



<b>Subject:</b>	Zoo - Long term Options
<b>Date:</b>	8th March, 2017
<b>Reporting Officer:</b>	Nigel Grimshaw Director City & Neighbourhood Services
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<b>Is this report restricted?</b>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	At City Growth & Regeneration Committee on 12 <sup>th</sup> October 2016 the long term options for the Zoo were presented for consideration. After discussion it was agreed that the closure of the Zoo and the status quo would not be pursued as options. A date for the Workshop with Members was agreed for 2nd December to enable Members to develop a range of criteria to be applied and weighted for each of the operating options. Members also asked to include in the workshop what the Zoo would contain, or focus on, initially.
1.2	The Members' workshop focused on the following: <ul style="list-style-type: none"><li>▪ The value of the Zoo from a conservation and education perspective</li><li>▪ Whether there are options to change the focus and scale of the zoo – for example moving to European species only/smaller in scale</li><li>▪ The main themes Finance, staff, investment and associated risks were assessed</li></ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to: <ul style="list-style-type: none"><li>▪ Note the feedback from the workshop and Members' written submission</li><li>▪ Note that other stakeholder engagement is ongoing</li><li>▪ Provide decisions on the key issues outlined to allow consultants to carry out further work on the options and weight these options for evaluation</li></ul>

<b>3.0</b>	<b>Main report</b>
3.1	<p>Appendix 1 sets out the output from the Members' working group. The Members participating gave an indication that the priorities for change included;</p> <p><b>The need to get the balance right between;</b></p> <ul style="list-style-type: none"> <li>▪ Welfare</li> <li>▪ Research and Conservation</li> <li>▪ Education</li> <li>▪ Visitor experience (excitement, entertainment and value for money)</li> </ul> <p><b>Supporting operations that provide opportunities for;</b></p> <ul style="list-style-type: none"> <li>▪ Volunteers</li> <li>▪ Students (schools to post graduates)</li> <li>▪ Researchers</li> </ul> <p><b>Providing Zoo facilities that have;</b></p> <ul style="list-style-type: none"> <li>▪ Improved attractions for visitors</li> <li>▪ Features which appeal to teenagers</li> <li>▪ An experience which is constantly improving and changing to ensure it remains attractive for repeat visits by local people</li> </ul> <p><b>Written submission from a Member;</b></p> <ul style="list-style-type: none"> <li>▪ Reassignment of the Zoo to move away from a focus on exotic animals to be replaced with animals from Northern Europe in particular native species. This is a less expensive option</li> <li>▪ The priority is the physical and mental welfare of the animals</li> <li>▪ There is an opportunity to focus on native species breeding and link in the education and conservation elements to become world renown</li> <li>▪ Redirection of our breeding programme to focus on animal releases back into the wild</li> <li>▪ The costs of the Zoo are prohibitive and should be funded by the Northern Ireland Assembly rather than Belfast City Council</li> </ul>
3.2	<p>Other engagement is ongoing with HLF, TNI and Friends of the Zoo generally but they will also be involved in discussions on the preferred options put forward by Committee.</p>
3.3	<p><b>Key issues to be considered by Committee include:</b></p> <ul style="list-style-type: none"> <li>▪ Maintain in-house business operating model or agree an alternative model?</li> <li>▪ Maintain the Zoo on the existing site or relocate?</li> <li>▪ Reduce the size and animal collection at the Zoo?</li> <li>▪ Reassign the Zoo to focus on Northern European animals and native species?</li> <li>▪ Dependant on answers to the forgoing points, what are capital investment implications?</li> </ul>

3.4 In considering the above issues, the below table sets out a range of potential business operating models against which Consultants could develop greater detail and identify weightings to assist with evaluation of a preferred option going forward.

	<b>Option</b>	<b>Brief description</b>	<b>Risks / Benefits</b>
<b>1</b>	<b>Transformed In - House</b>	This would involve a challenging transformation process that would have to extend to a change in the way central services support the operation of the Zoo. It would require flexibility and a move towards new ways of working.	Change may be slow to deliver and may meet strong resistance from some staff and from staff representatives.  All risks remain with the Council
<b>2</b>	<b>Council owned Company</b>	This would involve a transformation in the ways of working and a change in the way that the Zoo is governed. A new company would have its own board of directors and this would bring new expertise to assist the management team and staff.	Trading risk remains with the Council – at least for the early years following transfer.
<b>3</b>	<b>Public / Private Partnership – including possible Joint Venture</b>	This could take many forms and could involve the creation of a new Joint Venture Company	There are complex procurement issues and the arrangements are likely to involve shared risk alongside complex formal agreements
<b>4</b>	<b>Market Solution – possibly involving a competition for the granting of a Concession and Lease</b>	This would involve the Council testing the market and then using the feedback to help shape a Prospectus; setting out an opportunity to the market that is structured as a concession with an associated lease or license.	Although there would be a full trading risk transfer (contractually fixed price), the Council would be still be required to provide a level of funding – probably tapering over a number of years. The Council could benefit from some form of agreement in which funding is returned to the Council if a level of income is achieved.
<b>5</b>	<b>Market Solution – involving a competition for a Management Contract</b>	This is similar in some respects to the granting of a Concession and Lease as above, but the Council would define its requirements in a far more prescriptive form	Although there would be a full trading risk transfer (contractually fixed price), the Council would be still required to provide a level of funding – probably tapering over a

			number of years. The Council could benefit from some form of agreement in which funding is returned to the Council if a level of income is achieved.
<b>6</b>	<b>Hybrid Solution – possibly involving the establishment of a local “Trust” and the letting of a Concession / Management Contract to an Operating Partner</b>	This could take various forms and ideas might emerge from an early market engagement	This might involve shared risk / reward, a two tier structure that is tax efficient and an agreement with a specialist operator (visitor attractions) aligned to a Zoo specialist.

### 3.5 Financial & Resource Implications

Currently the direct operating costs of the Zoo are approximately £1m per annum with capital depreciation, centrally held property maintenance budgets and internal support costs are additional to this. At the workshop in December Members highlighted that investment was needed in the Zoo in terms of addressing the condition of the Floral Hall, improving transport options and enhanced visitor attractions. There is currently no financial commitment to the Zoo Improvements in the Capital Programme. Management are currently exploring options for possible investment and engagement on improving the Zoo.

3.6 The Zoo Trade Union Forum nominated through JNCC has been set up. Staff and Trade Unions will be vital for the communication and engagement around the options and will be part of the stakeholder engagement.

3.7 There are no asset implications at this stage although the final phases of the project will include an assessment of capital assets investment required.

### Equality or Good Relations Implications

3.8 There are currently no equality or good relation implications however this will continue to be reviewed as the project is developed.

### 4.0 **Appendices – Documents Attached**

	<b>Appendix 1 – Zoo workshop findings</b>