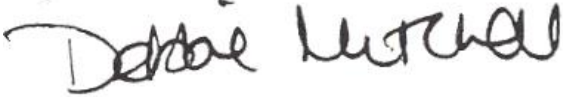
9. Treatment of residual benefits or liabilities

- 9.1. Any residual benefits or liabilities arising in regard to the Pool's additional income will be shared amongst all the members of the Pool in proportion to their share of the income received from the Pool.
- 9.2. Any financial benefits committed in 2021/22 for future years' expenditure shall remain under the authority of the Joint Committee until expenditure is either incurred or the Joint Committee agree to treat as "residual benefit" (see 9.1 above).

10. Authority following the dissolution of the Pool

- 10.1. At the point when the Joint Committee ceases to exist, they will authorise the lead authority to make any remaining payments on their behalf.
- 10.2. Any financial benefit committed to future years shall be transferred to the appropriate, sponsoring member authority who would then be responsible for delivering the funding for the schemes in accordance with the original approval. Should the value of funds transferred be greater than the actual cost, the member authority will ensure spend is consistent with the Pool's strategic aims.
- 10.3. Where the financial benefit committed to future years cannot be allocated to a single member authority, the funds shall be transferred to the lead authority who would then be responsible for delivering the funding for the schemes in accordance with the original approval. Should the value of the funds transferred be greater than the actual costs, the lead authority will treat as "residual benefit" (see Paragraph 9 above).
- 10.4. At the point when the Joint Committee is dissolved, their authority as a decision making group is no longer binding. Any decisions made after this point would be made by the Leaders representing their authority and will be subject to that authority's internal governance processes.

11. Evidence of authorisation

Authority name	Name of s.151 officer	Signature
City of Bradford Metropolitan District Council	Chris Chapman Director of Finance	
The Metropolitan Borough Council of Calderdale	Nigel Broadbent Head of Finance	
Harrogate Borough Council	Paul Foster Head of Finance	
Kirklees Council	Eamonn Croston Service Director, Finance and s151 Officer	
Leeds City Council	Victoria Bradshaw Chief Officer Financial Services	
The Council of the City of Wakefield	Neil Warren Chief Finance Officer	
City of York Council	Debbie Mitchell Corporate Finance and Procurement (Section 151 Officer)	

2021/22 LEEDS CITY REGION BUSINESS RATES POOL JOINT COMMITTEE

TERMS OF REFERENCE

TO BE AGREED

The 2021/22 Leeds City Region Business Rates Pool Joint Committee is authorised to:

- Allocate any excess income arising from levy payments that would otherwise have to be paid by member authorities to the Secretary of State in accordance with the Leeds City Region Business Rates Pool Memorandum of Understanding;
- Determine any changes to the purposes for which any such excess income should be applied, subject to the principle that no authority should receive less than they would if not a member of the 50% Retention Pool;
- Determine the expenses to be deducted by the lead authority administering the Pool;
- Consider any applications for other authorities to join the Pool;
- Determine any variations to the membership of the Joint Committee; and
- Determine any other matters relating to the administration and governance of the Pool including replacement of the lead authority.

The Joint Committee will elect a chairperson.

The Joint Committee will meet as and when required but no less than twice a year.

The quorum for meetings of the Joint Committee will be no less than 5 members. Members will be able to nominate substitutes either from their own authority or from a different member authority that is not a “representative” listed in the Memorandum of Understanding.

Member voting rights will be one vote for each member of the Joint Committee. Voting will be by simple majority. In the event of a tie, the chair of the meeting will have a casting vote.

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REPORT TO:	Management Board/ Cabinet
DATE:	29 March 2021/ 31 March 2021
SERVICE AREA:	Finance
REPORTING OFFICER:	Revenues, Welfare and Customer Services Manager (<i>Julie Gillett</i>)
SUBJECT:	Non-Domestic discretionary rates relief policy report 2021/22
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

To seek approval for changes to the discretionary rates relief policy from April 2021 to reflect the rate reliefs available in 2021/22 including the Government Budget announcements continuing rate reliefs to support certain business significantly impacted by Coronavirus restrictions.

2.0 RECOMMENDATIONS

- 2.1 To approve the Non-domestic discretionary rates relief policy (Appendix A) to be implemented from 1 April 2021.
- 2.2 For Cabinet to delegate to the Director of Corporate Affairs the authority to make amendments to the policy in relation to UK subsidy control arrangements.

3.0 RECOMMENDED REASONS FOR DECISIONS

- 3.1 The policy includes the changes necessary to implement the national business rate measures announced by Government and the continuation of local support for businesses over and above what is available nationally to enhance the local economy.
- 3.2 Giving delegated authority to the Director of Corporate Affairs to make amendments to the policy to include requirements necessary to ensure discretionary rate relief awards are compliant with UK subsidy control arrangements will allow the policy to be updated quickly to provide clear

guidance to businesses and ensure discretionary rate reliefs awards are correct.

4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 To continue with the current Non-Domestic discretionary rate relief policy which would not allow for the proposed continuation of relief to be rolled out within the district and is not recommended as it is not in line with the proposed government measures.

4.2 Not to approve that delegated authority be given to the Director of Corporate Affairs as outlined in 2.2 would cause delay in updating the policy if required to ensure it is compliant with UK subsidy control requirements and this would cause uncertainty to businesses.

5.0 THE REPORT

5.1 Discretionary rates relief allows Local Authorities to have some flexibility in areas of relief awarded to businesses to support the local economy and/or focus on specific areas for development.

5.2 The policy includes additional areas of relief, such as Town Centre Improvement, to actively support the Councils corporate objectives. The different categories of relief currently available are listed below:

- Business Investment in targeted growth areas
- Nursery discount
- Hardship Relief
- Increasing the supply of high quality office space
- Mobile infrastructure rate relief
- Partly occupied (Section 44a) relief
- Re-occupation of empty listed buildings
- Expanded retail relief
- Rural rate relief
- Town centre improvement relief
- Local newspaper
- Discretionary relief for non-profit organisations

To date a total of £50,853 has been awarded in discretionary relief so far this year across these categories where support is met by Harrogate Borough Council. This is less than previous years, mainly due to the introduction of national reliefs, such as the nursery discount which replaced our own local childcare rate relief.

5.3 In this year's Budget the Government announced the continuation of business rates relief measures which was introduced last year in response to Coronavirus. As these are temporary measures there is no change to legislation and local authorities are required to award the reliefs using discretionary relief powers under section 47 of the LGFA 1988. These reliefs are fully reimbursed under section 31 grant. The reliefs are:

- Expanded retail discount continues at 100% for 3 months, from 1 April 2021 to 30 June 2021 and then reduces to 66% from 1 July 2021 to 31 March 2022, subject to cash caps limits
- Ofsted registered nurseries relief continues at 100% from 1 April 2021 to 30 June 2021 and then reduces to 66% from 1 July 2021 to 31 March 2022, subject to cash caps limits

5.4 The Non Domestic Discretionary Rates Relief Policy has been updated to reflect these changes. Section 2.2.2 has been updated as a result of the changes to Nursery relief. Section 2.2.8 updated to reflect the changes to Expanded Retail discount.

5.5 The Council has approved the creation of a Local Authority Controlled Company (LACC) to provide the delivery of leisure services on behalf of the Council later in 2021/22. Discretionary business rate relief is granted under section 47 of the LGFA 1988 and whilst section 47(8A) states billing authorities may not grant the discount to themselves or a precepting authority, as the LACC is a separate business entity applications for Non Domestic discretionary rate relief can be considered in line with the award criteria in the discretionary business rate relief policy

5.6 Section 3.2 of the discretionary rate relief policy has been updated to clarify the position that such a company can receive 100% discretionary rate relief where it is providing recreation and social welfare services and is in the interests of Council Tax payers to do so.

5.75.8 Only one area of discretionary business rate relief has been removed from the scheme as it was limited Government funding until 31 March 2021 to support businesses facing rate bill increases following the 2017 revaluation.

5.9 Non Domestic discretionary rate relief was subject to EU State Aid rules, however since 1 January 2021, EU State aid rules no longer apply, however the UK remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

At the time of writing this report, the Council is still waiting for clarification of the requirement of subsidy control in respect of discretionary rate relief awards. A representative, on behalf of several local authorities, is seeking confirmation from the Government and therefore this report seeks approval to delegate authority to the Director of Corporate Affairs to make amendments to the policy in respect of subsidy control compliance. This will ensure that the necessary amendments to the policy are made, if applicable once clarification is obtained from the Government and to ensure that there is no delay for implementation of the policy for 1 April 2021 whilst awaiting confirmation from the Government.

The updated policy can be found at Appendix A.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Financial Implications:

In the budget for 2021/22, as set in the NNDR1 form that was submitted to the Ministry of Housing, Communities and Local Government in January 2021, and reflected in the Council's budget, a total of £43,400 has been included to provide for discretionary reliefs.

If the amount of discretionary relief granted in 2021/22 is greater than this, this would, all other things being equal, result in a deficit on the Collection Fund, which would need to be recouped in future years. The cost of this would be divided as follows:

Central Government 50%
Harrogate Borough Council 40%
North Yorkshire County Council 9%
North Yorkshire Fire and Rescue 1%

Conversely, any underspend against the £43,400 would result in a surplus on the Collection Fund, which would be redistributed in future years to authorities in the proportions set out above.

7.0 CONCLUSIONS

The performance of the policy over the previous twelve months demonstrates the effectiveness of the current categories and areas of relief on offer. The proposed amendments ensure the scheme allows the national business rate reliefs to be provided and provide the needed support as businesses reopen following the national coronavirus restrictions and continues to offer local support to businesses in the district which in turn support the development of the local economy.

Background Papers – None

OFFICER CONTACT: Please contact Julie Gillett (Revenues, Welfare and Customer Services Manager), if you require any further information on the contents of this report. The officer can be contacted by e-mail – julie.gillett@harrogate.gov.uk

Non-domestic Discretionary Rate Relief Policy April 2021

Produced by - *Revenues, Welfare and Customer Services*

Author – *Julie Gillett*

Contents

1	Overview.....	3
1.1	Background and legislation.....	3
1.2	Purpose of the policy	3
1.3	General principles	3
1.4	Application requirements.....	4
1.5	Processing applications.....	4
1.6	Appealing a decision.....	4
1.7	Payment of non-domestic rates	5
2	Rates relief for businesses.....	6
2.1	Mandatory relief for businesses.....	6
2.2	Discretionary relief for businesses in the Harrogate District	6
2.2.1	Business investment in targeted growth sectors.....	6
2.2.2	Nursery discount.....	7
2.2.3	Hardship relief.....	8
2.2.4	Increasing the supply of high quality office space.....	9
2.2.5	Mobile infrastructure business rate relief.....	9
2.2.6	Partly occupied property relief (Section 44a)	10
2.2.7	Re-occupation of empty listed building	12
2.2.8	Expanded Retail relief.....	13
2.2.9	Rural rate relief.....	16
2.2.10	Town centre improvement relief.....	16
2.2.11	Local Newspapers.....	17
3	Rate relief for non- profit making organisations.....	18
3.1	Mandatory reliefs for organisations	18
3.2	Discretionary relief for organisations.....	18
3.2.1	General evaluation criteria	19
3.2.2	Charities and CASCs	20

1 Overview

1.1 Background and legislation

Harrogate Borough Council (HBC) has four clear priorities for the district;

1. A strong local economy
2. A sustainable environment
3. Supporting our communities
4. Excellent public services

The council understands the importance support to local businesses and organisations plays in achieving against the above priorities, ensuring our communities and businesses are able to develop and thrive within the district.

