


**RECORD OF EXERCISE OF DELEGATED AUTHORITY BY OFFICER
PURSUANT TO REGULATION 13 OF THE LOCAL AUTHORITIES (EXECUTIVE
ARRANGEMENTS) (MEETINGS AND ACCESS TO INFORMATION) (ENGLAND)
REGULATIONS 2012 & THE OPENNESS OF LOCAL GOVERNMENT BODIES
REGULATIONS 2014**

<u>SUBJECT OF DECISION</u>	
Appointment of the Hospitality Asset Management Company of the Hampton by Hilton hotel.	
<u>DECISION REFERENCE</u>	<u>SOURCE OF AUTHORITY AND REFERENCE</u> (i.e. Committee/Constitution/Minute No. etc.)
DO/30/2024 (MB)	Cabinet 21 st February 2024 Cabinet Minute: CB105
<u>DATE OF DECISION</u>	<u>DECISION MAKER</u> (Name and Job Title)
10/09/2024	 Maria Bailey – Strategic Director Place and Economy

RECORD OF THE DECISION

a) The issue

Grayson Place Limited are now the owners of the Hampton by Hilton Hotel which officially opened on 10th September 2024. The Board of Directors consists of a number of senior officers across the Council. The Board has appointed a general manager to work on their behalf and assist with the running of a hotel. In line with a number of other Local Authority hotel owners across the Country senior management have been considering getting some initial assistance from an established hospitality asset management company. Hospitality Ventures Limited came recommended from Hilton themselves and therefore have been appointed for a period of 4 months at a monthly fixed fee to deliver the following services

Phase 1

The Supplier will be required to:

- Take necessary steps to fully understand how the hotel operates, establish relationships with the Management Team and understand the priorities that are being set for the delivery of the business within the market.
- Review the hotel business plan, including assessment of local market, review of financial performance, future business plan.
- Review of competitor environment in which the hotel operates and assess the available information on performance against competitive set – (MPI, ARI, RGI)
- After one month present a work plan to New Client against the above requirements with the objective of improving operational efficiency and profitability.

Phase 2

The Supplier will be required to monitor performance and delivery at regular intervals by:

- Regular monthly review meetings with the Hotel Management Team (**Management Team**)
- Additional meetings with the Management Team when required to tackle business issues
- Setting of priorities in accordance with the objective set out in Phase 1.
- Review and negotiation of annual budgets
- Identify opportunities to help optimise the Hotel's profitability and long term value
- Detailed benchmarking of the property's operating performance compared to competitive set
- Review and ongoing monitoring of operating statistics for the hotel in the competitive set and monitor key demand generators.
- Analyse, review and oversee the implementation of the annual business plans for the Hotel
- Conduct assessments of revenue and expenses and review the operation of the property

- Make recommendations to improve overall performance/management
- Monitor revenue management strategies to optimise income and growth
- Monitor guest and employment satisfaction surveys
- Evaluate the Hotel's annual and future capital and expenditure budgets
- Analyse capital expenditure requests and make recommendations
- Monitor capital improvement projects and budget compliance
- Identification of any key risks (legal and financial) and recommended mitigation

The Cabinet report of February 2024 on the proposed revised Capital Regeneration Programme for the purpose of budget setting was approved, and delegated authority was granted to the Strategic Director – Economy and Transformation to enter associated contracts to support the delivery of the programme. Given the urgency and the need for specialist provision the Strategic Director – Corporate Resources has agreed an exemption.

b) The Decision

To enter into the Agreement with the Asset Management Company.

REASON FOR THE DECISION

To secure the optimum operation of the hotel as part of the Abbey Street development right from the opening.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED IN MAKING THE DECISION

Not to enter into the Agreement with the hospitality asset management company to secure the optimum operation of the newly opened hotel.

WARD RELEVANCE

Abbey

FINANCIAL AND BUDGET IMPLICATIONS

To be funded through the Capital Regeneration Programme budget

CONSULTATION UNDERTAKEN WITH MEMBERS/OFFICERS

Tom Shardlow – Chief Executive Officer
 Vicki Summerfield Strategic Director – Corporate Resources

ANY CONFLICT OF INTEREST DECLARED BY ANY MEMBER CONSULTED

None

IN RESPECT OF ANY DECLARED CONFLICT BY A CABINET MEMBER, ANY DISPENSATION GIVEN BY THE HEAD OF PAID SERVICE (Note if the decision is a non-executive decision, no dispensation can be given).

None

EQUALITIES IMPLICATIONS

N/A

HUMAN RESOURCES IMPLICATIONS

N/A

FINANCIAL IMPLICATIONS

To be funded from the existing Capital Programme Budget

HEALTH EQUALITIES IMPLICATIONS

N/A

SECTION 17 CRIME & DISORDER IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Securing the successful operation of the hotel contributes to the reduction in financial and delivery risk of the Abbey Street development as outlined in the report to Cabinet on 14TH October, 2020.

SME (SMALL/MEDIUM ENTERPRISES) & LOCAL ECONOMY IMPLICATIONS

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

LEGAL IMPLICATIONS

Risk of the business failing and the implications this would have for Grayson Place.

ANY OTHER COMMENTS

**PLEASE RETURN TO THE MONITORING OFFICER AS SOON AS A DECISION IS
MADE OR AS REASONABLY PRACTICABLE THEREAFTER**