

Single Member Cabinet Decision

Executive Forward Plan
Reference

E3571

Bath Quays North Budget Request

Decision maker/s	Cllr Roper, Cabinet Member for Economic and Cultural Sustainable Development
The Issue	<p>Authority for project expenditure under Decision E3122 is linked to the Development Agreement with Legal & General which expired on 19th July 2024. Whilst budget is available, there is no authority for further expenditure.</p> <p>The Council are exploring routes to deliver the scheme with the University of Bath (UoB) and a release of provisionally approved funding is required to update and develop a new business case.</p> <p>The release of provisionally approved capital funding is also required to review alternate options and the workstreams set out from section 4 onwards.</p> <p>Similarly, a release of provisionally approved capital funding is required to discharge planning conditions from the reserved matters planning consent obtained on 8th August 2024.</p> <p>In conjunction with the finance team we have re-forecast the 2025/26 project budget with an estimated spend of £1.255M supported by existing LGF budget. We are seeking authority to this use this budget in pursuit of the objectives detailed herein.</p>
Decision Date	26 March 2025
The decision	The Cabinet Member for Economic & Cultural Sustainable Development in consultation with the Director of Capital and Housing Delivery, Monitoring Officer and S151 Finance officer are asked to provide authority for the team to use the proposed 25/26 budget in pursuit of the project aims below.
Rationale for decision	<p>BQN is Bath's main sustainable economy project tasked with creating a new employment quarter for the city through the delivery of a mixed-use scheme of up 38,000 sqm of accommodation in 2 phases.</p> <p>The scheme has the following objectives.:</p> <ul style="list-style-type: none">• 1,923 Direct on-site jobs (at steady state),• £329.8m GVA (over 30yr appraisal period),• £1,267,221 additional business rate per annum. <p>Detailed planning was granted on 8th August 2024.</p> <p><u>Legal & General (L&G)</u></p> <p>Over the last few years L&G have withdrawn from speculative development leaving the development team with no internal mandate to progress the scheme.</p> <p>In addition, cost increases due to covid, supply issues and the Ukraine war resulted in an increased viability gap vs WECA funding, making the scheme unviable.</p> <p>The parties agreed to allow the development agreement to expire on its longstop date of 19th July 2024 and L&G are no longer involved in the scheme.</p> <p><u>Current Position</u></p> <p>The Council are exploring a collaboration with the University of Bath (UoB) to assess how</p>

we work together to develop a vision for the future of BQN and a wider Bath Riverside Innovation Quarter. The parties have agreed a memorandum of understanding which provides a route to hold discussions on the formation of a partnership. Members have also asked that alternative options are explored to be assured this is the most viable route to deliver the scheme. The workstreams necessary to progress the scheme are detailed below, a summary of costs is detailed as appendix 1. The intention is to deliver residential development on plots 6&7 via our development partner Aequus prior to the development of plots 1-5. To comply with the Outline Planning Permission, we need to commence work on plots 1-5 prior to 6&7. A package of works will need to be agreed and implemented in Q1 26.

Financial and budget implications

The proposed budget will take us through to Q1 26, workstreams include legal procurement and transaction advice, commercial development viability, planning and cost consultant advice. LGF budget is available to support the team until the end of 2025/26 FY. Past this point a new FBC & cabinet approval are required to access the proposed EDF and SSB budgets.

	Total Budget 2024/2025 LIVE	Total Budget 2025/2026 LIVE	Total Budget 2026/2027 LIVE	Total Budget 2027/2028 LIVE	Total Budget 2028/29 LIVE	Total
LGF	1,317,617.71	1,224,775.09				2,542,392.80
CSB		30,503.71				30,503.71
SSB					11,979,652.15	11,979,652.15
EDF			15,340,000.00	14,506,666.02		29,846,666.02
Total	1,317,617.71	1,255,278.80	15,340,000.00	14,506,666.02	11,979,652.15	44,399,214.68

The Enterprise Team are fully resourced, as such no further recruitment is required to deliver this stage of the project.

Issues considered

Sustainability; Property; Corporate

Consultation undertaken

Cabinet colleagues; Staff; Other B&NES Services; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Monitoring Officer

How consultation was carried out

Briefing carried out with Cllr Roper. Briefing paper reviewed and approved by Director of Regeneration and Housing, S151 Officer and Monitoring Officer

Other options considered

None.

Declaration of interest by Cabinet Member(s) for decision:

None

Any conflict of interest declared by anyone who is consulted by a Member taking

None

the decision:	
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Name and Signature of Decision Maker/s	Cllr Paul Roper Cabinet Member for Economic and Cultural Sustainable Development
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Date of Signature	26/03/2025
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Subject to Call-in until 5 Working days have elapsed following publication of the decision