Section 47 of the Local Government Finance Act 1988 gives powers to local councils to grant discretionary business rate relief. Subsequent legislation in the Localism Act 2011 has extended these powers to allow wider granting of local discretionary relief.

Although some reliefs are awarded through central government initiatives and can be reclaimed under a section 31 government grant, the remaining support is met by the local authority. Therefore there must be clear and transparent guidance in place to ensure relief is awarded fairly and consistently across the district to support our priorities.

1.2 Purpose of the policy

The policy outlines how the council will operate within the above legislation, and refers to discretionary rates relief scenarios applicable within the district. The policy also references the administration of the reliefs, including the application process to be followed when applying for rates relief.

Finally, the policy document identifies the responsibilities for decision making when awarding discretionary rate relief and the process for appealing any decision should the applicant not agree with the outcome.

1.3 General principles

Applications for discretionary rate relief must be considered in accordance with statutory requirements and give consideration to any guidance issued by the Secretary of State. Decisions will be taken in accordance with the council's constitution and with consideration to the interests of HBC council tax payers.

The criteria for discretionary relief awards have been allocated in such a way as to ensure the benefit to HBC tax payers, the local economy and community exceed any detrimental effects to these caused by the financial impact of the award. Locally managed reliefs will be applied once any mandatory, or government led discretionary reliefs have been applied.

The Council cannot award discretionary relief to itself or any other organisation that has the powers to raise or precept for Council Tax

1.4 Application requirements

Applications for mandatory and discretionary relief must be made online via www.harrogate.gov.uk. All application forms and supporting information requirements can be found under the **Business and investment** area of the website.

Other than for applications on the grounds of hardship, rate relief will be awarded from the date of application. If the applicant can demonstrate good cause for not making the application sooner, then discretion may be applied in exceptional circumstances and rate relief awarded retrospectively.

1.5 Processing applications

Once an application has been received by the council, it will be processed and evaluated against the criteria set. All required supporting evidence must be received prior to the evaluation taking place. The application will be passed to the Revenues, Welfare and Customer Services (RWCS) Manager for review and a decision made on the award.

We aim to process applications within four weeks of receipt of the completed application and supporting evidence. Once evaluated, applicants will be informed of the outcome. If an application is unsuccessful, the notification will tell the applicant the reasons why an award has not been granted.

Successful applications will have the award applied to their non-domestic rates account, and will receive a notification informing them of the decision, the percentage and timeframe the deduction has been awarded for and an amended non-domestic rate bill.

1.6 Appealing a decision

Harrogate Borough Council are keen to ensure ratepayers feel they have been treated fairly and therefore applicants may write to the council to tell us why they consider a decision to be wrong. This should be received by the council no more than four weeks after notification of an unsuccessful application is received by the ratepayer. The submission will be reviewed by the council's Section 151 officer in conjunction with the Portfolio Holder for Finance (Cabinet Member for Resources, Enterprise and Economic Development). This will be completed within six weeks of receipt of the applicant's letter and the applicant will receive a written response.

If the applicant is still not satisfied with the response, a further appeal can be submitted to the Licensing Committee. The applicant will be notified of the appeal hearing and invited to attend, and subsequently notified in writing of the outcome of the appeal. The decision of the Licensing Committee is final.

Right of appeal for refusal to grant relief can be challenged by judicial review under section 138 of the Local Government Finance Act 1988. This is the means by which the decisions of billing authorities under discretionary rating powers may be questioned. Judicial review is a High Court remedy, which may be resorted to by any person or organisation under the Rules of the Supreme Court, and which is primarily concerned not with the facts of the case in question but with the way the facts have been considered. The High Court's principal concern, here, is with the procedures leading up to the consideration of the case, with the conduct of the procedures leading up to the consideration of the case, with the conduct of the proceedings while the case is being considered, and with the extent to which relevant or irrelevant matters were or were not taken into account.

1.7 Payment of non-domestic rates

Ratepayers are required to continue making payments towards their business rates as they become due, during both the application and appeal stages of the process. If payments are not received, then the council will continue with its normal process for recovering arrears.

2 Rates relief for businesses

There are a number of different areas of rate relief available for businesses. Some of these are set by central government to support certain circumstances or initiatives, whilst others are local discretionary reliefs supported by Harrogate Borough Council and therefore the local tax payer.

2.1 Mandatory relief for businesses

Details of mandatory reliefs can be found at <https://www.gov.uk/apply-for-business-rate-relief>

HBC has no discretion in awarding mandatory relief, however must be satisfied that the statutory criteria are met. Any concerns over the status of a business will be reviewed against the available case law.

Appeals against refusal to grant relief must be made to the Magistrate's Court at a liability order hearing.

2.2 Discretionary relief for businesses in the Harrogate District

2.2.1 Business investment in targeted growth sectors

The Economic Growth Strategy for the Harrogate District (<https://www.harrogate.gov.uk/economicgrowthstrategy>) seeks to build on existing strengths, proactively address the challenges that the district's economy faces and create effective partnerships, thereby securing a successful and sustainable economic future. This relief will support the following aims of the strategy:

- A good supply of quality employment space in the appropriate locations; encouraging business growth and inward investment;
- An increase in the district's productivity and gross value added (GVA);
- More higher value jobs and higher average workplace wages, generating greater expenditure in the district;
- An image as a great place to invest and do business.

Our ambition is to provide relief for businesses who want to establish new operations within the district. The specific targeted growth sectors are:

- Financial & Professional Services
- Creative & Digital
- Logistics
- Scientific Research & Development

Applications from other sectors may still be considered on a case by case basis.

Applications under this relief must demonstrate the following;

- Creation of new jobs within the Harrogate district

	Micro	Small	Medium	Large
New jobs in District (FTE)	1 -9	10 -49	50 - 249	250 +
Relief per FTE	6%	4%	2%	1%
Max relief	50%	50%	50%	50%

- Evidence of job creation and long term lease/freehold to show their commitment to continued business activity within the district.

Successful applicants can choose to either receive relief within the first year of occupation or spread this over the first three years of their investment. In the event the business re-locates outside of the Harrogate district within the five year time period following discretionary relief being awarded, then the organisation will be required to repay any relief granted.

The decision to make an award within this category of relief will be taken by the Revenues, Welfare and Customer Services Manager, in consultation with the Economic Development Team, and the relevant Cabinet portfolio holder.

2.2.2 Nursery discount

The council recognises the benefit to local communities of childcare providers to enable parents to work to support family life and the local economy. For 2020/21, in response to the coronavirus, the Government announced the Nursery Discount for 2020/21 at 100% relief for eligible properties.

The government have announced for 2021/22 Nursery Discount will be continued as:

- 100% relief for three months only, from 1 April 2021 to 30 June 2021, and
- 66% relief for the remaining period from 1 July 2021 to 31 March 2022.

The relief will apply to premises that meet the following criteria:

- Occupied by provider on Ofsted's Early Years Register
- Used wholly or mainly for provision of Early Year Foundation Stage
- There is no rateable value limit for relief

Relief will be automatically awarded as eligible properties will be identified from the Ofsted Early Years Register.

The government is not changing legislation and this discount will be awarded using discretionary relief powers under section 47 of the LGFA 1988 (as amended) and will be fully reimbursed under section 31 grant. [Government guidance](#) has been provided and will be used in conjunction with this scheme to determine eligibility.

There will be no rateable value limit on the relief, but cash caps will apply.

There will be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021 nursery discount will be capped at £105, 00 per business and no person can

exceed this cash cap across all business rated properties as detailed in the [government guidance](#)

The relief will applied, after any mandatory relief (such as charity relief) and other government funded discretionary reliefs have been applied.

2.2.3 Hardship relief

Section 49 of the Local Government Finance Act 1988 allows the authority discretionary power to reduce up to 100% the payment of business rates for either occupied (section 43 of the Local Government Finance Act 1988) or unoccupied (section 45 of the Local Government Finance Act 1988) properties.

Each case will be considered individually based on the information provided in the application. If no evidence of hardship can be established, then there is no obligation for the authority to award hardship relief. The application should provide evidence against the following criteria;

- Prior two years trading accounts show a decrease in profitability
- The imposition of business rates is causing the hardship
- The loss of the business impacts on the local community through loss of employment, or services as the only supplier in the area;
- The business has proactively undertaken actions to manage the situation such as obtaining business advice, pricing review, employee remuneration review (reasonable remuneration classed as 150% of the national living wage);
- A business plan identifying how the current loss situation will be improved.

Applications for hardship relief against empty properties will only be considered in exceptional circumstances where there are clear benefits to the local taxpayers in making the award.

Applications will not be considered where the following factors are met;

- The latest available annual accounts show a profit, and/or;
- Assets or reserves amount to more than 300% of annual non-domestic rates liability, and/or;
- The proprietor has failed to exercise due diligence to anticipate circumstances that could result in hardship, and/or;
- A prior hardship relief award has been granted for 12 months in the last 24 month period, and/or;
- The business has been established for less than 12 months, unless there are clear unpredictable events that could not have been foreseen which threaten the viability of the business, and/or;
- There is no clear benefit to the council tax payer.

Relief will only be granted where the council feels there is clear evidence of hardship and is satisfied that failure to apply an award will impact on the longevity of the business and the community it serves.

Awards will be applied for a maximum of six months from the application date, or date evidenced hardship commenced. Applications can be made to extend the period of the award for a further six months, however previous business planning and performance will be considered before extending the duration of the award. Extension of hardship relief beyond the 12 month period will be under exceptional circumstances only and will be considered by the councils Section 151 officer in conjunction with the Portfolio Holder.

2.2.4 Increasing the supply of high quality office space

The availability of high quality office space is a priority to stimulate the local economy and development of high value growth sectors.

Applications under this category of relief must demonstrate the following;

- Must include B1 (a and b) use class (offices, research & development)
- Must be over 2,000 square feet (from the valuation office review)
- Must be in an accessible, preferably town centre location with consideration to public transport routes.

