

NOT FOR PUBLICATION: Appendix 1 to this report contains information considered to be exempt under Paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended

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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  
*(Jonathan Dunk)*

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

**WARD/S AFFECTED:** Harrogate Central

**FORWARD PLAN REF:** Key Decision No. 29PSEG20

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## **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](mailto:Jonathan.dunk@harrogate.gov.uk)

#### **Exempt Appendix 1 – Tender Analysis**