



Report to: Strategic Policy & Resources Committee
Subject: Waterfront Hall – Future Operating Model
Date: 21 November 2014
Reporting Officer: John McGrillen, Director of Development, Ext 3470
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1	Relevant Background Information
1.1	Members will be aware that on 31 March 2014, Belfast City Council received a Letter of Offer from the Northern Ireland Tourist Board offering £18.6m towards the construction of new conference and exhibition facilities at the Belfast Waterfront Hall.
1.2	<p>The Letter of Offer contains a number of conditions which must be fulfilled in order for the Council to secure payment of the funds by NITB. These conditions include the following:</p> <ul style="list-style-type: none">- Belfast City Council shall have implemented arrangements for the operation and management of the project going forward which are in substance and in form acceptable to NITB and shall have provided copies of the management contracts for the project to NITB and those contracts are acceptable to NITB.- Belfast City Council will fully test a range of operating options for the project to ensure the operating model deployed gives the greatest return to the economy in line with the targets outlined within the approved business case. These options are to include (but not limited to):<ul style="list-style-type: none">i) The review and potential enhancement of the current status quo operating modelii) Outsourcing the operation to an established private sector operatoriii) The creation of an arms length company/non profit distributing organisation wholly owned by Belfast City Council (NDPO/Mutual Company)
1.3	<p>The objectives which the project is required to deliver are as follows:</p> <ul style="list-style-type: none">- Provision of an integrated conference/convention centre by 2015- A minimum of 2000sq metres exhibition space across one level- Banqueting space for a minimum of 750 people- Attract 50,000 annual conference delegates to the city by 2020- To attract 35,000 (of the 50,000) out of state conference delegates by 2020

2	Key Issues
2.1	On 25 April 2014, the Strategic Policy & Resources Committee approved the procurement of consultants to undertake an options analysis for the future operation of the Waterfront Hall, as required by the conditions in NITB's Letter of Offer set out in paragraph 1.2 of this report.
2.2	Following a tender exercise, RSM McClure Watters was appointed to undertake the appraisal. Following agreement of the Strategic Policy & Resources Committee at its meeting on 22 August 2014, a series of Party Briefings took place in October to make Members aware of the proposed options to be considered along with the assessment criteria to be used.
2.3	<p>There was general consensus at Party Group Briefings that the following options be considered within the options analysis for the future management of the Waterfront Hall:</p> <ol style="list-style-type: none"> a) Do nothing b) An enhanced in-house management model c) An arms length company wholly owned by BCC d) A Trust e) A Mutual f) A joint venture and; g) A fully outsourced operation
2.4	<p>There was also broad agreement that the options should be assessed against the following criteria:</p> <ul style="list-style-type: none"> • Purpose - will the option be able to provide what is required from the venue? e.g. economic impact, surplus, prestige and publicity • Strategy - will the option be able to comply with BCC, venue and funder corporate and strategic objectives? • Expertise – would the option have or be able to obtain the necessary skills to deliver excellence? • Quality – could the option deliver to the required service standard? • Mutuality of operation – could the option deliver synergy between BCC, Visit Belfast and other economic operators? • Cost – how cost efficiently could the venue be run? E.g. economy of scale, transference of fixed cost to variable cost, increased revenue, reduced running costs, taxation etc. • Civic pride – how well does each option comply with the original strategic intentions of the Waterfront Hall and how will each option contribute to a positive perception of the city and the venue?
2.5	On 22 August 2014, the Strategic Policy & Resources Committee also agreed to the appointment of a new Head of Sales and Marketing for the Waterfront Hall as it was recognised that the introduction of a Commercial Sales and Marketing Team was essential to achieving the objective of attracting 50,000 conference delegates to the Waterfront by 2020.
2.6	It is planned to commence the recruitment process for the Head of Sales and Marketing in December 2014. Given the importance of this post, it is proposed that the procedure which applies to the appointment of a Head of Service is used for this particular appointment. It is proposed therefore that the Chair and Deputy Chair of the Development Committee or their representatives sit on the selection panel along with one further representative of the Development Committee from one other party.

2.7	In order to ensure access to the widest pool of high quality applicants, it is recommended that a Sales & Marketing recruitment specialist be used to assist in this critical appointment.
2.8	An update report is also being taken to the Shadow Strategic Policy and Resources Committee.

3.	Resource Implications
3.1	It is proposed that the services of a recruitment specialist be used for the appointment of the Head of Sales and Marketing. The cost will not exceed £20,000 and will be met from existing resources.

4	Equality and Good Relations Considerations
4.1	Employment of the Head of Sales and Marketing will comply with all fair employment and equality requirements.
4.2	An Equality Impact Assessment will be undertaken as part of the development of the preferred model following a Council decision in 2015.

5	Recommendations
5.1	Members are asked to: <ul style="list-style-type: none"> - Agree that the options appraisal for the operation of the Waterfront Hall considers each of the options set out in paragraph 2.3 above; - Agree that the options be assessed against the criteria set out in paragraph 2.4 above; - Agree that the Chair and Deputy Chair of the Development Committee and a third member of the Committee from another party sit on the selection panel for the Head of Sales and Marketing post at the Waterfront Hall; - Agree to the engagement of a recruitment specialist for the above post.

6	Decision Tracking
A full report on the options appraisal will be presented to the Strategic Policy & Resources Committee in January 2015 following which a detailed business model will be completed by March 2015.	
Reporting Officer: John McGrillen, Director of Development	

7	Key to Abbreviations
NITB – Northern Ireland Tourist Board	