The amount of any reduction awarded will be considered in line with other applications received previously, and the following factors;

- Existing levels of relief
- Level of private investment
- Rateable value
- Layout – with a preference for open plan
- Digital infrastructure
- Energy efficiency improvements

The decision to make an award under this provision will be by the Revenues, Welfare and Customer Services Manager, in consultation with council's Estate Surveyors and the Cabinet portfolio holder.

2.2.5 Mobile infrastructure business rate relief

Local Authorities want to encourage mobile phone service providers to provide services to the more rural areas of the district where there is currently very poor or non-existent mobile phone coverage.

The areas where Business Rate Relief will apply are:

- a) Not Spots – The mast is to serve an area where there is no mobile coverage from any operator.
- b) Areas of Poor Mobile Coverage for all operators – The mast is to serve an area where the signal level is below the minimum level for all operators as stated by the industry regulator Ofcom.
 - The area may have some mobile coverage but it is not of a recognised level to sustain good communications. This will be measured by the NYCC Mobile Phone Coverage Programme Manager.

It should be noted that a mast will not be considered for business rate relief in areas where:

- There is currently coverage by one of the operators;
- There is a need to increase coverage due to capacity issues; or
- Operators are looking for a new site due to cessation notice on an original site.

The business rate relief will be applied to any new mobile infrastructure meeting the agreed criteria up to a value of £6,000 per annum per mast initially for a period of three years. Two further extension periods of two years each may be awarded if after year three and year five a review of the site confirms the area of coverage is still low use and/or commercial changes such as building development have not impacted on the usage and therefore profitability of the mast. This gives a maximum possible relief of £42,000 over the seven year period.

Applications will be considered by the RWCS Manager in consultation with the NYCC Programme Manager – Mobile Phone Coverage, to confirm the location of the mast meets the criteria above.

2.2.6 Partly occupied property relief (Section 44a)

The council has discretion under section 44a of the Local Government Finance Act to award rate relief where part of a property is un-occupied for a temporary period of time. The award is calculated by statute and is calculated as a proportion of the rateable value apportioned to the unoccupied area by the Valuation Office. Each application must be accompanied by a plan clearly showing the un-occupied area the application applies to.

The intention of this relief is to assist businesses who may be changing their business model or relocating and occupying spaces over a gradual period of time, however there must be clearly definable spaces for the purposes of apportionment. The reasons for partial occupation should be evidenced by the rate payer and each application will be considered on its own merits. No award will be made where it appears to the council that un-occupation of part of a property is wholly or partially for the purposes of applying for partly occupied property relief. Applications will always be considered in line with the section 44a of the Local Government Finance Act 1988 and any relevant case law.

Examples of circumstances where an application would be considered include (but are not limited to) the following scenarios;

- Partial occupation of a factory or commercial property to facilitate relocation of the business
- Part occupation of premises due to a downturn in trade
- Fire, flood or other natural disaster prevents full use of the building

If a request for an award is accepted, the council will request a certificate from the Valuation Office Agency indicating the relevant values of the occupied and unoccupied portions. This certificate is binding to the council and there is no right of appeal against the apportionment.

The ratepayer must allow access to the property by a council officer by appointment Monday to Friday between 9am and 5pm within two weeks of the application being received in order for the officer to verify the occupation of the property. If required, further access may be requested during the award period. Access to the un-occupied area may be requested immediately without

advanced notice. Should access not be allowed promptly without good cause, the rate relief award may be withdrawn.

The effect of the apportionment applies for the period the relief is applied, defined as the period beginning with the day the partial un-occupancy commenced, and ending on the first day one of the following events occurs;

- Occupancy of the un-occupied part of the property
- The end of the financial year in which the apportionment was made
- The end of six months from when the apportionment was made
- Requirement of a change to the apportionment
- Change to the liable party
- Complete occupation of the property
- Complete vacation of the property

Retrospective applications will not be considered once re-occupation of the space has taken place, unless independent evidence can be supplied to support a backdated claim.

2.2.7 Re-occupation of empty listed building

Empty listed buildings currently receive a mandatory rate relief of 100% with no time limit. This means there is little incentive for owners or investors to bring these properties back into use, reducing the risk of decay and safety issues, whilst helping to retain the rich heritage of the district which plays an important part in its economic development.

To incentivise investment in these properties, HBC will provide relief to the rate payer over a three year period, once commercial activities have resumed or started in the property. The following criteria must be met for relief to be granted;

- The building must be listed and have been vacant for a minimum of twelve consecutive months;
- Evidence must be submitted that some renovation is required to bring the building back into commercial use;
- The applicant must gain Listed Building consent for the proposed work, and any associated planning permission

Where the criteria are met, relief is as follows:

Year after property is brought back into use	Maximum % of relief
Year 1	80%
Year 2	50%
Year 3	20%

The relief only applies to the owner/occupier making the improvements to the building. The relief will end if the ownership or responsibility for paying the rates changes to another person or organisation after the award has been made.

The decision to make an award under this provision will be by the Revenues, Welfare and Customer Services Manager, in consultation with officers from Planning and Development and the Cabinet portfolio holder.

2.2.8 Expanded Retail relief

Since 2019/20 the government has provided a Business Rates Retail Discount for retail properties. In 2020/21, in response to coronavirus, the discount was increased from 33% to 100% and expanded to include leisure and hospitality sectors.

For 2021/22 Expanded Retail Discount will be:

- 100% relief for three months only, from 1 April 2021 to 30 June 2021, and
- 66% relief for the remaining period from 1 July 2021 to 31 March 2022.

As this is a measure for 2021/22 only, the government is not changing legislation and local authorities will use discretionary relief powers under section 47 of the LGFA 1988 (as amended) to grant this relief and will be fully reimbursed under section 31 grant. [Government guidance](#) has been provided and will be used in conjunction with this scheme to determine eligibility.

There will be no rateable value limit on the relief, but cash caps will apply.

There will be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021 relief will be capped at £105,00 per business, or £2 million per business under the Closed Cash Cap where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021. Eligibility for the Closed Cash Cap (£2million) is outlined in Annex B of the [government guidance](#)

Application of this relief will be processed automatically, where it is clear to the local authority the ratepayer meets eligibility criteria. Where expanded retail discount is awarded ratepayers are required to inform the council if they are in breach of the cash caps. Discounts will be withheld where it is clear to the local authority that the ratepayer is likely to breach the cash caps.

Businesses that will benefit from the relief will be those which for a chargeable day in 2021/22 where:

- a. Meet the eligibility of Expanded retail discount, as set out below
- b. The ratepayer has not refused the discount for the eligible hereditament. The ratepayer may refuse the discount for each eligible hereditament anytime up to 30 April 2022. The ratepayer cannot withdraw their refusal for either all or part of the financial year. Where discount is refused then there is no eligibility to expanded relief discount.

Eligibility for Expanded Retail Discount

Hereditaments (properties in the non-domestic rating list) will be eligible for the relief will be occupied hereditaments which meet all following conditions for the chargeable day:

They are wholly or mainly being used:

- i. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- ii. for assembly and leisure; or
- iii. as hotels, guest & boarding premises and self-catering accommodation

We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

- a) hereditaments that are being used for the sale of goods to visiting members of the public.

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, software stores, supermarkets, etc)

- charity shops
 - opticians
 - post offices
 - Furnishing shops/display rooms (such as carpet shops, double glazing, garage doors)
 - car/caravan show rooms
 - Second hand car lots
 - markets
 - petrol stations
 - garden centres
 - art galleries (where art is for sale/hire)
- b) Hereditaments that are being used for the provision of the following services to visiting members of the public.
- Hair and beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc)
 - Shoe repairs/key cutting
 - Travel agents
 - Ticket offices e.g. for theatre
 - Dry cleaners/laundrettes
 - PC/TV/domestic appliance repair
 - Funeral directors
 - Photo processing
 - Car/Tool hire
 - Employment agencies
 - Estate agents and letting agents
 - Betting shops
- c) Hereditaments that are being used for the sale of food and/or drink to visiting members of the public
- Restaurants
 - Takeaways
 - Sandwich shops
 - Coffee shops
 - Pubs
 - Bars
- d) Hereditaments that are being used as cinemas
- e) Hereditaments that are being used as live music venues
- f) Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of public (including viewing of such activities)
- Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours

- Casinos, gambling clubs and bingo halls
- g) Hereditaments that are being used for the assembly of visiting members of the public
- Public halls
 - Clubhouses, clubs and institutions
- h) Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business
- Hotels, guest and boarding houses
 - Holiday homes
 - Caravan parks and sites

The hereditament should be wholly or mainly being used for the above qualifying purposes. For avoidance of doubt hereditaments closed temporarily due to the government's advice on COVID19 should be treated as occupied for purposes of this relief.

The list of uses is not intended to be exhaustive and it is for the Local Authority to determine applications where a particular property not listed are broadly similar in nature to those above.

Types of use not considered to be eligible:

- a) Hereditaments that are being used for provision of services to visiting members of public
- financial service (banks, building societies, cash points, bureaux de change, short-term loan providers)
 - medical services (vets, dentists, doctors, osteopaths, chiropractors)
 - professional services (solicitors, accountants, insurance agents, financial advisers)
 - Post office sorting offices
- b) Hereditaments that are not reasonably accessible to visiting members of the public

The Expanded Retail discount is always calculated after mandatory relief (such as charity and small business rate relief) and other discretionary reliefs, excluding any local discretionary discount and ignoring cash caps.

2.2.9 Rural rate relief

Some rural businesses are eligible for mandatory Rural rate relief of 100% however applications for discretionary relief up to 50% can be made by any rural business, if they meet the following criteria;

Rural relief is only applicable to occupied properties

- The business must be situated in a rural area that has a population of no more than 3,000 residents on the 31st December of the preceding financial year.
- The business property must have a rateable value of no more than £16,500

Business accounts for the previous two years showing profitability are required to determine levels of relief against the following

Gross profit as a % of turnover	Maximum relief to be awarded
Up to 20%	50%
21% to 25%	40%
26% to 30%	30%
31% to 35%	20%
36% to 40%	10%
Over 40%	0%

Relief is allocated for one year only, and updated accounts are required to be submitted for review with each further annual application. Where a business is in its first two years of trading, relief will be based on a realistic forecast of future trading, and may take into account previous occupants or performance of similar businesses in the area.

2.2.10 Town centre improvement relief

Quality of 'place' is a significant factor in the economic vitality of the Harrogate District. It is therefore important that our town centres are seen as vibrant and attractive places to live, work, visit and do business.

Harrogate Borough Council would like to support local small business owners to improve the appearance of business premises in our town centres. Applications will be considered across the district to support the external re-decoration of properties with a rateable value of up to £50,000. This relief is also available to unoccupied business properties that meet the criteria. Town Centre Improvement Relief will be available in the "[town centre](#)" areas as defined of Boroughbridge, Harrogate, Knaresborough, Masham, Pateley Bridge and Ripon to help maintain the overall aesthetics of these areas.

