



BELFAST CITY COUNCIL

Report to:	Strategic Policy & Resources Committee
Subject:	City Hall coffee-shop facility
Date:	12 th December 2008
Reporting Officer:	G Wright – Head of Facilities Management
Contact Officer:	As above

Relevant background information

At its meeting of 24th October 2008 the Committee authorised the invitation of quotations in respect of the operation of a proposed coffee-shop facility in the City Hall.

Quotations were invited and briefings conducted with respondents in terms of the scale and scope of the proposed facility and the constraints imposed in respect of menus and opening hours etc. Quotations were invited on the basis of (a) the operation of the coffee-shop facility only, and (b) on the basis of the operation of both the coffee-shop and giftware sales. The resulting contract, if any, would run for 1 year with an optional further year at the Council's discretion.

A total of 3 quotations have been received, as follows:-

Mount Charles Catering Ltd: management fee (i.e. the Council to pay the caterer) of **£7,500** pa (rising to £7,725 in year 2) in respect of the coffee-shop and giftware franchise;

Posh Nosh: management fee of **£12,000** pa for the coffee-shop facility only. No quote for optional 2nd year, and no quote for giftware option; *and*

Castle Catering: franchise fee (i.e. the caterer pays the Council) **£11,100** for the coffee-shop option only in Year 1 or **£15,100** for the combined coffee-shop and giftware option, rising to **£12,100** in Year 2 for the coffee-shop option or **£18,100** for the combined coffee-shop & giftware option.

As can be seen from the above, the only respondent offering to pay the Council for the franchise opportunity is **Castle Catering**, which also operates the catering franchises in a number of other Council properties, notably Belfast Castle, Malone House and the new Stables restaurant.

Members should be aware that the initial fit-out costs for the area (including the supply of necessary kitchen equipment etc) is estimated to be in the region of £40,000, and this is not recoverable from the franchisee.

It has also been proposed that the coffee-shop area be 'themed' (one option being the replication of the Café Parisien or Veranda Café originally found on the first-class deck of the Titanic) in order to link

better with the enhanced tours of the building agreed by the Committee in November 2008.

Additional costs (estimated to be a further £40,000) will be associated with this work which again is not recoverable from the franchisee.

It should also be noted that, as the franchise is a commercial opportunity, no staff or Member discounts would be available under any of the bids made.

Key Issues

The key issues are therefore as follows:-

- does the Committee wish to proceed with the coffee-shop option;
- does the Committee wish to franchise only the operation of the coffee-shop facility or should the giftware option also be made available (although managed and quality-assured by the Facilities Manager); *and*
- does the Committee wish to incur the additional cost of theming the coffee-shop area and, if so, is the Titanic option acceptable or should other options be pursued?

Resources Implications

Financial

The total cost of fit-out and theming is estimated to be in the region of £80,000, provision for which has been made in the City hall revenue budget for 2009/10. At the highest level of franchise fee offered (i.e. £18,100 p.a.) the pay-back period will be at least 4 years, however the facility will undoubtedly add an extra dimension to the building and enhance its tourist potential.

Human Resources

The staffing of the coffee-shop facility (and receipting of giftware sales if offered) will be the responsibility of the successful franchisee. However in light of the fact that the coffee-shop facility would be open to the public and that the obvious point of entrance/egress is the East Entrance, it would be necessary to provide Security cover in this area from 08:30 -16:30 (Mon-Sat) and this would mean a change to the establishment and current shift patterns of the Security unit.

Asset & other implications

There are no direct asset implications in terms of the fabric of the building or its systems and services.

Recommendations & Decisions

The Committee's direction is sought in terms of the desirability of proceeding with the coffee-shop facility, the potential inclusion of the giftware franchise and the theming or otherwise of the area.

Key to Abbreviations

None.

Documents attached

Illustrations of Titanic's Café Parisien and Veranda Café.

Titanic's Café Parisien



Titanic's Veranda Café



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