

Bath & North East Somerset Council		
DECISION MAKER:	Cllr Kevin Guy, Leader of Council	
DECISION DATE:	On or after 18 February 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3434
TITLE:	The Great Spa Towns of Europe Association	
WARD:	Bath and surrounding wards	
AN OPEN PUBLIC ITEM		
<b>List of attachments to this report:</b>		
Appendix 1: List of Great Spas partner towns		
Appendix 2: Governance Diagram and details for the Association		
Appendix 3: KPMG report on options for a European Association		
Appendix 4: Articles of Association		
Appendix 5: Great Spa Towns of Europe Property Management Plan		

## **1 THE ISSUE**

- 1.1 In 2021 the City of Bath was inscribed along with 10 other European Spas as a UNESCO World Heritage Site named the 'Great Spa Towns of Europe'. To manage this inscription a not-for-profit European Association was formed and all 11 partners are asked to approve and sign up to this. This report and supporting information outlines the rationale behind this and the implications of signing.

## **2 RECOMMENDATION**

**The Cabinet Member is asked to;**

- 2.1 Agree to Bath & North East Somerset Council becoming a signatory to the 'Great Spa Towns of Europe Association', (as registered in Baden bei Wien under Austrian law).

## **3 THE REPORT**

- 3.1 On 24 July 2021 the UNESCO World Heritage Committee inscribed the Great Spa Towns of Europe (GSTE) on to the world heritage list. The GSTE is a single trans-national World Heritage Site comprising of 11 component spa towns from 7 different nations. The partners are shown in Appendix 1. For Bath this is a second prestigious UNESCO inscription. None of the other ten towns were previously inscribed.

- 3.2 The UNESCO nomination process is extremely rigorous. The successful inscription following a decade-long project, managed by a Mayors Steering Group of the 11 executive mayors (or in the case of Bath, lead politician). Cllr Guy currently has responsibility, delegating management to Cllr Ruth Malloy.
- 3.3 Inscription delivered long-term certainty and the governance model changed from a single-focussed project to one which was fit for purpose for an on-going partnership. An Executive Board was formed, and the Mayors Steering Group was replaced by a General Assembly (see Appendix 2 Governance Diagram).
- 3.4 The GSTE inscription delivers key benefits to the City. It places Bath within an elite group of European Spas delivering associated branding and visitor marketing benefits. Only 22 out of 1154 World Heritage Site worldwide have double UNESCO inscription and this has already been used as a key descriptor in media articles and documents such as the West of England Cultural Strategy. The visitor profile of the city is benefiting from worldwide media and press interest as a result of inscription. Activities and effective co-ordination of the partnership will require a small secretariat and the ability to protect a brand and intellectual property rights. International consultancy KPMG (Vienna) were asked to identify options for a governance model to provide an effective legal basis across all seven states. Their report (see Appendix 3) identified 4 options, which following Brexit was reduced to 3. The Mayors Steering Group agreed to pursue the formation of a not-for-profit European non-governmental Association, a model commonly used throughout Europe (Appendix 3, page 2, column 2). The Council is already a member of a body with this status, the European Historic Thermal Towns Association, registered in 2009 under Belgian law.
- 3.5 Articles of Association were also drawn up by KPMG and circulated to partners. These have gone through numerous iterations and the final agreed version is shown at Appendix 4. This is the document which the Council is asked to sign-up to. All ten project partners have already ratified this decision. None of our partners report any foreseen impediment to their ratification.
- 3.6 The procedural situation in Bath differs from our partners in that the B&NES Council Protocol for Governance Arrangements of Local Authority Trading Companies must be considered. This protocol contains the following considerations:
- To exercise the power to establish a company and trade, a local authority must first approve a business case ('a comprehensive statement') covering:
- a. the objectives of the business;
  - b. the investment and other resources required to achieve those objectives;
  - c. any risks the business might face and how significant these risks are; and
  - d. the expected financial results of the business, together with any other relevant outcomes that the business is expected to achieve.
- 3.7 Answers to each of these points above are to be found in the 'Property Management Plan', the third volume of the GSTE nomination dossier as submitted to and approved by UNESCO following independent evaluation in 2019/2020. This is attached at Appendix 5.

