

**CABINET**  
**HELD ON WEDNESDAY, 31 MARCH 2021**  
**(FROM 5.30 PM – 6.41 PM)**

**PRESENT:** in the Chair. Councillor Graham Swift, Councillor Mike Chambers, MBE, Councillor Phil Ireland, Councillor Stanley Lumley, Councillor Tim Myatt and Councillor Andrew Paraskos.

**In Attendance:**

**Late Arrivals:** XXX

**Early Departures:** XXX

**138 – APOLOGIES FOR ABSENCE:**

**138/20 – APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES:**

An apology for absence had been received from the Leader, Councillor Richard Cooper.

(5.34 pm)

**139 – DECLARATIONS OF INTEREST:**

**139/20 – DECLARATIONS OF INTEREST:** Councillor Graham Swift declared an interest in Minute 148/20 on the basis that he was the Council's nominated representative on the Board of Harrogate Theatre. Councillor Swift left the meeting for consideration of the item and took no part in the debate or vote thereon.

(5.35 pm)

**140 – MINUTES:**

**140/20 – MINUTES:** The Minutes of the meeting of the Cabinet held on 2 March 2021 were unanimously approved as a correct record.

(5.37 pm)

**141 – EXEMPT INFORMATION:**

**141/20 – EXEMPT INFORMATION:** The reports considered at Minutes 142/20 and 146/20 and the appendices to the reports considered at Minutes 147/20 and 148/20 were considered to be exempt under paragraphs 3 and 5 of Schedule 12a to the Local Government Act. Discussion on the items took place in open session.

(5.38 pm)

**142 – LOCAL AUTHORITY CONTROLLED COMPANY INVESTMENT PROJECT BUDGET UPDATE:**

**142/20 – LOCAL AUTHORITY CONTROLLED COMPANY INVESTMENT**

**PROJECT BUDGET UPDATE:** The Executive Officer Strategic Property and Major Projects submitted an exempt written report which provided an update on the investment schemes for refurbishment of the Hydro and a new facility in Knaresborough. Further funding was required for the project to progress to RIBA

## **CABINET**

stage 4 and the report set out the reasons for the cost changes since the project was approved in June 2020.

### **RECOMMENDED (UNANIMOUSLY):**

That Cabinet recommend to Council that further funding as detailed in the report is made available in the 2021/22 Capital Investment Programme in respect of the Local Authority Controlled Company (LACC) Investment project, to be funded through internal borrowing.

(5.39 pm – 5.42 pm)

### **143 – LEEDS CITY REGION BUSINESS RATES POOL 2021/22:**

143/20 – **LEEDS CITY REGION BUSINESS RATES POOL 2021/22:** The Financial Services Manager submitted a written report which sought 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.

The Council had been a member of a North and West Yorkshire Business Rates pool for 2019/20 and 2020/21 and this was to be revoked on 31 March 2021. As the other North Yorkshire authorities did not wish to pool in 2021/22, MHCLG had given approval for an LCR pool to operate and Cabinet had approved the involvement of the Council in the pool on 6 January 2021.

The seven member authorities of the new pool had agreed to set up a joint committee which would have responsibility for leading the pool, and this would comprise the Leaders, or their nominees, of the member authorities. The proposed memorandum of understanding, which set out the governance arrangements, was set out at Appendix 1 and the new terms of reference were set out at Appendix 2.

### **RESOLVED (UNANIMOUSLY):**

That (1) it be 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) 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; and

(3) the Leader be appointed to the Joint Committee for the LCR Business Rates pool for the 2021/22 financial year.

### **Reasons for decision:**

The Council was a member of the LCR Business Rates pool that had 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

## **CABINET**

understanding and terms of reference for the new LCR pool.

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

### **Alternative options considered and recommended for rejection:**

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.

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.

(5.43 pm to 5.45 pm)

(D)

### **144 – NON-DOMESTIC DISCRETIONARY RATES RELIEF POLICY 2021/22:**

#### **144/20 – NON-DOMESTIC DISCRETIONARY RATES RELIEF POLICY**

**2021/22:** The Revenues, Welfare and Customer Services Manager submitted a written report which sought approval for changes to the Non-domestic 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 businesses significantly impacted by COVID-19. A copy of the draft Policy was attached at Appendix A.

