

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E3122

Bath Quays North, Appointment of Development Partner

Date of Meeting	6-Feb-19
The Issue	<i>The Council proposes to use its public function to revitalise the city and overcome longstanding market failure in the provision of a new offices by selecting a development partner for the implementation of Bath Quays North to provide a new office led mixed use development on Avon St, Bath.</i>
The decision	<p>RESOLVED (unanimously) that the Cabinet agreed to:</p> <ol style="list-style-type: none"> 1) Review the Full Business Case and approve the recommendations to award the contract to the preferred bidder as the Council's development partner for the Bath Quays North site (the Site) (as shown edged red on the indicative plan at Appendix 4) having submitted the most economically advantageous bid in accordance with the Council's evaluation criteria as explained in the exempt Appendix 3, and in the event the Council is not able to conclude final negotiations with the preferred bidder it appoints the reserve bidder as the Council's development partner. 2) Delegate authority to the Director of Economy & Growth in consultation with the Leader, Chief Executive, the Council's S.151 Officer and Monitoring Officer to take all necessary acts to: <ol style="list-style-type: none"> a. Agree final terms with the Council's development partner including entering into the Development Agreement and all other ancillary documents to facilitate the carrying out of the redevelopment of the Site. b. Appropriate for planning purposes the Site under section 122 of the Local Government Act 1972 and to exercise the power (refer Section 4 of this report), if required, under Section 203 of the Housing and Planning Act 2016 ("Section 203") to facilitate the carrying out of the redevelopment of the Site. c. Dispose of the Site to the appointed development partner under the terms of the Development Agreement. d. Complete contemporaneously, with the Development Agreement, a grant funding agreement with the West of England Combined Authority. 3) Approve the uplift to the provisional Innovation Quay - Economic Development Funding Enabling Infrastructure budget to £30.8m to bring in line with the additional grant funding WECA have provisionally allocated through the EDF and LGF funding programmes. 4) Fully approve Capital of £6.647m from the provisionally approved Bath Quays Delivery capital budget as set out in Section 3.3 of the report.

	<p>5) Fully approve Capital of £30.8m from the provisionally approved Innovation Quay - Economic Development Funding Enabling Infrastructure capital budget as set out in Section 3.3 of the report.</p>
<p>Rationale for decision</p>	<p>City Deal agreement with the West of England Authorities have set out their growth ambitions. Bath City Riverside EZ is expected to contribute up to 9,000 jobs. Securing existing businesses in Bath maintains a healthy business community, underpinning the ambition to create a vibrant critical mass of commercial employment space on Bath Quays.</p> <p>Over the past 20-30 years, Bath has failed to develop modern office accommodation within the city. This is continuing to have a significant effect on the economy of Bath and the city now faces a tipping point in terms of maintaining a viable and attractive office sector. Neighbouring centres are increasingly proving more attractive to businesses due to the delivery of attractive, affordable and modern office schemes.</p> <p>The private sector has failed to respond to demand, choosing instead to deliver more profitable residential accommodation in locations required for office delivery. This has resulted in the gradual decline in quality of Bath's office stock meaning that the city now has very little, if any, Grade A office stock which caters for the needs of modern office occupiers. Furthermore, the city's existing office stock is also coming under increased pressure from developers seeking to secure change of use to residential.</p> <p>Bath is currently failing to offer suitable business accommodation and this is resulting in the loss of existing Bath-based businesses to surrounding localities where more modern, flexible office buildings can be secured and means that Bath is failing to attract new occupiers. This is having a direct impact upon the city's ability to retain and increase job provision and is affecting the city's ability to maintain its position as a location for high value added, low carbon and high-tech creative businesses.</p>
<p>Other options considered</p>	<p>As per report.</p>

The Decision is subject to Call-In within 5 working days of publication of the decision