

Report to:	EXECUTIVE
Relevant Officer:	Alan Cavill, Director of Place
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	11 September 2017

MADAME TUSSAUDS ATTRACTION BUSINESS DEVELOPMENT

1.0 Purpose of the report:

- 1.1 To agree in principle the development of the Madame Tussauds attraction as set out in this report.

To seek delegated authority allowing the Director of Place to progress the scheme to completion to include signing of the associated agreement on behalf of Blackpool Council.

To request authority to prudentially borrow to fund this scheme, as detailed in the financial Appendix 4a to this report.

2.0 Recommendation(s):

- 2.1 That the principles in delivering the Madame Tussauds attraction project are agreed as set out in this report.
- 2.2 That the Director of Place be provided with delegated authority to complete the delivery of the scheme as set out in this report, to include the completion of all due diligence associated with the project.
- 2.3 That authority is provided to Prudentially borrow to fund this scheme, as detailed in the financial appendices to this report.

3.0 Reasons for recommendation(s):

- 3.1 To enhance the existing Madame Tussauds attraction, further improving the economically important tourism sector, significantly contributing toward attaining the Council vision of Blackpool being the UK's number one family resort with a thriving economy that supports a happy and healthy community who are proud of this unique town.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priority is:

“The economy: Maximising growth and opportunity across Blackpool”

5.0 Background Information

5.1 It has been identified that an area of vacant space exists within the Council owned building occupied by the Madame Tussauds attraction.

5.2 An analysis of the optimal use of this space has revealed the opportunity for a comic superhero themed attraction to front the Promenade and link directly with the existing Madame Tussauds experience.

5.3 Should authority to proceed be granted, the venture would be operated by Merlin Entertainments (Blackpool) Limited. The attraction will contain interactive elements including photograph opportunities and other activities, and follows the business model associated with the existing, highly successful, Madame Tussauds visitor experience.

5.4 An addendum to the existing Madame Tussauds operating agreement will be put in place and this governance arrangement offers the benefit of sharing economies of scale with the existing attraction whilst providing assurance with regard to the quality of the product.

5.5 It is planned that the new experience will open for the 2018/19 summer season with work to the unit and attraction contents to commence on receipt of authority, should it be provided.

5.6 The authority sought through this report will allow completion of the project as set out at 5.1 to 5.5 above, in addition to assembling the associated debt financing in the form of Prudential Borrowing.

5.7 Does the information submitted include any exempt information? No

5.8 Is the Corporate Delivery Unit aware of this report?

The Corporate Delivery Unit has been involved in the creation and development of the Town Centre Strategy to which this decision is intended to contribute. The Unit is working with the Growth and Prosperity Team to develop an evaluation matrix.

5.9 **List of Appendices:**

Appendix 4a, Finance – Commercially Sensitive Information.

6.0 **Legal considerations:**

6.1 The Council’s contracting and commissioning procedures will apply when entering into the addendum to the existing Madame Tussauds Operating Agreement and the contract will be developed in consultation with the Council’s Legal Services team.

7.0 **Human Resources considerations:**

7.1 None.

8.0 **Equalities considerations:**

8.1 None.

9.0 **Financial considerations:**

9.1 The total capital cost of this project is £645,000. It is planned for this scheme to be funded via Prudential Borrowing.

9.2 Table 1 below sets out the debt repayment estimates in summary form. Analysis of the forecast business plan confirms financing costs will be met through new, incremental business, generated as a direct result of the project.

Table 1 - Estimated Debt repayments Summary

£'000's

Year	1	2	3	4	5	6 - 10	Total
Debt finance costs	96.75	93.53	90.30	87.08	83.85	370.88	822.39

10.0 Risk Management Considerations

10.1 A number of robust financial, performance and risk management controls and measures will be implemented as part of the delivery of this scheme. These will continue to be maintained throughout the development in order to help manage project risk considerations.

11.0 Ethical Considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 Consultation has taken place with internal departments on the requirements set out in this report.

12.2 Stakeholder communication will continue throughout the delivery of this project.

13.0 Background papers:

13.1 None.

14.0 Key decision information:

14.3 Is this a key decision? Yes

14.4 If so, Forward Plan reference number: 25/2017

If a key decision, is the decision required in less than five days? No

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process?

No

15.2 If **yes**, please give reason:

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 1 September 2017 Date approved: N/A

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

21.0 Call-in:

22.0 Notes: