

Ms Suzanne Wylie
Chief Executive
Belfast City Council
Belfast City Hall
Belfast BT1 5GS

6 October 2014

Dear Ms Wylie:

I am writing in my capacity as Executive Chairman of the Ulster Orchestra. As a result of cuts by the ACNI and the BBC to their grants to the Ulster Orchestra, its future is in question. Unlike many other organisations in Northern Ireland that are facing funding cuts at this moment, and which will continue to operate but will have to reduce the scale of their operations, the cuts for the Ulster Orchestra mean that it will cease to be a “going concern”, with the result that it will have to qualify its accounts and stop trading by the end of November. Northern Ireland would then have the dubious distinction of being the only region in these islands that did not have a symphony orchestra.

To help avoid this fate, we are making the attached proposal to Belfast City Council. The proposal begins by outlining the UO’s financial position. To summarise, the ACNI and BBC cuts amount to 28% (£817K in money terms) since March 2011; in real terms, they amount to £925K. We are currently forecasting a deficit of about £400K for 2014/15. This deficit, together with the in-year budget cut of 4% to our ACNI grant, will wipe out our reserves and leave the Board with no option – either financially or legally – but to announce the closure of the Orchestra.

Hence the first aspect of our proposal to BCC is a request that it issues us with a letter of comfort, a “cash-deficiency agreement”, in which the Council agrees to indemnify the Ulster Orchestra for any deficit up to £500K that it incurs by 31 March 2015. This would stabilise the Orchestra’s financial position and should allow the auditors to sign off the annual accounts without qualification. This, together with the second aspect of our proposal, should enable the Orchestra’s Board to sanction continued trading.

The second aspect of our proposal is a request for a rent-free period of five years for the use of the Ulster and Waterfront Halls. The acceptance of this aspect of the proposal would make a significant difference to the Orchestra’s loss-making position, allow it greater flexibility to develop strategically, and further our collaboration on special projects with the management of the Ulster and Waterfront Halls.

We believe the two aspects of our proposal are justified by the enormous cultural, economic and social contribution that the Ulster Orchestra makes to Belfast and Northern Ireland more generally. The cultural benefits are well known and include the Orchestra’s world-class music making, its cultural partnerships with other arts organisations, and the performance opportunities it creates for Northern Irish composers and musicians.

The economic benefits include a multiplier effect of £2.62 for every £1 pound provided by the ACNI, which implies a cash-flow value to the local economy of £50m over twenty-five years; and the way in which the Ulster Orchestra enhances NI’s geographical reach and world standing and, in doing so, supports and

promotes its efforts to attract foreign direct investment, its cultural tourism product, and its growing music, TV, and movie industries.

The social benefits include the Orchestra's educational activities, which last year reached a total of 25,000 participants, and its work in using music to mitigate the negative effects of multiple social deprivation in working-class communities.

If BCC were to accept our proposal, it would not only save the Ulster Orchestra from going into administration in November, it would also enable the Orchestra to take advantage of the following developments that will occur over the next six months:

- Discussions with DCAL to provide financial support for an early retirement scheme for the Orchestra's players.
- Discussions with the Department of Education to provide a more strategic, cohesive and synergistic programme of musical education in schools.
- Discussions with private trusts and foundations to support educational and other social projects.
- Discussions with the BBC that will hopefully lead to a different structural relationship between it and the Ulster Orchestra and to larger fees for its services.
- Work that Trevor Green, a highly experienced orchestral consultant, and we are engaged on to re-design the operating model of the UO, including: the Musicians' Union contract, the structure of performance and outreach, and the cost-revenue basis. If BCC's letter of comfort and the rent-free period are to be effective, they have to be accompanied by a long-term plan that will ensure the Orchestra has a sustainable future.

We are grateful to Belfast City Council for providing funding to the Ulster Orchestra over many years, and we hope that, at this time of financial crisis, it will be able to provide further support that will enable us to continue to serve Belfast, and Northern Ireland more generally, in the future.

Yours sincerely

George Bain
Executive Chairman