Applicants are required to submit current photographs showing the state of the building and a quote for the decoration works to be carried out to provide assurance of the quality and longevity of the work to be undertaken and ensure proposals are in keeping with the local area. HBC will at this point approve applications and on proof of completion of the works will award relief of up to £1000 against the current years business rates liability.

2.2.11 Local Newspapers

From 1 April 2017 the Government has provided funding to local authorities to offer a £1,500 business rates relief for office space occupied by local newspapers, up to a maximum of one discount per local newspaper title and per hereditament, and up to subsidy allowances. This has been extended for additional years and is now available until 31 March 2025.

The property must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

The relief is specifically for local newspapers considered to be a “traditional local newspaper.” The relief is not available to magazines.

3 Rate relief for non- profit making organisations

Equally important in considering our district is the development and maintenance of our community. The mix of urban and rural populations in the Harrogate District brings with it challenges around transportation and access to services. Ensuring community groups and local activities are developed and sustained helps to reduce potential for isolation and depletion of community activities and contacts.

3.1 Mandatory reliefs for organisations

The Local Government Finance Act 1988 requires the Council to grant mandatory rate relief of 80% of the business rate liability in the following cases;

- Registered charities where the property is wholly or mainly used for charitable purposes
- Clubs registered with HMRC as a Community Amateur Sports Club (CASC)

Where a property is owned by a charity, or its trustees and it appears that when next in use, the property will continue to be used mainly for charitable purposes; the ratepayer will qualify for a mandatory allowance of 100% on the unoccupied charge payable.

HBC has no discretion in awarding mandatory relief, however must be satisfied that the statutory criteria are met. Any concerns over the status of an organisation will be reviewed against the available case law.

Appeals against refusal to grant relief must be made to the Magistrate's Court at a liability hearing.

3.2 Discretionary relief for organisations

There is a legislative requirement for businesses and organisations to identify mandatory rate reliefs applicable to their rateable property before applying for discretionary relief. Harrogate Borough Council recognises that not all businesses or organisations will fit into the above categories and will consider each application for discretionary relief on its own merit. The Council recognises the valuable role played by clubs and organisations within the community, however as any relief granted is paid by the tax payers of the district, it is important that the benefit to the tax payer is considered as part of the evaluation.

Applications for up to 100% discretionary relief can be submitted by not for profit organisations whose aims are charitable or otherwise philanthropic and in the interest of Harrogate Borough Council residents, concerning the promotion of social welfare, education, science, literature or the arts.

Applications may also be submitted where a property is mainly used for the purpose of recreation and all or part of the property is occupied as a club, society or other organisation not established or conducted for profit. Applications will be considered from any company wholly owned by the Council established for the provision of service delivery for recreation and social welfare on behalf of the Council. In such cases 100% discretionary rate relief will be awarded where it is in the interests of the Council Tax payers to do so.

3.2.1 General evaluation criteria

The following criteria **must** be met;

- No membership exclusions on the grounds of protected characteristics as defined within the Equalities Act
- The cost of access to club services is not excessive and prohibitive to general membership from all residents of the district.
- Quality of life within the community would be significantly affected if relief was not granted
- No other organisations are providing similar services or facilities within the local area
- No licenced bar open year round to a regular opening schedule outside of events and activities.

Benefit to district residents

To ensure discretionary relief is being considered in terms of benefit to the district, the percentage of membership being met from within the Harrogate district should be considered as follows;

Residents of Harrogate district as a percentage of overall membership	Maximum relief to be awarded
Over 74%	25%
50% to 74%	15%
Below 50%	0%

Provision of services to youth groups, special interest groups or groups identified under the equalities act

HBC encourages the development of facilities and opportunities to support young people within the district for both their personal development and support needs, particularly where membership or attendance is free of charge, or at appropriately reduced rates, or the facility complements other council run developments. Other special interest services are welcomed where there is a positive impact on the community served by the facility and loss of the facility would be detrimental to the health and/or wellbeing of its membership.

Provision of services to youth, special interest or groups under Equality Act	Maximum relief to be awarded
All services targeted at one or more of above groups	25%
Active programme in place to target the above groups	10%
Reduced fee structure in place for above groups	5%

Self-financing

To establish sustainable, local organisations the council is keen to support those who demonstrate good financial management and self-sufficiency where possible. This does not exclude the receipt of external income through grants, however fund raising events and subscriptions can also help fund raising, and contribute to the community value of the organisation. The award levels associated with self-financing are therefore set to encourage organisations to increase their self- financing income levels as follows;

Self-financing income	Maximum relief to be awarded
Over 74%	25%
50% to 74%	15%
Below 50%	0%

Levels of reserves

Whilst the levels of reserves held by an organisation can vary significantly, they need to be evaluated proportionally to the rate liability due for the property.

Reserves or savings as a percentage of rate liability	Maximum relief to be awarded
Below 100%	25%
100%-299%	15%
Over 300% (500% hospices)	0%

3.2.2 Charities and CASCs

Some organisations eligible for the 80% relief above may also apply for discretionary top up relief up to 100% of their rates liability.

Academy, free, grant maintained, faith and trust status schools will not be granted discretionary relief, unless a special case for hardship can be proved under which circumstances an application under this category should be submitted (section 2.2.4)

This discretionary relief will be awarded proportionally against the criteria in 3.2.1

REPORT TO:	CABINET
DATE:	31 March 2021
SERVICE AREAS:	Culture, Tourism & Sport Destination Marketing Place-Shaping & Economic Growth
REPORTING OFFICER:	DIRECTOR OF ECONOMY & CULTURE <i>(Trevor Watson)</i>
SUBJECT:	COVID-19 ECONOMIC RECOVERY FRAMEWORK & ACTION PLAN – Update & Priorities for 2021/22
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

The purpose of this report is twofold:

(1) to provide a general update on ongoing and planned future work to support businesses and the local economy via the Council's Covid-19 Economic Recovery Framework & Action Plan; and

(2) to recommend a number of specific priorities for events and use of outdoor space to proactively support the local economy as it opens up from lockdown over the months ahead

2.0 RECOMMENDATION/S

It is recommended that Cabinet:

- 1) note the two updates made to the Economic Recovery Framework (as set out in section 5.1 and at Appendix A) and the specific activity undertaken and planned to support businesses and the safe re-opening of the high street (as set out in section 5.2-5.3)
- 2) endorse the priorities identified in sections 5.4-5.6 of the report in relation to proactive events and use of outdoor space to support the local economy

- 3) approve the provision of £75,000 funding from the Council's Major Events Reserve to support the delivery of additional event activity during the latter half of 2021

3.0 RECOMMENDED REASON/S FOR DECISION/S

The Council's Economic Recovery Framework & Action Plan are 'live' documents which recognise the need to adapt and work in new ways to support the local economy/businesses throughout and beyond the Covid-19 pandemic.

It is important that the Council continue to play a proactive role in supporting the local economy in the coming months as lockdown is eased and the district starts to re-open for business. Supporting businesses, maximising the safe use of public space and a proactive approach to Covid-safe events are all key parts of this.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION

Not to endorse/support the priorities for economic recovery set out in the report. This option is recommended for rejection because the Council has a critical role to play in economic recovery activity over the coming months and the local economy/businesses would be adversely affected if the Council failed to adopt a proactive approach.

Not to agree the funding to support delivery of the proactive events outlined in the report. This option is recommended for rejection because a proactive and safe approach to events will help support the local economy at a time when it is needed

5.0 THE REPORT

5.1 Context

In July 2020 the Council adopted a Covid-19 Economic Recovery Framework and Action Plan, recognising that this recovery would be an ongoing process (survive > recover > thrive) requiring different responses and actions over a period of time. The Framework/Action Plan is based around four themes which represent key strands of economic recovery, namely:

- (1) Business & Innovation
- (2) Place & infrastructure
- (3) People & community
- (4) Environment & land use

The Framework ('plan on a page') is attached as **Appendix A**. This includes two minor updates to the document, namely:

- (1) Delivery timescales in the document have been updated to reflect that the national and local economy still remains in the 'survive' phase, as a result of extended national lockdowns throughout 2020.

(2) An additional action area has been added under the 'Place and Infrastructure' theme to highlight the importance of events in supporting the local economy over the coming months and in the longer term.

In terms of progress to date against the Framework/Action Plan, **Appendix B** provides a visual summary of outcomes up to the end of Quarter 3 (31 December 2020). The year-end outcome report for 2020/21 (to 31 March 2021) will be published in May 2021.

Key headlines up to end of Quarter 3 included:-

- Over 4,700 downloads of our Business Toolkit helping shops and businesses re-open safely
- Over 900 business enquiries responded to by our Economy and Transport team
- 80 businesses supported via our one to one 'Reopening the High Street Safely' business support scheme
- 1100 Proactive Covid-19 Compliance advice checks responded to by our Environmental Health team
- Business support features in Residents and Business e-newsletters with a reach of 45,000 and social media reaching 40,858 on Facebook, and 14,246 Twitter Impressions

With a clear Government plan now in place to gradually ease lockdown restrictions (alongside a proactive vaccination programme), it is hoped that we can start to move towards the all-important 'recovery' phase of the Framework/Action Plan over the Summer 2021 period.

In preparation for this, the Economic Recovery Project Team have identified a number of specific work areas for prioritisation in the coming months - particularly in relation to the 'Business & Innovation and 'Place and Infrastructure' themes of the economic recovery framework. These priorities are:

- Support for businesses
- Reopening the High Street Safely
- Maximising the economic use of outdoor spaces
- A proactive approach to (Covid-19 safe) events

The detail of these priorities is set out in the sections below:

5.2 Support for Businesses

Since the initial lockdown in March 2020, support for businesses has been a top priority for the Council – as set out in the 'Business & Innovation' section of the action plan and in previous recovery updates to Cabinet.

Since March 2020 the Council has paid out

£76.7m worth of Covid business support grants across 10 grant schemes to 9862 recipients (as of 23 March 2021). These numbers will rise as there are still grants being assessed.

In addition, in the March 2021 Budget the Chancellor announced additional grants of up to £18,000 for pubs, restaurants, shops, hotels, gyms and hairdressers and an additional discretionary element of grant funding. Detailed guidance about this funding was received by the Council on 22 March 2021. As with previous rounds of grant funding there are conditions that need to be adhered to and in the case of the discretionary element (Additional Restriction Grant) it will only be available to councils once all previous Additional Restriction Grant money has been paid out. The Council will continue to place high priority on ensuring that grant funding is paid out to eligible businesses as quickly as possible.

