CABINET
HELD ON 1 MARCH 2022
(FROM 5.30 PM – 6.20 PM)

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

Late Arrivals: None

Early Departures: None

Prior to commencing the formal business of the meeting the Leader made a statement about the situation in Ukraine and Harrogate Borough Council's response. Clearly we are a small council with limited resources, capacity and spending but it is, I believe, incumbent on us all to look at where we buy things from and where we invest. All councils invest cash to financial institutions, or in buildings or on the markets or a combination of all three. I can though reassure members that Harrogate Borough Council has no cash on loan to Russian banks, our property funds are only invested in the United Kingdom and we have no share capital invested in Russian companies, we also do not purchase any services directly from Russian companies, of course detailed ownership is not within our ability to find hence why I use the word directly. The Russian State Ballet and Opera was due to perform at the Convention Centre in October but I have cancelled those dates. Although the company is registered at an address in England until we can verify that the ownership is not Russian the ban remains in place. In addition I have been contacted yesterday by Andrew Jones MP. As you know I work for Andrew as my day job but he contacted me in my capacity as Leader of Harrogate Borough Council. Mr Jones has written to the Prime Minister and held discussions with him about increasing the United Kingdom's offer to Ukrainian refugees. He has asked that we look at our housing stock and those of housing associations with whom we partner to ensure we are able to play our part in accommodating Ukrainian refugees if and when we are asked to do so. I have confirmed to Mr Jones that we will do so and, as we did with Syrian and Afghani refugees, we stand ready to do whatever is asked of us and more to welcome Ukrainian refugees fleeing this terrible war."

95/21 – **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES:** An apology for absence had been received from Councillor Graham Swift.

(5.31 pm)

96/21 – **DECLARATIONS OF INTEREST:** There were no declarations of interest.

(5.31 pm)

97/21 – **MINUTES:** The Minutes of the meeting of the Cabinet held on 2 February 2022 were unanimously approved as a correct record.

(5.31 pm)

98/21 – **EXEMPT INFORMATION:** Appendices 3, 4 and 5 to the reports considered at Minutes 102/21, 103/21 and Appendix 4 to the report considered at Minute 106/21 were considered to be exempt under paragraph 3 of Schedule 12a to the Local Government Act. Discussion on the items took place in open session.

(5.32 pm)

MATTERS DETERMINED BY CABINET

99/21 – **LOCAL COUNCIL TAX REDUCTION SCHEME 2022/23:** 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. The CTR scheme 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.

A full review and consultation process of the CTR scheme was planned to allow roll out of a new scheme for the 2021/22 financial year with a view to making the scheme simpler to communicate and claim. This was initially delayed by a year when resources within Welfare Services had to be prioritised on the additional work involved in our response to COVID-19. This included increased CTR applications and the administration of the Test and Trace Support payment scheme. Due to the ongoing COVID-19 response work throughout 2021/22 and the announcement of Local Government Reorganisation (LGR) from 1 April 2023 the full review of the CTR scheme was postponed. The new North Yorkshire Council would be required to agree a single CTR scheme for the new authority and the work had already commenced as part of the Finance work stream of the LGR programme.

The Council's CTR scheme was generous and offered 100% support to the most financially vulnerable households in the district, we were one of the few authorities to offer 100% support. There were no significant changes to the Local CTR Scheme for 2022/23; proposed minor amendments included the uprating of personal allowances and premiums; uprating of non-dependant deductions and uprating of income disregards.

RESOLVED (UNANIMOUSLY):

That HBC maintains the Local Council Tax Reduction Scheme in its current format for 2022/23 with the reflection of legislative changes that have come into effect since the 2021/22 scheme review.

Reasons for making decision:

The current scheme provided financial assistance for low-income households in the district and supported 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 applied 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.

To make revision or replacement proposals. This was not recommended as any change to the CTR scheme must follow the consultation process as set out in legislation. This work was not undertaken due to the continued high workload within the Welfare Service in response to the Coronavirus pandemic. The CTR scheme is generous, offering 100% support, and changing the scheme may mean reducing support for the most financially vulnerable placing increased pressure on low-income households in the district.