Discretionary rates relief enabled councils to have some flexibility in areas of relief awarded to businesses to support the local economy. Paragraph 5.2 of the report listed the different categories of relief which were available. The Government had announced the continuation of business rates relief measures introduced last year in response to COVID-19. As these were temporary measures there was no change to legislation and local authorities were required to award the reliefs using discretionary relief powers under section 47 of the LGFA 1988. These reliefs were listed at paragraph 5.3 and the Policy updated to reflect these changes. The only area of discretionary business rate relief to be removed was support for businesses facing rate bill increases as a result of revaluation in 2017 as Government funding for this ended on 31 March 2021. Clarification was awaited in respect of UK subsidy control arrangements and approval was sought for authority to be delegated to the Director of Corporate Affairs to make the necessary amendments once the information was received.

### **RESOLVED (UNANIMOUSLY):**

That (1) the Non-domestic discretionary rates relief policy (Appendix A) be implemented from 1 April 2021; and

(2) authority be delegated to the Director of Corporate Affairs to make amendments to the policy in relation to UK subsidy control arrangements.

## **CABINET**

### **Reasons for decision:**

The policy included 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 was available nationally to enhance the local economy.

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 were compliant with UK subsidy control arrangements would allow the policy to be updated quickly to provide clear guidance to businesses and ensure discretionary rate reliefs awards were correct.

### **Alternative options considered and recommended for rejection:**

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 was not recommended as it was not in line with the proposed Government measures.

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 was compliant with UK subsidy control requirements and this would cause uncertainty to businesses.

(6.05 pm – 6.11 pm)

(D)

### **145 – COVID-19 ECONOMIC RECOVERY FRAMEWORK - UPDATE AND PRIORITIES FOR 2021/22:**

#### **145/20 – COVID-19 ECONOMIC RECOVERY FRAMEWORK - UPDATE**

**AND PRIORITIES FOR 2021/22:** The Director of Economy and Culture submitted a written report which provided an update on ongoing and planned future work to support businesses and the local economy via the Council's COVID-19 Economic Recovery Framework and Action Plan. The report also recommended a number of priorities for events and use of outdoor space to proactively support the local economy as it opened up from lockdown.

The Economic Recovery Framework and Action was adopted by the Council in July 2020 and set out a number of actions over a period of time as the Council moved through various phases of the pandemic and subsequent recovery. The Framework was attached at Appendix A and had been updated to reflect changes to delivery timescales as a result of extended national lockdowns. An additional action area had been added to highlight the importance of events in supporting the local economy. Appendix B provided a visual summary of outcomes up to the end of Quarter 3, 31 December 2020 and further detail was provided at paragraph 5.1.

A number of specific work areas had been identified for prioritisation in the coming months as lockdown was eased and the Council moved towards the 'recovery'

## **CABINET**

phase of the framework. These included support for businesses, re-opening the high street safely, maximising the economic use of outdoor spaces and a proactive approach to COVID-19 safe events. Further information was provided in paragraphs 5.4 to 5.6 of the report and approval was sought for funding for events as detailed in paragraph 5.5.

### **RESOLVED (UNANIMOUSLY):**

That (1) 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 reopening of the high street (as set out in section 5.2-5.3) be noted;

(2) 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 be endorsed; and

(3) 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 be approved.

### **Reasons for decision:**

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

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

### **Alternative options considered and recommended for rejection:**

Not to endorse/support the priorities for economic recovery set out in the report. This option was recommended for rejection because the Council had 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 was recommended for rejection because a proactive and safe approach to events would help support the local economy at a time when it was needed.

(5.46 pm – 6.04 pm)

(D)

## **CABINET**

### **24PSEG20:**

#### **146/20 – ULTRA-LOW EMISSION VEHICLE STRATEGY PHASE 1**

**IMPLEMENTATION: FORWARD PLAN REF: 24PSEG20:** The Executive Officer Economy and Transport and the Economy and Transport Officer submitted an exempt joint written report which provided an update on the progress of the Ultra-low Emission Vehicle (ULEV) Strategy and sought permission and funding to implement the first phase of the public Electric Vehicle (EV) charging network. Paragraph 7.2 listed proposed locations where charging points would be installed during Phase 1. Future phases would look at more outlying settlements and may require more significant investment in infrastructure such as new substations. Funding for Phase 1 was sought from the Council's Investment Reserve, however officers would seek to secure grant funding where possible to reduce the call on Council funds.

### **RESOLVED (UNANIMOUSLY):**

That (1) the report be noted along with the additional impetus to act and start delivering on the ULEV Strategy in order to reflect Government guidance that has brought forward the ban on the sale of internal combustion engine vehicles from 2040 to 2030;

(2) the use of up to £280,000 from the Council Investment Reserve to fund Phase 1 of the implementation of EV charging points in the Harrogate District be approved;

(3) the decisions regarding potential revenue share and incentivisation be delegated to the Director of Economy and Culture, in consultation with the Cabinet Member for Carbon Reduction and Sustainability, as part of the procurement process; and

(4) officers will seek to reduce the call on council funds wherever possible by applying for any relevant grant funding to support the project.

### **Reasons for decision:**

The ULEV Strategy was adopted in 2019 and a lot of work has been progressed since then, but the Council was now at a decision point with regards funding the roll-out and implementation of EV chargers.

The sum of £280,000 was needed in order to fund Phase 1 of the EV charging network.

The delegation to the Director would enable officers to secure the best deal for the Council during the procurement process.

### **Alternative options considered and recommended for rejection:**

Not to approve the £280,000 funding. This was not recommended as the ULEV Strategy has been approved by Council, it contributes to reducing our climate emissions and it offers HBC the chance to support a growing market.

## CABINET

Not to approve the delegations to the Director. This was not recommended as officers required the flexibility in order to secure the most appropriate outcome to meet the project aims and to ensure the Council's commitment to reduce carbon emissions.

(6.12 pm – 6.20 pm)

(D)

### **147 – SPRINGFIELD HOUSE REFURBISHMENT, AWARD OF CONTRACT - FORWARD PLAN REF: 29PSEG20:**

#### **147/20 – SPRINGFIELD HOUSE REFURBISHMENT, AWARD OF**

**CONTRACT - FORWARD PLAN REF: 29PSEG20:** The Executive Officer Strategic Property and Major Projects submitted a written report in which approval was sought to award a contract for the refurbishment of Springfield House. It was proposed that the contract be awarded to Lindum Group (York) Ltd by direct award utilising the Pagabo Refit and Refurbishment framework. A competition via the framework had taken place in early 2020, however this process was halted due to the COVID-19 pandemic and no contract was awarded. Attached at exempt Appendix 1 was a copy of the tender evaluation of the original procurement exercise from February 2020 for Cabinet to note and to demonstrate that at that time Lindum were the lowest cost contractor.

The proposed work included the refurbishment of floors 3 and 4 of Springfield House and stairwells and communal areas. Floor 3 was to be used to create a Digital Incubator Hub for start-up businesses which would be funded through a successful bid of £540k of funding from the Leeds City Region Local Enterprise Partnership.

#### **RESOLVED (UNANIMOUSLY):**

That the contract be awarded to Lindum Group (York) Limited at a value of 501,815.

#### **Reasons for decision:**

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

- Creation of a Digital Incubator Hub on floor 3 to promote one of its 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.

#### **Alternative option considered and recommended for rejection:**

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

## CABINET

objectives.

(6.21 pm – 6.25 pm)

(D)

### **148 – HARROGATE THEATRE REFURBISHMENT: FORWARD PLAN REF: 18PSEG20:**

#### **148/20 – HARROGATE THEATRE REFURBISHMENT: FORWARD PLAN**

**REF: 18PSEG20:** The Executive Officer Strategic Property and Major Projects submitted a written report in which approval was sought to award a contract for refurbishment works at Harrogate Theatre following a competition via the Pagabo Dynamic Purchasing System framework agreement. Attached at exempt Appendix A was a copy of the tender evaluation and Appendix B to the report contained legal advice in relation to the project.

