

Belfast Waterfront and Ulster Hall Ltd. Shareholders' Committee

Monday, 19th August, 2019

MEETING OF BELFAST WATERFRONT AND ULSTER HALL LTD. SHAREHOLDERS' COMMITTEE

Members present: Councillor Mulholland (Chairperson);
The High Sheriff (Alderman Sandford);
Alderman Haire; and
Councillors Canavan, Cobain, Flynn,
Groves, M. Kelly and McAteer.

In attendance: Mr. R. Cregan, Director of Finance and Resources;
Mr. J. Greer, Director of Economic Development;
Ms. C. Toolan, Managing Director, Belfast Waterfront
and Ulster Hall Ltd.;
Ms. L. Doyle, Operations Director; and
Mrs. L. McLornan, Democratic Services Officer.

Apologies

Apologies for inability to attend were reported from Alderman Copeland and Councillors Collins and Kyle.

Minutes

The minutes of the meeting of 20th March were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 1st April.

Declarations of Interest

Ms. C. Toolan declared an interest in Item 2a, Board Evaluation Outcomes, in that some parts of the discussion would affect her role, and she left the room for the duration of the item.

Schedule of Meetings 2019/2020

The Committee agreed to the following schedule of meetings:

- Monday 18th November, 2019;
- Monday 20th January, 2020;
- Monday 17th February, 2020;
- Monday 18th May, 2020; and
- Monday 15th June, 2020.

RESTRICTED ITEMS

The information contained in the following two reports is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

Board Evaluation Report Outcomes

(Ms. C. Toolan left the meeting for the duration of this item.)

The Belfast Waterfront and Ulster Hall Ltd. Governance Review and an accompanying officer report was tabled at the meeting.

The Director of Economic Development advised the Committee that an independent Board of Directors was established shortly after BWUH Ltd. had been formed as a company by the Council in early 2016.

He explained that the Board consisted of a Chairman and five Non-Executive Directors and that four of the current Directors had been appointed in April 2016. In accordance with the Articles of Association, they were due to retire at the end of March 2019 or be extended for a further three years. The Committee was advised that it had, at a Special meeting on 20th March 2019, agreed a temporary extension to extend their term to 31st July 2019, to allow the Board Evaluation to be completed.

The Members were advised that two additional Directors had been recruited in February 2018 in order to bring additional skills, knowledge and expertise which had been identified as priority areas.

He advised the Committee that the BWUH Ltd. Board Evaluation had been completed in March 2019. He outlined that the findings and recommendations were intended to support the Board and senior management to continue to improve the effectiveness of the board and the governance of the company, in order to ensure it had the structures, processes and behaviours to provide effective leadership and governance of this dynamic organisation in the future.

In line with the recommendations from the Evaluation, the Committee was advised that it was being asked to consider that the Chairman be reappointed to the Board for a further period of three years, up until 31st March 2023, and that the term of the longest serving Non-Executive Directors be extended to 31st March 2020, in order to allow enough time to recruit new members.

The Director of Economic Development explained that the Evaluation report had advised that, in line with good governance, a Board should appoint an officer of the company as a member of the Board. He informed the Committee that the Board wished to appoint the Chief Executive of Belfast City Council as a Board member, and that she had the requisite experience and had completed the Certificate in Corporate Governance from the Institute of Directors.

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He outlined that the fees for the Non-Executive Board Directors and the Chairman were recommended to be enhanced in order that they would better reflect the requirements and expertise of the roles. He advised the Committee that, whilst private sector remuneration levels were significantly higher, and that it was difficult to find like-for-like organisations, officers had conducted some industry benchmarking through Pay Benchmark Scales and were recommending increases in fees for the Non-Executive Directors and for the Chairman.

A number of Members expressed concerns that, as the report had been tabled, they had not had the required time to read or consider the recommendations regarding the increase in remuneration paid to the Board Directors or the Chairman.

During discussion, a number of Members requested information on the Boards which officers had used as comparators and how much time BWUH Ltd. Board members spent on their role.

The Director of Finance and Resources highlighted to the Committee that the Board would not be able to advertise for two new Board Directors until the fees had been agreed.