(5.32 pm – 5.34 pm)

(D)

100/21 – **HOUSING BENEFIT WAR PENSION AND ARMED FORCES COMPENSATION DISREGARD POLICY:** The Revenues, Welfare and Customer Services Manager submitted a written report which reviewed the arrangements for Housing Benefit made in respect of Section 134 8(a) of the Social Security Administration Act 1992 (SSAA), entitling local authorities to modify any part of the Housing Benefit scheme to provide for the disregarding of prescribed war disablement pensions or war widow's pensions. The Housing Benefit War Pension and Armed Forces Compensation Disregard Policy was attached at Appendix 1.

The SSAA 1992 entitled Local Authorities to locally design adjustments to the scheme to satisfy the needs of their community but with a percentage of the cost for such a scheme falling on the authority's own finances. The Housing Benefit Regulations 2006 prescribed a standard Government disregard of £10.00 from the incomes prescribed in the Housing Benefit (War Pensions Disregards) Regulations 2007. The Council had operated a local scheme that disregarded 100% of this income since the introduction of the SSAA and had incorporated this scheme into its Local Council Tax Reduction Scheme in 2013.

Subsidy arrangements meant that where a local amendment to the scheme was in operation, the local authority would be compensated with 75% of any expenditure incurred up to a maximum of 0.2% of the total subsidy claimed in the relevant year. In 2020-21 the full cost to the Council was £5,314 with £15,941 of the total expenditure of £21,255 met through subsidy. The total number of claimants in receipt of the prescribed incomes had fallen over the past 10 years with only eight claims in the 2020-21 subsidy year benefitting from the policy.

RESOLVED (UNANIMOUSLY):

That (1) the Council continues to disregard the whole of any incomes prescribed in the Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations 2007 and as such Cabinet approve the Housing Benefit War Pension and Armed Forces Compensation Disregard Policy for the 2021-22 subsidy year; and

(2) adoption of the policy for the forthcoming subsidy year 2022-23 be agreed.

Reasons for making decision:

A local scheme had been in operation for a number of years. The current scheme provided financial assistance for low-income households in the district and supported the Council's aims under its Welfare Strategy, promoting equality and welfare, targeting a group of individuals who were potentially vulnerable in accordance with the council's aim of "Supporting our Communities".

Retaining a local scheme would maintain consistency with the Local Council Tax Reduction Scheme, which has equivalent provisions and was approved by Cabinet for 2021-22 on 2 March 2021.

Adoption of the policy had already been factored into the operation of the Welfare Service and the administration of claims in 2021/22. As such, the financial implications had already been factored into budget projections for the service for the current year.

Adoption of the policy would ensure we were compliant for the Housing Benefit Subsidy Audit.

Alternative options considered and rejected:

Amending the policy to disregard only part of the prescribed incomes would create a lack of consistency between the administration of Housing Benefit and Local Council Tax Reduction Scheme (LCTRS).

Revoking the policy and making no alteration to the Housing Benefit scheme in respect of these incomes would equally create a lack of consistency between the administration of Housing Benefit and LCTRS.

Either of these changes would also potentially bring financial hardship to those in receipt of Housing Benefit by reducing their entitlement. Although this could bring a financial saving to the council, it is likely that it would also create a compensating demand on the Discretionary Housing Payments Scheme, which was already severely strained and potentially create hardship for a specific group in the community.

To not have an approved War Pension Policy was not recommended as there would be no clear guidance on the agreed approach for claimants and to the Reporting Accountancy undertaking the Housing Subsidy review.

(5.35 pm – 5.37 pm)

(D)

101/21 – **COVID-19 ADDITIONAL RELIEF FUNDING (CARF):** The Revenues, Welfare and Customer Services Manager (RWCSM) submitted a written report which sought approval of the scheme for awarding Discretionary Rate Reliefs for 2021/22 to businesses in respect of the COVID-19 Additional Relief Funding (CARF). The fund was available to support those businesses affected by the pandemic but that were ineligible for existing support linked to business rates. The report also sought delegated authority to the Section 151 Officer in consultation with the Cabinet Member for Resources, Enterprise and Economic Development to amend the scheme and implement further awards of relief if necessary and authority for the Revenues, Welfare and Customer Services Manager to make technical amendments to the scheme to ensure it met the agreed criteria and was in line with Government guidance.

Recognising that businesses affected by the pandemic, and not in receipt of other reliefs or support, would not be able to pursue Material Change of Circumstances appeals as a way of reducing their rates bills, the Government announced on 25 March 2021 that local authorities would be allocated a share of new £1.5 billion funding that could be used to support those local businesses most affected by the pandemic. The grant would be an extra support package for those businesses who did not benefit from the expanded retail discount provided to retail, hospitality and leisure businesses since 1 April 2020. CARF was essentially a retrospective support measure and was unrelated to the Omicron variant situation although announced at a similar time. The Government was providing Harrogate Borough Council with an allocation of £3,243,478 for CARF as a Section 31 Grant. Relief would automatically be granted to businesses within the sectors that the highest amount of funding has been allocated for and therefore those most affected by the pandemic. A contingency amount would be set aside from the allocation for any businesses who present themselves to the authority and could demonstrate that they have been adversely affected by the pandemic and meet the eligibility criteria of the scheme. Harrogate Borough Council had also worked with neighbouring North Yorkshire authorities to take a similar approach with their scheme. Funding would not be available to those businesses as detailed in section 5.12 of the report.

In response to a question from a Member the RWCSM explained that the CARF funding was not available to personal care business because the scheme related to Discretionary Business Rates Relief. To be eligible a business was required to have had a business rate liability in 2021/22 and not been in receipt of any other business rates relief. Personal Care business were eligible for the retail rates relief and therefore were not covered by this scheme.

RESOLVED (UNANIMOUSLY):

That (1) using discretionary relief powers under section 47 of the Local Government Finance Act 1988 as amended, and with regard to Government Guidance, the award of Covid-19 Additional Relief Fund (CARF) rate reliefs as detailed in the scheme in Appendix A be approved;

(2) the Section 151 Officer, in Consultation with the Cabinet Member (REED), be delegated authority to make changes to the CARF scheme to amend the scheme and implement further awards of relief if necessary, for example as a result of the application of the Subsidy Control rules, to maximise the support provided to businesses within the Section 31 Grant funding provided by the Government; and

(3) the Revenues, Welfare and Customer Services Manager be delegated authority to make technical amendments to the scheme to ensure it meets the agreed criteria and is in line with Government guidance.

Reasons for making decision:

The CARF scheme had been developed in response to an announcement made by the Government on 15 December 2021. Harrogate Borough Council had been allocated £3,243,478 of funding under the CARF scheme.

To have an agreed scheme for awarding Discretionary Rate Reliefs to businesses in respect of the CARF, and to maximise the use of available grant funding to provide these reliefs. As CARF was discretionary rate relief awarded under section 47 of the Local Government Finance Act 1988 as amended, it was important to have a written scheme for Harrogate Borough Council outlining the approach and eligibility criteria to ensure transparency and provide clarity to businesses.

The delegated authority was required, given the discretionary nature of the CARF, to ensure the funding position was reviewed on an ongoing basis so changes to the scheme can be made quickly and effectively to maximise the use of the funding and the scheme remains in line with the latest Government guidance.

Alternative options considered and rejected:

Not to proceed with the recommendations in this report would mean the opportunity to provide business rate relief, funded by Central Government grant, to those business impacted and unable to adapt to the pandemic would be missed. This would be against the Government intention for this funding. This was not recommended.

To make changes to the proposed scheme, such as allowing a different percentage of rate relief or amendments to the businesses eligible to the scheme. This was not recommended as the level of relief has been modelled based on the proposed scheme to maximise the use of the CARF. Any changes would result in an under or overspend of the funding which would not be recommended.