In addition to the grants, the Council has also funded a business support initiative which gives Harrogate district businesses 'free' access to the 'Maybe Tech' platform (www.maybetech.com) for 12 months (worth upwards of £35 per month). This enables them to access a comprehensive programme of training and support and use of proactive social media tools to engage customers, reach new audiences and empower teams to make more sales. Local case studies for the initiative will be developed and promoted in the coming weeks to encourage more businesses to get involved.

5.3 Re-opening the High Street Safely

Since the initial easing of the first lockdown in Summer 2020, re-opening the high street safely has been a key priority for the Council – as set out in the 'Place & Infrastructure' section of the recovery action plan and previous recovery updates to Cabinet.

The Government awarded Harrogate Borough Council c. £141k of Reopening the High Street Safely (RHSS) funding in June 2020. Since that time we have carried out a number of initiatives using the fund to support the safe reopening of the high street / town centre at the appropriate times. This proactive work will continue in the coming weeks/months as our high streets/town centres once again gear up to re-open over the coming weeks/months, including:

- A further proactive phase of our #shopsafeshoplocal campaign to encourage people to shop local and in a safe covid compliant way, this includes; bollard covers, lamp post flags, radio adverts, newspaper adverts, social media campaigns, posters and parking restriction planter wraps.
- Extension of our high street / town centre business support service that is helping businesses become more resilient and adapt to the Covid restrictions. To date over 80 businesses have received support and advice.
- Launch of a digital "London Tube style" Harrogate and Knaresborough cycle map; 'Buy Local, By Bike', that encourages people to cycle to do their shopping locally

- Enhanced cleaning services at the Council-owned Public Conveniences in main visitor locations and across all the district's towns during key holiday periods (2nd April – 5th April, 1st May – 3rd May, 29th May – 31st May and 27th July – 6th September 2021). This will be delivered through the employment of short-term agency cleaners by way of proactively dealing with an anticipated increase in 'staycation' visitor numbers/increased use of the facilities within the district across the Spring/Summer period.

Welcome Back Fund (April 2021-March 2022)

On 22 March 2021 the Government also confirmed their intention to allocate a further tranche of funding to all Local Authorities, as part of a national 'Welcome Back Fund'. This is essentially a 100% 'top-up' to the original RHSS funding, thereby allocating a further c. £141k to Harrogate Borough Council. As with the original RHSS grant, the new money is also funded via the European Regional Development Fund (ERDF) and will therefore come with strict criteria and specific requirements for how funding can be spent. The funding will run until 31 March 2022 and includes two additional criteria in addition to the four listed in the original RHSS scheme, namely

- Support and promote a safe public environment for a local area's visitor economy; and

- Allow local areas to develop plans for responding to the medium-term impact of CV-19 including trialling new ideas particularly where these relate to the High Street.

Detailed guidance on the scheme is expected in the coming weeks.

5.4 Maximising the economic use of outdoor spaces

Use of Outdoor Space:

An 'Outdoor Spaces Group' was created last year to coordinate recovery action planning and support the re-opening of town and city centres across the Harrogate district following lockdown. This group has now reconvened to play the same proactive role as we move out of the latest lockdown via the Governments 'Road Map'.

This will be of particular importance from 12 April 2021 when it is expected that the hospitality industry will be able to serve food and drink ONLY in the outdoors until the next stage is reached.

The Business Planning Act was passed in 2020 granting powers to HBC to issue pavement licences via a streamlined process allowing businesses to occupy outdoor spaces creating additional trading capacity. The Government have asked local authorities to be proactive and supportive in their granting of permission to use these spaces and to enable outdoor areas to be utilised in this way.

Early indications are that the Business Planning legislation will be extended beyond 2021 and the Council is being asked to continue its flexible approach to the use of outdoor spaces throughout 2021.

Recognising the special status of the Stray and it being a key outdoor space which must be managed in accordance with the provisions of the Stray Act 1985, consideration is being given as to whether it is possible to use limited parts of the Stray in the summer months where, due to the location, pavement licences or alternative locations are not logistically possible. Any consideration would be predicated on obligations being in place to protect the Stray.

To support any decision being taken on this matter, the intention is to conduct a consultation exercise to ascertain the extent of interest in using the Stray for this purpose and any potential views on this locally. The consultation will include seeking the views of key stakeholders, along with local businesses. We are currently awaiting feedback from the Duchy on the proposed approach, prior to starting the consultation.

We are asking Cabinet to endorse the following actions

- To support the use of open space in the reopening of the hospitality sector, via the issuing of pavement licences
- To support the proposed consultation on limited use of the Stray Land as part of our Town Centre recovery work, subject to feedback from the Duchy
- To help businesses take full advantage of the flexibilities of their alcohol licences and any relaxations created to assist recovery.
- To continue working with NYCC in implementing road closures to create additional hospitality space or safe pedestrianised zones in order to maintain social distancing and a safe retail environment.
- To issue proactive planning advice to help support businesses who wish to open or improve an outdoor seating area, re-use an existing area or vary their opening hours.
- To continue to facilitate the suspension of parking spaces in key areas creating additional space for pedestrians to maintain social distancing.

5.5 Events as a vehicle for economic recovery

The positive economic impact of major events is well documented and the loss of event activity over the past 12 months has demonstrated the depth and breadth of the impact.

If the roadmap out of lockdown progresses as planned, Harrogate District will see events returning from mid-May onwards.

A number of key Harrogate District events have confirmed that they will take place over the summer, including the Great Yorkshire Show, Theakstons Crime Writing Festival and a number of trade events at Harrogate

Convention Centre. In addition there is a full calendar of events taking place on the Stray, Valley Gardens and other council land.

Although a busy summer is anticipated immediately following the main lifting of COVID restrictions planned for 21 June, additional event activity will support in attracting a larger share of the staycation audience and further benefit those businesses in the visitor economy that have been hardest hit by the lockdowns. This will be particularly important in the shoulder season once the school summer holidays are over.

In addition to the existing calendar of local events, HBC will support the following:

- **Harrogate Carnival 2021 - 4/5 September 2021 (TBC)**

This event will be organised, managed and produced by Harrogate International Festivals (HIF).

Harrogate Borough Council will provide direct grant of £50,000 from the Major Events budget to HIF, plus potential support activity in kind (e.g. litter picking).

There will be a one day lively and innovative celebration event building on the success of the 2019 delivery as part of the UCI cultural celebrations. The event will feature spectacle, street theatre, music and arts stages, workshops and food zones ensuring a creative and enticing event to drive footfall within the town, both from the local community and to create an enhanced tourism offer for visitors.

Currently this event is not anticipated to include a Parade in the same way it did in 2019. This is due to current advice and guidance from large scale city projects including Birmingham 2022 and Festival UK 22, which is the avoidance of parades as crowds are more challenging to manage at the roadside. Although this guidance is being regularly updated, HIF will need to consider the safety element, and both reality and perception and the costs of producing the parade vs a full day of delivery across multiple zones.

Elements of a 'Parade' could potentially be included within static areas avoiding the need for costly road closures and managing moving multiple sites, however this needs to be explored further.

- **Fire Garden 2021 – October/November 2021 (or February 2022)**

This event will be organised, managed and produced by HIF.

Harrogate Borough Council will provide direct grant of £25,000 from the Major Events budget to HIF, plus potential support activity in kind.

A 2-3 day evening Fire Garden event based on the success and outputs of the 2016 Cie Carabosse event in the Valley Gardens which was designed to celebrate the 50th Anniversary of HIF, attracting 25,000 people to the Harrogate across three evenings.

The programme will consist of fire shows, sculptures and installations on a grand scale using flickering art works. The fire gardens need twilight/darkness to create the most stunning effects and the early sunset at this time of year will allow families to attend the event.

It is proposed that the event will take place in October/November 2021 or February 2022 subject to government restrictions and guidance

In addition to the specific grant funding referenced above, other event related activity to note will include:

- Marketing support for the **Harrogate BID's planned series of weekend events** through Visit Harrogate's website and social media channels.
- **A review of Christmas in Harrogate District:** To support in the attraction of visitors outside of the peak summer months, a review of the District's Christmas offering will be conducted in order to maximise visitor expenditure and economic impact.

5.6 Event management resource

It is proposed that a new Events Bureau Manager post be created within the new Destination Management Organisation (DMO) subject to necessary budget approval.

This post will be critical in the delivery of the event related actions detailed within the Economic Recovery programme, and in the long term will form an integral part of the DMO's ambitions for positioning Harrogate District as an exceptional events destination. The role will lead on the attraction of new business and leisure events to the Harrogate District, and oversee the delivery of Harrogate Borough Council's Event Strategy.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Financial implications – there is £75k available within the Major Events Reserve to fund the events detailed at paragraph 5.5.

6.3 Legal Services have been consulted and their comments have been incorporated in to the report.

7.0 CONCLUSIONS

7.1 The Council's Economic Recovery Framework & Action Plan are 'live' documents which recognise the need to adapt and work in new ways to support

the local economy/businesses throughout and beyond the Covid-19 pandemic.

It is important that the Council continue to play a proactive role in supporting the local economy in the coming months as lockdown is eased and the district starts to re-open for business. Supporting businesses, maximising the safe use of public space and a proactive approach to Covid-safe events are all key parts of this, and Cabinet are therefore recommended to endorse the priorities identified in this report.

Background Papers – Various Covid-19 update reports at Cabinet meetings throughout 2020

OFFICER CONTACT: Please contact the following officers if you require any further information on the contents of this report:
Gemma Rio (For 'Events') gemma.rio@visitharrogate.co.uk
John McGivern (For 'Use of Outdoor Space') john.mcgivern@harrogate.gov.uk
Kathryn Daly (For 'Support for Businesses'/'Re-opening the High Street Safely') Kathryn.daly@harrogate.gov.uk
The officers can be contacted via the above email addresses, at Harrogate Borough Council, PO Bo 787, Harrogate, HG1 9R or by telephone on 01423 500600

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Covid-19 Economic Recovery Framework

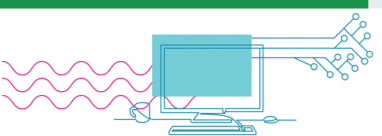


This is where we are focusing our efforts to support the local economy, working with others to ensure the Harrogate district survives, recovers and thrives in a sustainable way.



