

## Officer Non Key Executive Decision

<b>Relevant Chief Officer (Decision Maker):</b>	Chief Executive
<b>Relevant Cabinet Member (for consultation purposes):</b>	Councillor Mark Smith, Cabinet Member for Regeneration, Enterprise and Economic Development
<b>Report Author (Officer name and title):</b>	Antony Hill, Special Project Manager
<b>Implementation Date of Decision:</b>	7 February 2018

### TALBOT GATEWAY (CENTRAL BUSINESS DISTRICT) – HOTEL BRANDED RESTAURANT

**1.0 Purpose of the report:**

1.1 To confirm the selection of a Franchisor in respect of branded restaurant in respect of proposed Council-owned Hotel

**2.0 Recommendation(s):**

2.1 To agree to the selection of “Marco’s New York Italian” as the Brand from the franchisor Black and White Hospitality Limited Brand, and to progress the Heads of Terms and enter into contract accordingly.

**3.0 Reasons for recommendation(s):**

3.1 The selection of Marco’s New York Italian at an early stage has allowed for their input to be taken into consideration at design stage.

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 In accordance with EX50/2014 the negotiation of the Brand and third party operator was delegated to the Chief Executive, with a Chief Executive Officer Decision being made in Jan 2015 to appoint New York Italian Ltd as the restaurant franchisor.

5.2 The decision made under EX50/2014 has been superseded by EX59/2016 following the change of the location of the proposed hotel which was reported to the Executive in December 2016

5.3 Decision EX59/2016 however still reaffirmed the principle of having a Brand Restaurant within the Council-owned four star hotel and Delegated authority to the Chief Executive for the negotiation of the terms of the franchise agreement with a third party operator.

5.4 Both the preferred Hotel Brand and the preferred Restaurant Brand have been involved with changes to the hotel design and layout which are as a result of the change of location, as reported under EX59/2016.

5.5 Although the Restaurant Brand Franchisor had the right to walk away from the previously agreed Heads of Terms, they have confirmed that, save for minor alterations ( mainly an increase in the licence fee as a result of the expanding popularity of the Brand) they are willing to proceed on the basis of the terms previously agreed.

5.6 It should also be noted that the franchisor is Black and White Hospitality Limited who were previously trading as New York Italian Ltd.

5.7 The Authority to proceed with New York Italian Limited as the Restaurant Brand Franchisor was granted under EX50/2014, additional authority is sought to re-affirm the decision to proceed with Black and White Hospitality Limited following the decision made under EX59/2016

5.8 Does the information submitted include any exempt information? No

**5.9 List of Appendices:**

None.

**6.0 Legal considerations:**

6.1 The Franchise Agreement shall be for a period of 10 years, The Council can terminate with 12 months' notice and upon paying the equivalent of 12 months fees or £50,000, whichever is the greater.

**7.0 Human Resources considerations:**

7.1 The staff would be hotel staff and as such, employed through a wholly-owned third party company.

**8.0 Equalities considerations:**

8.1 None.

**9.0 Financial considerations:**

9.1 The projected returns have been updated to reflect the revisions anticipated and take into consideration all fees and costs, including the Brand Royalty fees.

9.2 The revised Licence Fee has been accounted for within the Development Appraisal

**10.0 Risk management considerations:**

10.1 None.

**11.0 Ethical considerations:**

11.1 None.

**12.0 Internal/ External Consultation undertaken:**

12.1 The proposed franchisor had been endorsed by the CBD Project Board.

**13.0 Decision of Chief Officer**

13.1 To agree to the selection of "Marco's New York Italian" as the Brand from the franchisor Black and White Hospitality limited Brand, and to progress the Heads of Terms and enter into Contact accordingly.

## **14.0 Reasons for the Decision of the Chief Officer**

- 14.1 The selection of Marco's New York Italian at an early stage has allowed for their input to be taken into consideration at design stage.