Not to delegate authority as detailed in 2.2 and 2.3 of this report would mean we may not act quickly to support impacted businesses resulting in unspent CARF funding. This was not recommended as any unspent funding had to be returned to Central Government and would prevent business rate support reaching impacted businesses.

(5.37 pm – 5.41 pm)

(D)

102/21 – **NET ZERO CARBON SOCIAL HOUSING HBC - FORWARD PLAN REF: 53PSEG21:** The Operations Manager (Client) (OMC) submitted a written report detailing the plan to reduce carbon emissions from the social housing of Harrogate Borough Council (HBC) and sought to gain approval for the allocation of budget for the development phases of the plan. An estimated cost breakdown was attached at appendix A and a stage plan was contained within appendix B.

The Council had a target to achieve net zero carbon emissions for the Borough by 2038 and to ensure its housing stock supported that ambition a comprehensive, costed programme would be required in order to determine the detailed steps necessary for delivery of the HRA's contribution to this target. Given the scale of the challenge it would be necessary to devise a long term programme to deliver retrofit measures to reduce carbon production to zero. Paragraph 5.3 of the report detailed the three phase approach to delivering the project including the running of a pilot scheme involving 85 archetype homes and evaluation of the pilot scheme results and then retrofitting of the remaining stock. The pilot scheme and evaluation stage were to be funded from the HRA as detailed in paragraph 2.1 of the report. The estimated total cost of the works was over £98m, this would be refined at completion of phases one and two.

In response to questions from a Member the OMC and Head of Housing and Property explained that the Council would look to take advantage of any Government funds whenever they became available. It was also explained that the scheme was a multi-year programme and would be incorporated into the HRA's 30 year business plan. Once the new authority had formed, after LGR, the scheme would become part of the new authority's housing programme.

RESOLVED (UNANIMOUSLY):

That (1) provision of funds from the HRA be approved as follows:

- £2,332,500 for the pilot phase across 2022/23 and 2023/24;
- £8,500 for the evaluation phase in 2023/24; and

(2) for the financial year 2022 /2023 Cabinet delegated authority to the Head of Housing and Property in consultation with the Cabinet Member for Housing and Safer Communities to award and enter in to all contracts for the supply of goods, works or services which relate to this scheme

Reasons for making decision:

The funding allocation being requested was necessary if the Housing Revenue Account (HRA) was to make its contribution to the Council's desire to become a net-zero carbon district by 2038.

The funding was also necessary if the HRA is to continue to meet the needs of its customers and the requirements of central government, in the provision of social housing.

The funding allocation made it possible that HBC would reduce its footprint and stay compliant to the government legislation.

Alternative options considered and rejected:

To continue a traditional approach to the improvement of the Council's social housing without special focus on carbon reduction. This option is not recommended because it is not aligned with the council's stated position on climate change and the reduction of carbon emissions.

To not have a pilot before taking on a project on this scale. This option is not recommended because of the risk of unforeseen costs and misassumptions in the theoretical stage and could lead to exuberant over expenditure and not accomplishing the target.

To not have a structured plan and follow the Housing Improvement Plan (HIP) timeline. This was not recommended because there could be unnecessary disturbance of the tenant if contractors address a different issue at the same property, the desirable order to install could differ from the life expectancy and the HIP plan reaches beyond the 2050 target that the government has set.

(5.41 pm – 5.49 pm)

(D)

103/21 – **LEISURE INVESTMENT PROJECT - KNARESBOROUGH - FORWARD PLAN REF: 50CTS21:** The Executive Officer Strategic Property and Major Projects submitted a written report which sought agreement to authorise the award of the contract and proceed with construction work for a new leisure facility in Knaresborough. Attached at appendix 1 was a comparison of the current and proposed facility. The report also detailed the design and costings for the project following completion of RIBA stage 4 design work, appendix 2 detailed the proposed contract submission. The financial model for the investment proposal taking into account current costs was set out in appendix 3, and income projections after project completion could be found at appendix 4.