BUSINESS & INNOVATION		PRIORITY AREAS OF FOCUS	
	Help businesses access the support and funding that they need to survive		Help businesses access the support and funding that they need to grow
	Deliver up-to-date Covid-19 information, guidance and advice to aid business survival and recovery		Deliver up-to-date business support information, guidance and advice to aid business growth
	Support local businesses to stay open/re-open safely and responsibly		Support businesses in priority sectors to grow and create jobs
	Work with businesses who are re-structuring their workforce, including making redundancies, due to the economic impact of COVID 19.		Work with businesses to ensure that they can access the people and skills that they need to grow and succeed
	Encourage our 13,000 businesses and 165,000 residents to "Think Harrogate" as a way to kick-start economic recovery		Encourage workers, investors and businesses outside the district to "Think Harrogate" as a fantastic place to work, invest and do business
	Direct support for HBC commercial tenants		Invest in Council-owned commercial premises to support business growth
PLACE & INFRASTRUCTURE		PRIORITY AREAS OF FOCUS	
	Make sure that all our town centres are clean, safe and accessible for businesses, workers and customers		Reshape our town centres to make them sustainable, safe and welcoming spaces where people want to meet and spend time
	Encourage people to use our public spaces in a safe and responsible way		Maximise the economic use of our public spaces
	Work with developers so that they can re-open their sites safely and responsibly		Accelerate the delivery of high quality homes and jobs across the district
	Prioritise work on HBC capital projects that will help aid economic recovery		Deliver a range of economic infrastructure projects across Council-owned sites and buildings to support future economic growth
	Encourage residents to stay safe and enjoy the beautiful area that we live in; promote opportunities to 'discover what's on your doorstep' and 'holiday at home'		Promote our beautiful district and all its assets as a safe and desirable place to visit and stay
	Support a small number of key events to take place safely in order to attract and encourage visitor expenditure		Develop a long term Event Strategy to position Harrogate district as an exceptional events destination
PEOPLE & COMMUNITY		PRIORITY AREAS OF FOCUS	
	Support people who are redeployed, on reduced working hours, made redundant or needing to retrain or upskill due to the economic impact of COVID 19		Increase the number of higher value, higher skilled jobs in the Harrogate district to reduce the need for out-commuting
	Ensure investment in digital infrastructure continues in order to support people to work and access services from home where they can		Ensure investment in digital infrastructure continues in order to support new business models, changing consumer behaviours and digital skills.
ENVIRONMENT & LAND USE		PRIORITY AREAS OF FOCUS	
	Encourage people to keep walking and cycling whenever they can, promoting these as a sustainable way to travel to work and school		Walking, cycling and public transport become the method of choice for both shorter, local, trips and journeys to and from further afield.
	Promote the positive impacts of lockdown on carbon reduction		Step up our carbon reduction plans
	Help residents and businesses to access statutory Council services as quickly and easily as possible to aid economic recovery		Deliver a proactive, 'open for business' approach for all our statutory services

Page 61



For more information and to view the **Economic Recovery Action Plan** please visit www.harrogate.gov.uk/economicgrowthstrategy

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Economic Recovery outputs/outcomes Q3 – October to Decemember 2020

Harrogate Borough Council continue to strengthen the road to recovery for businesses in the district

Business and innovation

£53,085,986 paid out in business support grants* across **5883** successful grant applications by local businesses. (Business Rates Grant; Discretionary Business Grant; Small Business Grant; Local Restrictions Grant suite; Additional Restrictions Grant and Christmas Support Payment) *as 07 January 2021.

24 editions of our business e-newsletter* issued, providing information, advice and support in the region of **3,200** subscribers. *as end December 2020.

4,738 Business Toolkit downloads helping shops and businesses re-open safely. 'Operating your business safely' can now be found on the business and investment homepage.

85 businesses benefiting from a three month rent free period equating to £197,000. Currently working with businesses on an individual basis to agree personalised forms of assistance.

#ShopLocalShopSafe campaign continues district wide to support recovery including film production showcasing safe shopping on our high streets, Local radio adverts and printed media.; bollard covers, lamppost banners and parking bay planter barriers were also deployed. Articles featured in Residents and Business e-newsletters with a reach of **45,000** and social media reaching **40,858 on Facebook**, and **14,246 Twitter Impressions**.

917 business enquiries responded to by our Economy and Transport team from the business@harrogate email. **80** businesses supported via our one to one RHSS business support scheme. **20** SME's supported in peer to peer resilience and recovery forums.

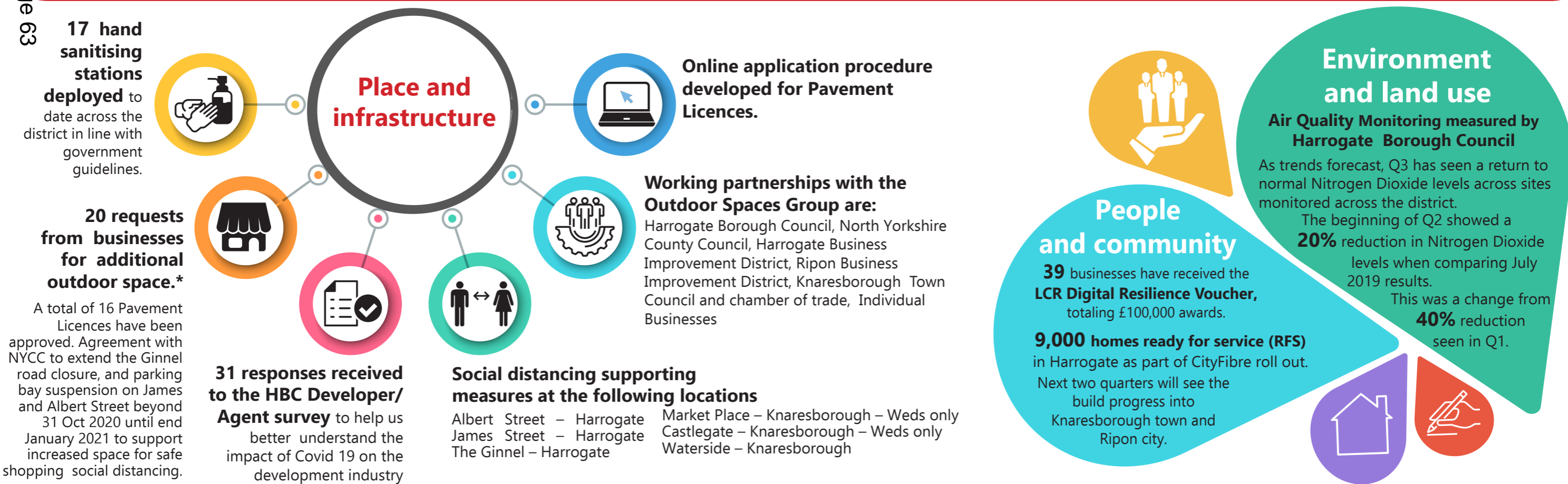
1100 Proactive Covid-19 Compliance advice checks responded to by Environmental Health. **61** Covid-19 outbreaks investigated with NYCC Public Health team. **52** planned events – giving Covid advice and guidance reviewing risk assessments.

Maybe* a social media insight platform has been contracted to offer businesses within district access a free account. It is designed to help small businesses maximise their social media impact to attract, retain and grow their customer numbers even during periods of lockdown when their shops are closed. Maybe* offers suite of tools and training resources.

100 letters sent out to business premises with large private water supplies e.g. caravan sites giving advice on safe water use and Legionella on reopening.

Reported figures are cumulative totals for 20/21

Page 63



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NOT FOR PUBLICATION: Appendix 1 to this report contains information considered to be exempt under Paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended

REPORT TO: Cabinet

DATE: 31 March 2021

SERVICE AREA: Place Shaping and Economic Growth

REPORTING OFFICER: Executive Officer Strategic Property and Major Projects
(Jonathan Dunk)

SUBJECT: **Springfield House Refurbishment – Award of Contract**

WARD/S AFFECTED: Harrogate Central

FORWARD PLAN REF: Key Decision No. 29PSEG20

1.0 PURPOSE OF REPORT

To obtain Cabinet approval to award the works contract for Springfield House Refurbishment, by direct award utilising the Pagabo Refit and Refurbishment Framework Lot 1 Area Yorkshire and Humber, to Lindum Group (York) Limited.

To note that the refurbishment work to create the Digital Incubator element of this project on floor 3 of Springfield House is funded by a successful Grant application to the Leeds City Region Local Enterprise Partnership (LCRLEP). Refurbishment works to floor 4 of Springfield House are funded through the Council's Capital Investment Programme.

2.0 RECOMMENDATION/S

2.1 That Cabinet approves:

- The contract being awarded to Lindum Group (York) Limited at a value of £501,815.

3.0 RECOMMENDED REASON/S FOR DECISION/S

3.1 By investing in the refurbishment of Springfield House, the Council will support its Corporate priorities by the:

- Creation of a Digital Incubator Hub on floor 3 to promote one of its for key sectors for Economic Growth - Creative and Digital
- Increased and improved employment space provision in the district supporting business and employment growth which will also increase our rental income
- Provision of new, fit for purpose office accommodation on floor 4 for Harrogate Convention Centre (HCC) staff.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION *(Must be used for reports to Cabinet & Cabinet Members)*

4.1 Not to award the works contract for the refurbishment at Springfield House – this is recommended for rejection because that approach would not facilitate investment in this Council asset or support Corporate Economic Growth or Self-sufficiency objectives.

5.0 THE REPORT

5.1 The Council vacated floors 1, 2 and 3 of Springfield House prior to its move into the new Civic Centre. Floor 4 remained in use for HCC staff.

5.2 The Council successfully bid for £540,000 through the Leeds City Region Local Enterprise Partnership (LCRLEP) to create a Digital Incubator Hub at floor 3 of Springfield House.

5.3 The Council has undertaken modest improvement works to floors 1 and 2 at Springfield house so that they can be let as office space. When fully let, the income will be approximately £40,000 p/a from these two floors.

5.4 This report refers to the proposed works that include the full refurbishment to the 3rd and 4th floors of Springfield House, the main stairwell, ground floor toilets and the toilets to mezzanines levels between 2nd/3rd and 3rd/4th floors. These works were scheduled to be undertaken in Spring 2020, but the project had to be put on hold due to several factors relating to the Covid-19 pandemic.

5.5 The 4th floor offices are to be refurbished to provide new accommodation for Harrogate Convention Centre with the 3rd floor area refurbished to provide new 'digital incubator' units for start-up businesses. The refurbishment project is to be undertaken as follows;

- Relocation of 4th floor offices down to 3rd floor and subsequent refurbishment of 4th floor area to form new accommodation for Harrogate Conference Centre.

- Relocation of Harrogate Conference Centre back to 4th floor and refurbishment and reconfiguration of 3rd floor to form new cellular offices and digital incubator.
- Refurbishment of toilet areas to 2nd and 4th floor mezzanine levels, ground floor accessible WC and third floor shower room.
- Refurbishment of stairwell to all floors.

5.6 Works will need to be planned and managed to align with the NHS exit of the Convention Centre Site.

5.7 **Tender Selection and Award**

Strategic Property working alongside the appointed consultant for design works (Gleeds) initially carried out a competition via the Pagabo Refit and refurbishment framework. The evaluation of the tenders took place in February 2020 which was based upon 60% price and 40% quality. At the point in which the council were ready to notify bidders of the outcome, the process was halted due to the covid19 pandemic and subsequently once we entered the UK wide lockdown, the tender process was cancelled and no contract award was made.