- 3.8 The protocol also states that the above considerations would be expected to be laid out in a business plan. No such plan exists for the Association as it is a not-for-profit organisation rather than a trading company. The 'Property Management Plan' is the relevant document in this case. The objectives, investments, risks and finances mentioned in paragraph 3.7 above have therefore been directly addressed in that document.
- 3.9 In summary, the proposal as presented shows a logical and appropriate governance model for the GSTE not-for-profit organisation. The membership fees, including known rises in years 2023, 2024 and 2025 are within current budgets. There are no current pension liabilities, etc. as all officials representing the Association are either self-employed or seconded from member spa towns. There is the potential for future employer's liabilities to arise if the Association were to directly employ staff, but the Council would have the option to withdraw from membership of the Association if that became a material concern.

## **4 STATUTORY CONSIDERATIONS**

- 4.1 UNESCO World Heritage is not underpinned by statutory obligations. It is governed through a convention agreement, signed by the UK Government in which that Government agrees to protect, conserve, present and transmit to future generations the outstanding universal value of the World Heritage Site. These responsibilities are then delegated to local stewards, in the case of Bath, to B&NES Council.

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 5.1 The project is funded through annual membership fees from each of the 11 partner towns. There are 3 tiers of fee, based on population. Bath is in the highest category currently paying 20,400 Euros per year. This is set to increase incrementally to 25,000 Euros by 2025. This payment is covered within existing budgets.
- 5.2 B&NES Council is a founder member of this initiative and alongside the UK government was a signatory to the nomination document. B&NES has also been a voting member of the Mayors Steering Group which set the current annual budget contributions (until 2025). The Council is therefore under moral rather than legal obligation to pay their annual membership fee, regardless of any decision on joining the Association. If B&NES Council was to decide not to join the Association, it would remain within the partnership, under the same obligation to financially contribute, but without voting rights.
- 5.3 There is no intention for any B&NES employee to ever become an association official. This would not however prevent any form of secondment in the future for a specific project purpose.
- 5.4 There are no proposals to nominate a B&NES member to sit on the Executive Board although it remains a right of the council to nominate a candidate at the appropriate time. The current Executive Board members were elected for a three-year term from September 2022. It should be noted that most Executive Board meetings are on-line or held during a General Assembly, rather than in-person.

- 5.5 Each of the partner towns have increased their staff resource to cover this work, some with the appointment of new full-time posts. B&NES are currently exploring options to cover this work, within existing budgets.
- 5.6 The secretariat will be based in Baden Baden, Germany. The City Council of that town has recruited a secretary working half of her time for Baden Baden and the other half for the GSTE with Baden-Baden re-charging the GSTE for this time. She remains an employee of Baden-Baden City Council, not of the GSTE Association, who have no obligations under employment legislation or pension and social security provision. The part-time Secretary General is a self-employed consultant as is the Marketing Coordinator. Other World Heritage experts or special advisors are paid a consultancy fee on a project-by-project basis.

## **6 RISK MANAGEMENT**

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.
- 6.2 Risks relating to the project are covered in the Property Management Plan (pages 40 and 43) shown in Appendix 5.

## **7 EQUALITIES**

- 7.1 No equalities implications are foreseen as being associated with this decision and an Equality Impact Assessment has not been carried out in this instance.

## **8 CLIMATE CHANGE**

- 8.1 The long term vision for the GSTE includes the intention to 'Minimise the carbon footprint of tourism through innovative green transport policies and sustainable development'.
- 8.2 The GSTE project involves European travel. Measures to reduce carbon generation have been, and will continue to be, implemented. These include the stipulation that all major meetings are hybrid and accessible online. Travel to closest geographical partners (Vichy, Spa and Baden Baden) has been undertaken by rail rather than air.
- 8.3 Marketing of the City of Bath as part of a leading group of European spas encourages sustainable tourism in that those visiting for 'wellness' purposes are likely to stay longer than day-trippers and spend more. As such, lower tourist numbers but higher financial tourism reward is considered a more sustainable model in terms of carbon reduction.
- 8.4 All member spa towns have established legal mechanisms to protect the sources and catchment areas of their natural mineral and thermal waters. In Bath this is addressed by the Avon Act (1982).

## **9 OTHER OPTIONS CONSIDERED**

- 10.1 Two alternative options are to seek amendment to the statutes or, if significant concerns exist, not to sign. The statutes have been discussed within the Mayors Steering Group and significant amendment has already been made. There are no further recommended changes. Cllr Malloy played a key role in drafting changes

to eradicate any inconsistencies between the German and English language versions. To not sign would effectively place Bath outside of the decision-making process of the partnership without voting rights and no good reason is foreseen to do this.

## 10 CONSULTATION

10.1 This report has been cleared by the S151 Officer and Monitoring Officer.

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<b>Background papers</b>	5 appendices accompany this report. No further background papers.
<b>Please contact the report author if you need to access this report in an alternative format</b>	