At Cabinet on 17 June 2020 approval was given to develop schemes and parallel business plans for development of the Hydro and Knaresborough leisure sites including indicative timelines and agreement on review and signoff for each RIBA design stage. Approval was now sought for RIBA stage 4 design work and construction. In November 2020 Alliance Leisure Services (Alliance) were appointed to provide a development management service for the development to RIBA Stage 4 for each of the two leisure schemes. Alliance were appointed as specialists in the area and with their experience and expertise they would provide the best value for the project.

The existing leisure site in Knaresborough was ageing and had a number of maintenance issues which were not resolvable without significant interventions, the current venue also only provided for swimming and contained no other fitness space resulting in high costs compared to combined leisure venues. Details of what would be provided at the new site were provided in paragraph 5.4 of the report, included were a new 25m six lane pool and a large multi-use studio space, spin studio and a fitness suite. The building was being designed to meet a BREEAM Excellent rating and it was expected that the proposed development would have an energy performance certificate of A against the current rating of D. The project was designed with social values in mind, 50% contractors working on the project would be local employees (FTE), the project would offer apprenticeships and would provide significant benefit to the local area's supply chain. The project was expected to take 65 weeks and begin in April 2022 concluding in July 2023. The existing facility would remain open throughout the construction period until the new facility was available.

The Head of Finance explained that the revised financial model for the project showed that capital costs had risen, in part due to inflation, but that the model showed that the new site would provide a significantly improved operating surplus as a result of more fitness stations. When viewed as a combined scheme with the Hydro redevelopment there was a significant improvement in the operating costs of the sites.

RESOLVED (UNANIMOUSLY):

That (1) the outcome of the updated financial model for this project be noted; and

(2) the award of the contract for this refurbishment project at the Knaresborough leisure site through the Alliance Leisure Framework to a value of £17.083 million be authorised.

Reasons for making decision:
The purpose of this proposed investment was to deliver HBC's adopted Sport and Leisure Strategy Vision:

> **"A healthier more active population living longer, more independent and happier lives".**

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

A report undertaken by Strategic Leisure Limited (SLL) and reported to Cabinet in December 2019, identified that it was very difficult to further reduce operational costs, or generate additional income, based on the quality, age and design of the facility. Unforeseen maintenance requirements also impacted significantly on both service delivery and cost.

To drive increased revenue there was a need to invest to provide new facilities and services so that existing users could be offered more, and new users were attracted. More modern provision would also reduce unplanned maintenance and other operational costs.

Alternative options considered and rejected:

The SLL report highlighted that the current major leisure facilities including Knaresborough Leisure Centre were not of a quality expected in the 21st Century. Condition surveys had identified that the Knaresborough Pool required significant plant and machinery investment, and that business development planning had identified that reconfiguration and expansion of the venue would result in significant financial improvements.

Should it not be possible to progress with this identified investment there would be an expectation of ‘managed decline’ of the service. The ability to increase revenues to become more sustainable would not be achieved without investment in facilities.

As outlined in SLL’s report in December 2019; “There is clearly an opportunity cost in not addressing these challenges, i.e. facilities will continue to age and become less attractive, capacity will not increase, operational and specifically maintenance costs will increase, and it will become harder to generate even the current levels of revenue. Critically, alignment to HBC’s corporate health and wellbeing priorities will not be achieved given that the existing facilities do not provide the environment, nor space in which to address these.”

(5.57 pm – 6.08 pm)

(D)

104/21 – **LEISURE INVESTMENT PROJECT - THE HYDRO REFURBISHMENT - FORWARD PLAN REF: 49CTS21:** The Executive Officer Strategic Property and Major Projects submitted a written report which sought agreement to authorise the award of the contract and proceed with construction work for the Hydro. Attached at appendix 1 was a comparison of the current and proposed facility. The report also detailed the design and costings for the project following completion of RIBA stage 4 design work, appendix 2 detailed the proposed contract submission. The financial model for the investment proposal taking into account current costs was set out in appendix 3, and income projections after project completion could be found at appendix 4.

At Cabinet on 17 June 2020 approval was given to the Council’s Project Team to develop schemes and parallel business plans for development of the Hydro and Knaresborough leisure sites including indicated timelines and agreement that a review and signoff for each RIBA design stage. Approval was now sought for RIBA stage 4 design work and construction. In November 2020 Alliance Leisure Services (Alliance) were appointed to provide a development management service for the development to RIBA Stage 4 for each of the two leisure schemes. Alliance were appointed as specialists in the area and with their experience and expertise they would provide the best value for the project.

Internal condition surveys of the Hydro had indicated that it had lasted well but noted that all the significant infrastructure was 20 years old. The Hydro had a number of significant maintenance items that would require up to a six month closure to address. It was also noted that the site had a significant deficit in fitness and multi-use space which would require remodelling to achieve. A remodelling and refurbishment scheme would provide a venue reflecting current and future activity needs with operational and maintenance stability for the next 10-20 years, the cost estimate in 2020 was £13.5million and details of the scheme could be found at appendix 1 to the report. There were to be a number of internal changes that included extending to provide a larger café and reception area, a significantly larger fitness studio and replacement of the diving structure. Externally there was to be a realignment of the road layout to allow for the extension and provision of electric charging points. Further detail was contained in paragraph 5.4 of the report.

The redesign of the site was being done in accordance with the Public Sector De-Carbonisation Scheme (PSDS), in addition to the refurbishment a grant of £1.8m had been secured to replace the old gas fired boilers, with Air Source Heat Pumps and install Photo Voltaic Panels on the roof. The grant work reduced our replacement costs and our fuel costs. The carbon footprint for the site would be reduced by between 50-60%. It was expected that as a result of this project the EPC rating of the building would improve from a C to an A rating and it was expected to reduce the amount of Carbon emitted by this building by 700 tonnes per year. In terms of social value the project would provide for 110 weeks of apprenticeships and have a significant benefit to the local supply chain through local contracts. The project was expected to begin in April 2022 and complete in April 2023, it would be split with a phased handover to allow the pool hall area to be brought back into use as soon as possible in early 2023.

The Head of Finance explained that the financial model for the project demonstrated that the new site would provide an operating surplus, rather than a loss, as a result of the increased fitness suite. When viewed as a combined scheme with the Knaresborough Leisure Site redevelopment there was a significant improvement in the annual operating costs of the sites.

RESOLVED (UNANIMOUSLY):

That (1) the outcome of the updated financial model for this project be noted;

(2) the award of the contract for this refurbishment project at the Hydro through the Alliance Leisure Framework to a value of £11.828 million be approved; and

(3) authority be delegated to Director Economy, Environment and Housing to work with the PSDS grant provider (Salix) to negotiate the re-allocation of funding of £583,000 previously awarded to the Harrogate Convention Centre, to this Hydro project so that this funding and associated benefits are retained in Harrogate.

Reasons for making decision:

The purpose of this proposed investment was to deliver HBC’s adopted Sport and Leisure Strategy Vision:

> **“A healthier more active population living longer, more independent and happier lives”**

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

A report undertaken by Strategic Leisure Limited (SLL) and reported to Cabinet in December 2019 identified that it was very difficult to further reduce operational costs, or generate additional income, based on the quality, age and design of the existing facility. Unforeseen maintenance requirements also impacted significantly on both service delivery and cost.

To drive increased revenue there was a need to invest to provide new facilities and services so that existing users could be offered more, and new users are attracted. More modern provision will also reduce unplanned maintenance and other operational costs.

The SLL 2019 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 SLL 2019 report recognised that the Hydro was 20 years old, had significant operational and unplanned maintenance issues and would not meet the current and future expectations of their users.

Alternative options considered and rejected:

The SLL report highlighted that the current major leisure facilities including The Hydro were not of a quality expected in the 21st Century. Condition surveys have identified that the Hydro required significant plant and machinery investment, and that business development planning had identified that reconfiguration and expansion of the venue would result in significant financial improvements.

Should it not be possible to progress with this identified investment there would be an expectation of ‘managed decline’ of the service. The ability to increase revenues to become more sustainable would not be achieved without investment in facilities.