5.8 The evaluation of the original procurement exercise done in February 2020 is attached at exempt Appendix 1 for Cabinet to note and to demonstrate that at that time, Lindum were the lowest cost contractor.

5.9 Following consultation with Gleeds and the Corporate Procurement Unit, it is recommended that a direct award route via the refit and refurbishment framework is now used to appoint Lindum directly, rather than incur further cost and time delays by tendering the work again. The framework allows for a direct award to be made, and the suppliers on the framework, including Lindum, have already gone through a competitive tender process in order to be appointed to the framework.

6.0 **REQUIRED ASSESSMENTS AND IMPLICATIONS**

6.1 The following were considered: Financial Implications; Legal Implications; Strategic Property/Asset Management Considerations; Risk Assessment. If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Legal and Procurement

Legal and Procurement have been consulted in respect of this report. The Pagabo Refit and Refurbishment framework agreement is a fully OJEU compliant route to market. The framework agreement complies with the Public Contracts Regulations 2015. This framework agreement allows for the Council to make a direct award to a supplier. The appointed suppliers to the framework, including Lindum, have already gone through a competitive tender process in order to be appointed as a supplier to this framework. This ensures that the Council are obtaining best value for money.

6.3 Finance comments

There is sufficient budget included within the currently-approved Capital and Investment Programme to award the contract.

The Council secured £540,000 from the Leeds City Region Business Rates Pool to fund the delivery of the Digital Incubator element of this project; this funding is held within the Council Investment Reserve.

Once completed, the ongoing running costs associated with the 'Digital Incubator' are estimated at £21,000 per annum, whilst annual income is estimated at £69,000, giving an estimated annual net income of £49,000.

Budgets for maintenance and utility costs are already included within the Building Management Account. All budgets will be monitored as part of the normal financial monitoring processes and any amendments necessary will be picked up when monitoring the 2021/22 budgets.

7.0 **CONCLUSIONS**

By investing in the refurbishment of Springfield House, the Council will support its Corporate priorities by the;

- Creation of a Digital Incubator Hub to promote one of our for key sectors for Economic Growth - Creative and Digital
- Increased and improved employment space provision in the district supporting business and employment growth which will also increase our rental income
- Provision of new, fit for purpose office accommodation for Harrogate Convention Centre (HCC) staff.

Background Papers –

OFFICER CONTACT: Please contact Jonathan Dunk, Executive Officer Strategic Property and Major Projects, if you require any further information on the contents of this report. The officer can be contacted at Jonathan.dunk@harrogate.gov.uk

Exempt Appendix 1 – Tender Analysis

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REPORT TO: Cabinet

DATE: 31st March 2021

SERVICE AREA: Place Shaping and Economic Growth

REPORTING OFFICER: Executive Officer Strategic Property and Major Projects
(Jonathan Dunk)

SUBJECT: **Harrogate Theatre Refurbishment**

WARD/S AFFECTED: All

FORWARD PLAN REF: Key Decision No. 18PSEG20

1.0 PURPOSE OF REPORT

To obtain Cabinet approval to award the contract to the first ranked Supplier following a competition from the Pagabo Dynamic Purchasing System (DPS) framework agreement.

2.0 RECOMMENDATION/S

2.1 That Cabinet approves:

- 2.1.1 1. The works to Harrogate Theatre with a proposed commencement date of 3 May 2021.
- 2.1.2 2. The contract being awarded to the first ranked small works supplier as set out at exempt Appendix 1 following the completion and subsequent evaluation of bids submitted.
- 2.1.3 3. The arrangements set out in Appendix 2 to facilitate the tenant's ability to put on the booked productions during the duration of the works period.

2.2 That Cabinet notes;

1. That it will receive an update on the progress of the works at the Theatre in July 2021.

3.0 RECOMMENDED REASON/S FOR DECISION/S

3.1 By investing in the refurbishment of Harrogate Theatre, the Council will support our Economic Growth, Self-sufficiency and Carbon Reduction objectives through;

- Protecting the value and prolonging the life of the asset.
- Ensuring the health and safety of building users.
- Contributing to reducing carbon emissions by improving the building fabric (insulation, ventilation and draught proofing).

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION *(Must be used for reports to Cabinet & Cabinet Members)*

4.1 Not to undertake or to delay the refurbishment at Harrogate Theatre – this is recommended for rejection because that approach would not support Corporate Economic Growth, Self-Sufficiency and Carbon Reduction objectives. Although the scheme could be delayed there would be a need to undertake major roof, other external works and internal mechanical and electrical works in the near future. This would result in increased costs due to high levels of building cost inflation, with increased maintenance costs in the meantime until the works are completed. To undertake the works now as efficiently as possible while the building remains closed will also minimise disruption to the tenant.

5.0 THE REPORT

5.1 Harrogate Theatre was constructed circa 1920's and is structurally sound relative to its age and type. However, in line with good asset management, a detailed survey of the Grade 2 Listed building was completed at the end of 2018 to provide an updated building condition report, with costings, over a 10-year cycle.

5.2 The condition report identified essential planned maintenance requirements, including fire integrity works comprising horizontal and vertical fire compartmentation (phase one work now completed), and major remedial works including roof replacement, external works and internal mechanical and electrical works (phase two work).

5.3 Although Officers wished to progress with the planned maintenance works earlier last year as a single-phase scheme there has been a need to design and gain permissions for a complex structural, self-supporting scaffold to undertake the works requiring agreement with adjoining property owners.

This resulted in the works being split into two phases (phase one is complete and including fire integrity works comprising horizontal and vertical fire compartmentation) and the key components of phase 2 are described below;

- Erecting safe access and temporary roof structure over the entire building to maintain wind and watertight integrity during re-roofing and external works. Stripping and recovering the roof along with a range of improvement works to remove historic design issues. Undertaking remedial works to parapets and copings and brickwork walls to roof areas, along with stripping and recovering lead box linings along with works to the main rainwater goods discharging directly below.
- Remedial structural works to high-level brickwork where cracking is evident and repointing, stitching cracks and cyclical redecoration to elevations.
- Remedial works to the single glazed windows and existing timber doors including replacement where necessary and thorough overhaul ensuring that they operate as designed.
- Mechanical and electrical elements including ventilation and heating improvements to the auditorium and studio theatre. These works will require a degree of modification to the existing roofing works.

5.4 Due to the disruption the works will cause and the potential Health & Safety issues if the building were to remain occupied, the theatre will need to be closed during the duration of the works commencing on 3 May 2021 with a proposed completion date of 27 September 2021.

5.5 The works are extensive. There will be a full external scaffold of the Theatre; this will require erecting and dismantling during periods when the building is not in use to mitigate Health and Safety concerns. The works to the roof will result in relatively high levels of noise inside the building due to removal of existing coverings and recovering works. This would be disruptive if the Theatre is occupied during the main part of the works

5.6 There will also be works to upgrade the air-handling unit in the roof space. This will be over all areas of the roof but as the Stage and Theatre area covers a large portion of the building, this will be particularly disruptive to these areas if they were to be occupied. There is also an element of risk from falling objects and materials through to lower areas although every effort would be made to mitigate this risk.

5.7 Officers are aware that there have previously been issues of areas of Lath and Plaster ceilings collapsing at other venues in recent years which we recognise as a risk. As such a large amount of work is in the locality of the roof, there is an increased risk and again this is a potential health and safety issue if the building were to remain occupied.

5.8 Officers have worked collaboratively with the Harrogate Theatre team over the last 12 months to develop and implement the Phase One works (which are now complete) as well as jointly plan the optimum time to complete Phase Two works. This has ensured that the timing of the planned closure seeks to minimise the impact on the Theatre's events programme as far as possible. This close joint working and proactive communication will continue throughout the contract period to ensure that the Theatre team are kept fully up to speed with the status of the work.

5.9 **Tender Selection and Award**

The evaluation of the tenders has been based upon 60% cost and 40% quality and results are attached at exempt Appendix 1.

Based on this selection process it is recommended that the contract be awarded to the first ranked supplier, Bidder B.

6.0 **REQUIRED ASSESSMENTS AND IMPLICATIONS**

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; Strategic Property/Asset Management Considerations. If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Finance – sufficient budget is included within the currently-approved Capital & Investment Programme to cover the cost of awarding this contract.

6.3 Legal & Procurement have been consulted in respect of the preparation of this report The Pagabo DPS for Small works framework is a fully OJEU compliant route to market. The framework agreement complies with the Public Contracts Regulations 2015. The appointed suppliers to the framework, have already gone through a competitive tender process in order to be appointed as a supplier to this framework.

6.4 A competitive process has been undertaken in relation to the appointment of the proposed supplier.

7.0 **CONCLUSIONS**

7.1 By investing in the refurbishment of Harrogate Theatre, the Council will support our Economic Growth, Self-sufficiency and Carbon Reduction objectives through;

- protecting the value and prolonging the life of the asset.
- ensuring the health and safety of building users.
- contributing to reducing carbon emissions by improving the building fabric (insulation, ventilation and draught proofing).

OFFICER CONTACT: Please contact Jonathan Dunk, Executive Officer Strategic Property and Major Projects, if you require any further information on the contents of this report. The officer can be contacted at Jonathan.dunk@harrogate.gov.uk

Exempt Appendix 1 – Tender Evaluation

Exempt Appendix 2 – Legally privileged legal advice

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REPORT TO:	Cabinet
DATE:	31 March 2021
SERVICE AREA:	Place Shaping and Economic Growth
REPORTING OFFICER:	Executive Officer Strategic Property and Major Projects <i>(Jonathan Dunk)</i>
SUBJECT:	AWARD OF CONTRACT FOR HYDRO LEISURE CENTRE CARBON REDUCTION PROJECT
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	28PSEG20

1.0 PURPOSE OF REPORT

The purpose of this report is two-fold:

(1) To advise Cabinet of a successful bid for £1,838,338 of grant funding obtained through the Public Sector Decarbonisation Scheme (PSDS) to deliver a fully-funded carbon reduction scheme at the Hydro Leisure Centre

(2) To obtain approval from Cabinet to award the contract for the supply of professional services, goods and work in relation to this PSDS funded project at the Hydro Leisure Centre to Alliance Leisure via the UK Leisure Framework.

2.0 RECOMMENDATION/S

2.1 That Cabinet notes the successful bid for grant funding and approves the award of contract to Alliance Leisure via the UK Leisure Framework in the amount of £1,838,338 for the supply of professional services, goods and works in relation to the delivery of the Public Sector Decarbonisation Scheme funded project at the Hydro Leisure Centre.

3.0 RECOMMENDED REASON/S FOR DECISION/S

3.1 By utilising the framework and awarding this contract to Alliance Leisure the Council will be able to deliver the proposed PSDS funded project at the Hydro

Leisure Centre within the tight timescales set out in the PSDS grant conditions.

