

Single Member Cabinet Decision

Executive  
Forward Plan  
Reference

**E2756**

**Net Profit Calculation – Thermae Bath Spa**

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| <b>Decision maker/s</b>                  | Cllr David Bellotti, Cabinet Member for Community Resources<br>Cllr Paul Crossley, Leader of the Council   |
| <b>The Issue</b>                         | To authorise Officers to agree variations on an annual basis, to the calculation of the Net Profit for Thermae Bath Spa (the Spa) with the operator TDC, on the basis these are beneficial to the Council's financial and property interests.  |
| <b>Decision Date</b>                     | 11 March 2015  |
| <b>The decision</b>                      | The Cabinet Members agreed:<br><br><ol style="list-style-type: none"><li>1. That the profit share calculation for the Spa may be varied annually in the financial interests of the Council;</li><li>2. That the Chief Executive, in consultation with the Chief Financial Officer is delegated authority to agree any such variations;</li></ol>                                   |
| <b>Rationale for decision</b>            | The approach will provide the opportunity to reflect operational changes at the Spa in the calculation of the profit share to ensure both parties are incentivised to deliver additional financial performance.  |
| <b>Financial and budget implications</b> | The basis of the profit share calculation is set out in the Lease and Water Supply Agreement between the Council and the operator.<br><br>The proposals set in this decision would be on the basis of additional financial benefits for the Council.   |
| <b>Issues considered</b>                 | Financial, Property and Legal Considerations   |
| <b>Consultation undertaken</b>           | Section 151 Finance Officer; Chief Executive; Monitoring Officer   |
| <b>How consultation was carried out</b>  | Directly with officers.  |
| <b>Other options considered</b>          | Alternative options for changes to the profit share have been considered, including a revision to the original contractual documents. This was felt to be inappropriate given the developing nature of the Spa operation and the underpinning requirement to ensure any annual variations would provide additional financial benefits beyond that reflected in original documents. |

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| <b>Signatures of Decision Makers</b>  |  |
| <b>Date of Signature</b>  |  |
| <b>Subject to Call-in until 5 Working days have elapsed following publication of the decision</b> |  |