As outlined in SLL’s report in December 2019; “There was clearly an opportunity cost in not addressing these challenges, i.e. facilities will continue to age and become less attractive, capacity will not increase, operational and specifically maintenance costs will increase, and it will become harder to generate even the current levels of revenue. Critically, alignment to HBC’s corporate health and wellbeing priorities will not be achieved given that the existing facilities do not provide the environment, nor space in which to address these.”

(5.49 pm – 5.57 pm)

(D)

105/21 – **2022-2025 HARROGATE DISTRICT DESTINATION MANAGEMENT PLAN - FORWARD PLAN REF: 56DMO21:** The Head of the Destination Marketing Organisation (HDMO) submitted a written report with sought approval of the 2022-2025 Harrogate District Destination Management Plan (DMP), attached at appendix A.

In presenting the report the HDMO advised that the visitor economy played a major role in our District contributing over £600 million to our economy each year and providing jobs for around 8000 people. A thriving visitor economy enhanced and maintained quality of life for local residents and made the District a more attractive place to visit and invest. For a visitor economy to grow it required a collaborative approach, strong leadership and a shared sense of direction. To attract business and investment, a destination must be distinctive, attractive and well managed. The DMP has been designed collaboratively with all this in mind and would be supported by several parties including HBC and Destination Harrogate. The views of stakeholders were sought through surveys and in depth interviews, a DMP Advisory Panel had been appointed and was made up of key stakeholders within the visitor economy. Any significant change to the visitor economy would take time and targets were set for 2030, the DMP also set out incremental actions for 2022-2025.

RESOLVED (UNANIMOUSLY):

That the 2022-2025 Harrogate District Destination Management Plan be approved.

Reason for making decision:

The visitor economy played a major role in our District. It contributed over £600 million to our economy each year and provides jobs for around 8000 people.
A Destination Management Plan was essential in effectively driving the continued growth of the visitor economy.

Alternative options considered and rejected:

To continue to manage Harrogate District's visitor economy without a Destination Management Plan in place to guide planning and activity. This was not recommended as it would not support the visitor economy in reaching its potential.

(6.08 pm – 6.13 pm)

(D)

106/21 – **EVENTS HARROGATE STRATEGY – FORWARD PLAN REF: 55DMO21:** The Head of the Destination Marketing Organisation (HDMO) submitted a written report which sought approval for the Events Harrogate Strategy and accompanying 2022 Events Programme. The Events Programme for 2022-23 was attached at appendix A.

The HDMO reported that events were key to driving visitor numbers and attracting people from far and wide to spend money in the District. These events were delivered by a number of organisations across the District and a strategy was essential in determining the Council's role in this. Visitor expenditure made up 14.3% of the District local economy with a value of £606.1m (as of 2019). Beyond the direct impact of visitor expenditure, there were supplemental and indirect benefits manifested through local supply chains, for example local food and drink manufacturers who supplied businesses directly within the visitor economy. The

Events Harrogate Strategy had been written in support of the wider 2022-2025 Harrogate District Destination Management Plan (DMP), The DMP outlined three priority areas outlined at paragraph 5.6 of the report. The purpose of the Strategy was to outline how the Events Harrogate team would deliver against the second priority and position Harrogate District as a first choice events destination by attracting, hosting and delivering exceptional events.

RESOLVED (UNANIMOUSLY):

That the Events Harrogate Strategy and accompanying 2022 Events Programme be approved.

Reasons for making decision:

A vibrant events calendar was an essential component of a thriving visitor economy, which contributes over £600 million to our economy each year and provides jobs for around 8000 people.

This Strategy would guide the work of the Events Harrogate division of the Destination Harrogate team, to attract, facilitate and coordinate exceptional events for Harrogate District.

Alternative options considered and rejected:

To attempt to coordinate the Harrogate District Event Calendar without a defined strategy in place to guide planning and activity. This was not recommended as it would not support the visitor economy in reaching its potential.