3.2 This project will support the delivery of the Corporate Carbon Reduction Strategy and reduce Carbon emissions by 577 tonnes per year.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 Not to award the contract to Alliance Leisure and to undertake a procurement process in order to award contracts to contractors for the provision of professional services, goods and works. As the value exceeds the goods and services EU threshold (currently) £189,889 a full open tendering procurement process in accordance with the Public Contract Regulations 2015 could easily take in excess of 6 months. This is not recommended. To run a full open tendering procurement process would not allow us to meet the tight grant condition timescales, and the Council could potentially lose the funding and or be obliged to repay the grant funding in part or in full. The proposed professional services, goods and works under the decarbonisation scheme will be designed and installed to work in harmony with the larger HCC investment scheme.

4.2 This project is fully funded by a government grant of £1,838,338 that has been secured through a successful bid to the national Public Sector Decarbonisation Scheme. One of the grant conditions is that the grant funding must be spent by the end of September 2021, if this condition is not satisfied then there is a risk that the grant funding will need to be partly or fully repaid.

4.3 There would be significantly longer timescales associated with starting a new procurement process for the delivery of this project. This would increase the risk of Harrogate Borough Council needing to repay partly or fully the grant monies as it would not be able to fulfil the grant conditions by delivering the project by the end of September.

5.0 THE REPORT

5.1 Through the national Public Sector Decarbonisation Scheme, Harrogate Borough Council has bid for and secured £1,838,338. Confirmation that the Council was successful in its bid was received on 17 February 2021.

5.2 This scheme will deliver a project at the Hydro comprising of the components set out below and reduce Carbon emissions by 577 tonnes per year;

- Install of Air Source Heat Pumps and removal of gas fired boilers
- Install of Solar PV to the roof
- Install of Battery storage
- Chiller Upgrade
- Building Energy Management System Upgrade

5.3 The UK Leisure Framework (or Alliance Framework) is a fully compliant OJEU framework which allows for the direct appointment of Alliance Leisure

Services as a development manager for scoping, design, refurbishment, construction and development of projects.

5.4 The UK Leisure Framework was procured in accordance with full OJEU Procurement Regulations by Denbighshire County Council (DCC) in 2016. The Alliance Framework is owned by DCC but has appointed a management board comprising of DCC Officers and Alliance Leisure personnel.

5.5 The decision has been made to proceed with the UK Leisure framework for this scheme. This framework provides leisure facility expertise and is commonly used by other local authorities for this type of large scale leisure project. The Framework is fully OJEU compliant and provides a faster and more efficient procurement route.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

6.1 The following were considered: Financial Implications; Legal Implications;; Strategic Property/Asset Management Considerations; If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below;

6.2 Procurement have been consulted in respect of this report and have no issues. The UK Leisure framework agreement is a fully OJEU compliant route to market. The framework agreement complies with the Public Contracts Regulations 2015. The appointed suppliers to the framework have already gone through a competitive tender process in order to be appointed as a supplier to this framework. This ensures that the Council are getting best value for money. As the value exceeds the goods and services EU threshold a full open tender procurement process in accordance with the Public Contracts Regulations 2015 could easily take in excess of 6 months.

6.3 Legal Services have been consulted in relation to the contents of this report and note that the UK Leisure Framework was procured in accordance with full OJEU Procurement Regulations by Denbighshire County Council (DCC) in 2016 and that the framework is a fully compliant OJEU framework which allows for the direct appointment of Alliance Leisure Services as a development manager for scoping, design, refurbishment, construction and development of projects.

6.4 Financial implications – the expenditure associated with awarding the contract will be funded from the PSDS grant of £1,838,338 so there is no net cost to the Council. Roughly half of the cost would have been incurred as part of the planned redevelopment of the Hydro that is currently being worked up, and the grant will therefore reduce the cost of the future works, with the other half representing an increase in scope and specification that would not otherwise have been possible.

The project will need to be managed carefully to minimise the risk of works over-running and the grant becoming repayable.

7.0 CONCLUSIONS

- 7.1 The £1.8m grant secured for this project will support the delivery of the Corporate Carbon Reduction Strategy and reduce Carbon emissions by 577 tonnes per year.
- 7.2 By awarding this contract to Alliance Leisure the Council will be able to deliver a fully grant funded Decarbonisation scheme at the Hydro Leisure Centre within the tight timescales set out in the grant conditions.
- 7.3 There would be significantly longer timescales associated with starting a new procurement process for the delivery of this project. This would increase the risk of Harrogate Borough Council needing to repay the grant because it could not fulfil the grant conditions by delivering the project by September 2021.

Background Papers –

Report to Cabinet Member Culture, Tourism and Sport, 19 November 2020,
Appointment of Supplier for Professional and Construction Services.

Sport and Leisure Investment Strategy – Cabinet Report June 2020

OFFICER CONTACT: Please contact Jonathan Dunk, Executive Officer Strategic Property and Major Projects if you require any further information on the contents of this report. The officer can be contacted by e-mail – jonathan.dunk@harrogate.gov.uk

REPORT TO:	Cabinet
DATE:	31 March 2021
SERVICE AREA:	Place Shaping and Economic Growth
REPORTING OFFICER:	Executive Officer Strategic Property and Major Projects <i>(Jonathan Dunk)</i>
SUBJECT:	AWARD OF CONTRACT FOR CARBON REDUCTION SCHEME AT HARROGATE CONVENTION CENTRE
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	Key Decision No. 30PSEG20

1.0 PURPOSE OF REPORT

The purpose of this report is two-fold:

(1) To advise Cabinet of a successful bid for £583,914 of grant funding obtained through the Public Sector Decarbonisation Scheme (PSDS) to deliver a fully-funded carbon reduction scheme at the Harrogate Convention Centre (HCC)

(2) To obtain approval from Cabinet to award the contract for the supply of professional services, goods and works in relation to the delivery of the Public Sector Decarbonisation Scheme (PSDS) funded project at Harrogate Convention Centre (HCC) to Engie Regeneration Limited (Engie).

2.0 RECOMMENDATION/S

2.1 That Cabinet notes the successful bid for grant funding and approves the award of contract to Engie by direct award via the Fusion 21 Energy Efficiency framework. This framework is a fully OJEU compliant route to market. The award is in the amount of £583,914 subject to any refined costs fees as set out in paragraph 5.3 below for the supply of professional services, goods and works in relation to the delivery of the Public Sector Decarbonisation Scheme funded project at HCC. The provision of professional services, goods and works are funded by the Public Sector Decarbonisation Scheme Grant award of £583,914.

3.0 RECOMMENDED REASON/S FOR DECISION/S

- 3.1 By utilising the framework and awarding this contract to Engie, the Council will be able to deliver a fully grant funded Decarbonisation scheme at HCC within the tight timescales set out in the grant conditions.
- 3.2 This project will support the delivery of the Corporate Carbon Reduction Strategy and reduce Carbon emissions by 70 tonnes per year.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 Not to award the contract to Engie and begin an alternative procurement process. As the value exceeds the goods and services EU threshold (currently) £189,889 a full open tendering procurement process in accordance with the Public Contract Regulations 2015 could easily take in excess of 6 months. This is not recommended. To run a full open tendering procurement process would not allow us to meet the tight grant condition timescales, and the Council could potentially lose the funding and or be obliged to repay the grant funding in part or in full. The proposed professional services, goods and works under the decarbonisation scheme will be designed and installed to work in harmony with the larger HCC investment scheme.
- 4.2 This project is fully funded by a government grant of £583,914 that has been secured through a successful bid to the national Public Sector Decarbonisation Fund. One of the grant conditions is that the programme must be completed by 30 September 2021 and, if this condition is not satisfied there is a risk that the grant funding will need to be partly or fully repaid.
- 4.3 There would be significantly longer timescales associated with starting a new procurement process as defined in 4.1 above for the delivery of this project. This would increase the risk of Harrogate Borough Council needing to repay the grant because it could not fulfil the grant conditions by delivering the project by the end of September.

5.0 THE REPORT

- 5.1 Through the national Public Sector Decarbonisation Scheme, Harrogate Borough Council has bid for and secured £583,914.
- 5.2 This scheme will deliver a project at HCC comprising of the components set out below and reduce Carbon emissions by 70 tonnes per year;
- LED lighting
 - Solar PV
 - Variable Speed Drives
 - Air Source Heat Pumps
 - Pipework Insulation.

- 5.3 Costs arising from the project will be in the region of £583,914 based on high level concept designs and cost assumptions. HBC will report to Salix who are administering the grants on behalf of the Department for Business, Energy and Industrial Strategy. If this increases by more than 10% of the accepted grant value this would be subject to Salix and HBC working together to apply for additional funding.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 6.1 The following were considered: Financial Implications; Legal Implications; Strategic Property/Asset Management Considerations; If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below;
- 6.2 Procurement have been consulted in respect of this report and have no issues regarding the proposed procurement route. The Fusion 21 framework agreement for Energy Efficiency is a fully OJEU compliant route to market. The framework agreement complies with the Public Contracts Regulations 2015. This agreement has Engie ranked in either first or second place across all the Lots. The appointed suppliers to the framework, including Engie have already gone through a competitive tender process in order to be appointed as a supplier to this framework. This ensures that the Council are getting best value for money. As the value exceeds the goods and services EU threshold a full open tender procurement process in accordance with the Public Contracts Regulations 2015 could easily take in excess of 6 months if a full open tender.
- 6.3 Legal Services has been consulted about the contents of this report and has provided advice on the proposed procurement route.
- 6.4 Financial Implications – the expenditure associated with awarding the contract will be funded from the PSDS grant of £583,914 so there is no net cost to the Council. Roughly half of the cost would have been incurred as part of the planned redevelopment of the HCC that is currently being worked up, and the grant will therefore reduce the cost of the future works, with the other half representing an increase in scope and specification that would not otherwise have been possible.

The project will need to be managed carefully to minimise the risk of works over-running and the grant becoming repayable.

7.0 CONCLUSIONS

- 7.1 The grant funding secured for this project will support the delivery of the Corporate Carbon Reduction Strategy and reduce Carbon emissions by 70 tonnes per year.
- 7.2 By awarding this contract to Engie the Council will be able to deliver a fully grant funded Decarbonisation scheme at HCC within the tight timescales set out in the grant conditions.

- 7.3 There would be significantly longer timescales associated with starting a new procurement process for the delivery of this project. This would increase the risk of Harrogate Borough Council needing to repay the grant because it could not fulfil the grant conditions by delivering the project by the end of September 2021.

Background Papers – N/A

OFFICER CONTACT: Please contact Jonathan Dunk, Executive Officer Strategic Property and Major Projects if you require any further information on the contents of this report. The officer can be contacted by e-mail – jonathan.dunk@harrogate.gov.uk