

# HOTEL CORPORATE RATES

## EXECUTIVE SUMMARY AND RECOMMENDATIONS

### INTRODUCTION

In an attempt to ensure that the hotel allowances should not be unduly increased in the future, an exercise has been undertaken to fix discounted rates with a number of hotel chains. In order to do this our travel agents, P&O Travel, were asked to identify a number of chains with whom we could work and to negotiate rates on our behalf below the rates members of the public could normally attain.

The project was further developed to achieve an arrangement where P&O Travel could book rooms at our established rates and accept the charge (restricted to Bed and Breakfast not exceeding £120 and Evening Meal not exceeding £30). This would result in reducing the number of payments to Staff, Partners and Council members by way of reimbursement, as one monthly payment could be made by BACS to P&O Travel.

### DECISION

The Committee is asked to agree the following:

**That the Finance Staff implement a scheme whereby P&O Travel arrange hotel accommodation for all categories at discounted corporate rates not exceeding permitted levels of expenditure, with one monthly settlement to P&O Travel.**

### BACKGROUND INFORMATION

All categories will be required to request accommodation from P&O Travel. At the hotel they will be required to sign against the P&O Travel/HPC account (technically an American Express account not involving individual cards). The hotels will be instructed to permit visitors to sign only for Bed, Breakfast & Evening Meal up to the pre-determined limits. Other expenditure should be paid for by guests – this additional expenditure will, in most cases, be the responsibility of the individual and not chargeable to the HPC.

### RESOURCE IMPLICATIONS

None

### FINANCIAL IMPLICATIONS

None

### BACKGROUND PAPERS

See attached paper – not all corporate rates have been negotiated yet – a provisional schedule of rates is likely to be tabled at the meeting.

### APPENDICES

None

## **HOTEL CORPORATE RATES – Background Paper**

It is not felt that we need to raise our £120.00 including VAT rate per night in the immediate future. For most of the UK this is quite adequate and we will not have a problem getting rates under this. Where there are occasionally problems is in London during the busy periods. This is mainly in the summer during Wimbledon and the Chelsea Flower Show. At these times we do have trouble getting rooms under this rate. P&O Travel is negotiating with some London hotels to attain rates under £120.00 but when London is busy we must also try and book as early as possible. If the hotels where we have preferred rates do sell out, we will have to look at alternatives and this is when we struggle to get rates under our limit.

P&O has been in contact with the following hotels. Currently we are around the 200 room nights level and this will continue to grow. Each group has been contacted, indicated the current overall number of room nights and advised that the HPC is looking to work with a few specific chains of hotels. We have also asked for rates UK wide.

### **Accor Group:**

Contact has been made with the UK Sales Manager for the Accor Group in respect of their Ibis and Novotel brands. They are countrywide and should come in within our budget. We have also asked them to look particularly at the Novotel Waterloo as we do book this in high volumes and this is close to our budget. It would be a great help if we could get this reduced. Accor will be assigning the HPC with its own Account Manager.

### **Hilton Group:**

P&O Travel has also contacted the UK Sales Manager for Hilton and suggested that they look into possible UK rates for us. Hilton is at the higher end of the market but I would expect their Hotels outside of London to fall within our budget.

### **Thistle Group:**

This would be a good chain for the HPC to be linked with. They have a high volume of hotels all over the UK and should fall within our budget. They also have a few London hotels which could be back up for the Novotel Waterloo and the Days Inn Waterloo. Thistle has recommended their Thistle Advantage product for us.

### **Days Inn:**

The Days Inn is a smaller brand in the UK but does have hotels across the UK. We have contacted the Sales Manager at the Days Inn Waterloo. They are working on some rates for us. Currently the Days Inn Waterloo is about £85.00 per night and well under our budget. They may not be able to reduce this but we can start working with them on UK wide rates and ways to try and save the HPC money.

### **Holiday Inn:**

Holiday Inn is part of the Intercontinental Hotel Group. We are looking to include Holiday Inns and Holiday Inn Express hotels, both being of a good standard. The Express hotels are more basic and just for a quick night's stay, they are more economic.

### **Premier Lodge:**

Premier Lodge and Travel Inn are tied in together and offer over 440 properties. Unfortunately they have fixed prices and do not negotiate on these. Their rates will always

come in within our budget and are usually around the £40-60 price mark. They have a Business Solutions card for frequent users, which we might consider.

### **Corus and Regal Hotels:**

This is a smaller chain but they do have a selection of really good well priced hotels around the UK. They are also very good for meetings and conferences.

### **Payment:**

There are four options open to us, viz.

**Option 1** This would be to carry on as we are with all categories settling their own account. This does not please people and is very expensive for us when these all have to be claimed and cheques raised. This is not a preferred option.

**Option 2** This would be for all of the hotel charges to be sent back to P&O Travel. This is very costly and time consuming and P&O would have to charge additional fees on top for this service. This would mean all of the invoices would have all of the correct details and we would know who by and why each hotel was booked.

**Option 3** This would be for us to set up HPC with credit accounts for each hotel chain. This would mean that when the guest checks out of the hotel the bill will be sent to the HPC and then paid by cheque or by a BACS payment. This will work for all of the major chains but when we have to book a non chain hotel with whom we do not have an account the guest would have to pay or have the bill sent back to P&O Travel. This would also mean we would have a high number of hotel invoices being sent in for payment.

**Option 4** The final **preferred option** is an American Express account. This is felt to be the best option for the HPC and would give both P&O Travel and the HPC control over hotel spend.

This is a corporate card account, designated to the Scheme Administrator (e.g. Financial Accountant) but the company is liable for all charges. The benefits to the HPC are a monthly statement from American Express, settlement by Direct Debit, our choice of payment date, Corporate Savings Plus, enabling an annual cash rebate if American Express Corporate Partners are used. This is simple to implement with no changes to the way we book with P&O Travel. We also get web access to view the account enabling both P&O and us to see all the charges. Guests' Reference Numbers and the Reason for Travel can be added at this point by P&O Travel.

It felt that this arrangement will enable us to cover almost every hotel in the UK and would give us control over the payment. P&O has been assigned an American Express Corporate Sales Manager to help set this up.

P&O Travel will not charge the HPC for their services for this scheme or for making individual bookings, their fees coming from commission from the hotels.