(6.13 pm – 6.15 pm)

(D)

107/21 – **HARROGATE DISTRICT SUBVENTION FUNDING – FORWARD PLAN REF: 54DMO21:** The Head of the Destination Marketing Organisation (HDMO) submitted a written report which sought approval of a contribution of £450,000 for the establishment of a £500,000 three-year Subvention Fund to support in the attraction of business and leisure events to the Harrogate District. The remaining £50,000 would be contributed by Harrogate BID.

The HDMO explained that Subvention Funding (SF) was a powerful tool for attracting certain types of event and was possibly a critical way of affecting whether an organiser chose your destination or another. Commonly SF was used to attract not-for-profit business events and some leisure events. SF was a standard method used to attract events to destinations and in particular it was a common way to stimulate business event bookings for convention centres that are re-opening post refurbishment or redevelopment, or for launching brand new properties. Subvention was also commonly used after recessions or business interruptions, to drive additional income away from competitor destinations and generate valuable economic impact to a specific region that cannot be equalled from other forms of promotion.

The HDMO advised that subvention fund would be made available from April 2022 to March 2025 and would be managed by the DMO. Funding would be made up of £450K from Harrogate Borough Council and a £50K contribution from the Harrogate BID. Event organisers would be able to bid for funding for events held anywhere in the District and bids would be assessed against a strict set of criteria, found within appendices 1 and 2, the final decision would be made by the Subvention Fund Panel. The Panel would be managed by the DMO and a draft list of Panel members could be found in Appendix 3. Examples of competitors that used subvention funding could be viewed in appendix 4.

RESOLVED (UNANIMOUSLY):

That (1) the continued economic importance of attracting events as an economic driver for the District be noted;

(2) a Subvention Policy through a funding contribution to the DMO by way of grant from the Council's 2022/23 revenue budget be approved;

(3) a Subvention Fund Panel be established and authority delegated to the Director of Harrogate Convention Centre (HCC) and Head of DMO to make awards up to £100,000 in accordance with the recommendations of the Subvention Panel be approved; and

(4) that any subvention award in excess of £100,000 be subject to approval by the Cabinet Member for Culture, Tourism and Sport.

Reasons for making decision:

Harrogate District faced significant competition from destinations that already had a Subvention Fund in place to attract events, including Liverpool, Belfast, Wales and soon Newcastle Gateshead in support of its new Conference and Exhibition Centre and Arena – Newcastle/Gateshead Quays.

Subvention was a useful tool for both attracting new events and re-engaging with past events that have since relocated their events elsewhere.

Attracting new events would generate revenue for HCC and venues across the District, ultimately generating economic impact for the destination.

The attraction of new events supported the destination's ambition to be a first choice events destination as outlined in Harrogate District's Destination Management Plan 2022-2025 (DMP).

Subvention could support in attracting events during the off peak or shoulder seasons, in line with the objectives of the DMP.

Subvention was a widely used tool for attracting major conferences. A greater number of conferences attracted not only generated revenue for the selected venue, but contributed to the number of leisure visitors in the destination through partner/extender programmes and repeat visits. As Harrogate had been voted as the most likely place for a business visitor to return as a leisure visitor (amassing a score of 88%: Source: Visit Britain Survey) the more returning conferences hosted, the higher the leisure visitor uptake will be.

Subvention protected HCC's brand and pricing in the marketplace by not discounting lettings rates and avoiding depressing the long term rate yields of the venue. Subvention was not a discount, and for business events would be subject to booking further conference rotations.

Not-for-profit conference business was the most profitable and desirable business to attract, but it was sold 18 months in advance of the conference running. By agreeing a Subvention Fund now, the destination was well placed to secure events that will run post April 2024 when it was anticipated Phase 1 of the HCC redevelopment would be completed.

Subvention was a necessary tool for attracting major leisure/sports events to the destination. Most major events required some financial support from the destination, and in some cases a destination must pay just to bid for a major event.

Alternative options considered and rejected:

Not to create a Subvention Fund. This was not recommended, as this would continue to put Harrogate District at a competitive disadvantage.

(6.15 pm – 6.18 pm)

(D)

108/21 – **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 2023.

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 2023.

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

(6.18 pm – 6.19 pm)

(D)