The report gave details of the required works which included roof replacement, external works and internal mechanical and electrical works. The Theatre would need to remain closed for the duration of the works which would commence on 3 May 2021 with a proposed completion date of 27 September 2021.

#### **RESOLVED (UNANIMOUSLY):**

That (1) the works to Harrogate Theatre be approved with a proposed commencement date of 3 May 2021;

(2) the contract be awarded to the first ranked small works supplier as set out at exempt Appendix 1 following the completion and subsequent evaluation of bids submitted;

(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 be approved;

(4) an update will be provided to Cabinet on the progress of the works at the Theatre in July 2021.

#### **Reasons for decision:**

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).

#### **Alternative option considered and recommended for rejection:**

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



## CABINET

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 remained closed would also minimise disruption to the tenant.

(Councillor Graham Swift declared an interest in this item and left the meeting during the debate and vote thereon)

(6.36 pm – 6.41 pm)

(D)

### 149 – **AWARD OF CONTRACT FOR HYDRO LEISURE CENTRE CARBON REDUCTION PROJECT: FORWARD PLAN REF: 28PSEG20:**

#### 149/20 – **AWARD OF CONTRACT FOR HYDRO LEISURE CENTRE CARBON REDUCTION PROJECT: FORWARD PLAN REF:**

**28PSEG20:** The Executive Officer Strategic Property and Major Projects submitted a written report 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. The scheme would reduce carbon emissions by 577 tonnes per year, supporting the delivery of the Corporate Carbon Reduction Strategy. The various components of the scheme were set out at paragraph 5.2 of the report and included the installation of air source heat pumps and solar PV to the roof. Approval was sought to award the contract for the supply of professional services, goods and works in relation to this project to Alliance Leisure via the UK Leisure Framework in accordance with OJEU Procurement Regulations.

#### **RESOLVED (UNANIMOUSLY):**

That the successful bid for grant funding is noted and the contract be awarded 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.

#### **Reasons for decision:**

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.

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

#### **Alternative options considered and recommended for rejection:**

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

## CABINET

services, goods and works. As the value exceeded 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 was 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 would be designed and installed to work in harmony with the larger HCC investment scheme.

This project was fully funded by a government grant of £1,838,338 that had been secured through a successful bid to the national Public Sector Decarbonisation Scheme. One of the grant conditions was 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.

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.

(6.26 pm – 6.31 pm)

(D)

### **150 – AWARD OF CONTRACT FOR CARBON REDUCTION SCHEME AT HARROGATE CONVENTION CENTRE - FORWARD PLAN REF: 30PSEG20:**

#### **150/20 – AWARD OF CONTRACT FOR CARBON REDUCTION SCHEME AT HARROGATE CONVENTION CENTRE - FORWARD PLAN**

**REF: 30PSEG20:** The Executive Officer Strategic Property and Major Projects submitted a written report 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). The scheme would reduce carbon emissions by 70 tonnes per year, supporting the delivery of the Corporate Carbon Reduction Strategy. The various components of the scheme were set out at paragraph 5.2 of the report and included LED lighting, solar PV and air source heat pumps. Approval was sought to award the contract for the supply of professional services, goods and works in relation to this project to Engie Regeneration Limited by direct award via the Fusion 21 framework agreement for Energy Efficiency.

### **RESOLVED (UNANIMOUSLY):**

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

## **CABINET**

Decarbonisation Scheme Grant award of £583,914.

### **Reasons for decision:**

By utilising the framework and awarding this contract to Engie, the Council would be able to deliver a fully grant funded Decarbonisation scheme at HCC within the tight timescales set out in the grant conditions.

This project would support the delivery of the Corporate Carbon Reduction Strategy and reduce Carbon emissions by 70 tonnes per year.

### **Alternative options considered and recommended for rejection:**

Not to award the contract to Engie and begin an alternative procurement process. As the value exceeded 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 was 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.

This project is fully funded by a government grant of £583,914 that had been secured through a successful bid to the national Public Sector Decarbonisation Fund. One of the grant conditions was that the programme must be completed by 30 September 2021 and, if this condition was not satisfied there was a risk that the grant funding will need to be partly or fully repaid.

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.

(6.32 pm – 6.35 pm)

(D)