Moved by Councillor McAteer,
Seconded by Councillor Flynn and

Resolved - that the Committee agrees:

1. to defer consideration to a Special meeting on Friday, 23rd August at 1 p.m., regarding the proposed increase to the fees for the Non-Executive Board Directors and the Chairman; and
2. that information be circulated to the Committee in advance of that meeting, detailing the figures which officers used to benchmark the proposed new fees, and information pertaining to the number of days spent by the Chairman and the Non-Executive Board Directors on BWUH Ltd. Board-related work.

After discussion, the Committee further agreed that:

1. the Chairman be reappointed to the Board for a further period of three years from now until 31st March, 2023;
2. the term of the longest serving Non-Executive Directors be extended to 31st March, 2020 to allow enough time to recruit new members;
3. a process to recruit two new Board members would commence in September 2019, with two new Non-Executive Directors ready to commence in time for the financial year in 2019/2020 with a focus on the skills identified in the Board review Report;
4. the Chief Executive be appointed as a member of the Board of Directors; and
5. if officers deemed future reports commercially confidential, that Members of the BWUH Shareholders' Committee would be invited to view them at least 2 hours in advance of the meeting in order

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that they were not expected to make decisions without having all the information which they required to do so.

Performance Report - Quarter 1, 2019/2020

(Ms. C. Toolan, Managing Director of BWUH Ltd., returned to the meeting at this point.)

The Managing Director of Belfast Waterfront and Ulster Hall Ltd. (BWUH Ltd.) provided the Committee with an overview of the Company's mission, vision and governance structure. She invited the new Members of the Committee to undertake a tour of the ICC Belfast.

She advised the Committee of the Company's performance during April, May and June, 2019, and provided a detailed analysis of actual performance against the budget, in relation to sales and overhead costs. The Members were advised that the company was on target to achieve its goals.

The Members were advised of the company's strategic goals and how it was achieving, or surpassing, the targets in relation to the number of conferences held, the number of delegate days and the economic return to the City by 2020/2021.

The Committee was given an overview of the sales pipeline for conferences and entertainment for the coming years. It was pointed out that 2020/2021 remained a challenging year for the company.

The Operations Director provided the Members with an update on the pro-active sales and marketing activity which had been undertaken by the team. She highlighted to the Members that the recent C&IT Agency Forum had been very successful for the company and that the BWUH team's hard work had paid off in showcasing the City.

The Members were advised of the feedback which had been received from conference organisers and entertainment customers in relation to both venues.

The Operations Director provided the Committee with an overview of the targets as set out in the Letter of Offer, and the company's performance in each area. She highlighted that the absence figures were 1.2% higher than the target and explained that work was ongoing to reduce this.

The Managing Director highlighted to the Committee that more and more event organisers were interested in a venue's sustainability and environmental policies and that it would be important for the company's success moving forward.

She advised the Members that a new website and ticketing system had been launched for the entertainment side of the business and that they were operating well.

The Members were reminded that the previous catering contract for the business had been terminated in June, 2018. The Managing Director explained that the tender for the catering contract had been issued in March 2019 by an external consultant, with tenders for the cleaning and security commencing in the coming months.

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The Managing Director provided the Committee with an update on the company's Corporate Social Responsibility and explained that Autism NI had been chosen as the charity for the financial year.

The Members were advised that a Conditions Survey was being completed to establish priorities for the capital programme. In response to a request from a Member, the Managing Director confirmed that she would endeavour to outline the difference costs relating to each venue in future reports.

A number of Members requested information regarding the potential for apprenticeship positions within the business. The Manager Director explained that the creation of apprenticeships continued to be a challenge as they did not have any tradesmen as full-time employees within the business, but that they were still working towards apprenticeship positions within the business. The Operations Director added that they worked closely with the Ulster University and Belfast Met, and that they were soon hoping to take on a Digital Marketing student within the company.

In response to a Member's query regarding the impact of Brexit on the business so far, the Managing Director advised the Committee that five conferences had been lost as a result of the uncertainty around Brexit. She explained that one of the reasons cited by an organiser related to the uncertainty in relation to Value Added Tax rates.

In response to a further question, the Managing Director confirmed to the Committee that all staff employed by BWUH Ltd. received a Living Wage.

The Committee noted the update which was provided.

Chairperson