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**Democratic Services Section
Chief Executive's Department
Belfast City Council
City Hall
Belfast
BT1 5GS**

25 November 2014

MEETING OF SHADOW STRATEGIC POLICY AND RESOURCES COMMITTEE

Dear Councillor,

I enclose the report in respect of the request from the Ulster Orchestra, which will be considered at the meeting to be held at 10.00 am on Friday, 28th November, 2014.

Yours faithfully,

SUZANNE WYLIE

Chief Executive

AGENDA:

- (e) Request from Ulster Orchestra (Pages 1 - 4)

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Report to:	Shadow Strategic Policy & Resources Committee
Subject:	Ulster Orchestra – Free Use of the Waterfront and Ulster Halls
Date:	28 November 2014
Reporting Officer:	Suzanne Wylie, Chief Executive, Ext 6001
Contact Officers:	John McGrillen, Director of Development, Ext 3463

1	Relevant Background Information
1.1	At the meeting of the Strategic Policy & Resources Committee on 17 October 2014, the Committee considered a request by the Ulster Orchestra that the Council should enter into a 'cash deficiency agreement' with the Orchestra for any deficit up to £500k that it incurs by 31 March 2015.
1.2	The Committee were also asked by the Orchestra to consider a rent free period for five years for the Waterfront and Ulster Halls. The Committee agreed that this request should be forwarded to the Shadow Strategic Policy & Resources Committee for consideration.
1.3	At its meeting of 21 November 2014, the Strategic Policy & Resources Committee received a presentation from representatives of the Ulster Orchestra. During the presentation the Chairman of the Orchestra, Sir George Bain, reiterated the request for the Council to enter into a 'cash deficiency agreement' to indemnify the Orchestra for any deficit up to £500k that it incurs by 31 March 2015.
1.4	In addition to the cash deficit agreement, the Orchestra also re-emphasised the need for a rent free period of five years for the use of the Ulster and Waterfront Halls on the basis that this would significantly reduce the Orchestra's annual financial deficit in the future and move it towards a sustainable operating model going forward.
1.5	Following discussion of the proposal, Members agreed in principal, to contribute a sum of £100,000 to the Ulster Orchestra, subject to that body securing additional funding to meet its operating deficit for 2014/2015, and subject to the Council being satisfied with the longer-term financial viability of the Orchestra and to the receipt of assurances from auditors that the Orchestra was considered to be a going concern.

1.6	It was further agreed that the matter of the rent free accommodation of the Waterfront and Ulster Halls be referred to the Shadow Strategic Policy and Resources Committee for consideration.
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2	Key Issues
2.1	The Ulster Hall has essentially been the permanent home of the Ulster Orchestra since June 2009 following the refurbishment of the Hall. Over that period the Ulster Orchestra has used the Hall for both rehearsals and performances, and the Orchestra has also rented office space within the Hall since that time.
2.2	Following funding cuts by the BBC and ACNI in 2013, the Orchestra reduced the number of offices it rented in the Ulster Hall, leaving them with limited space for staff, meetings and storage. The annual rent and service charge for the current office space equates to £30k per annum.
2.3	In addition to the office space the Orchestra pays annual rental charges of circa £170k for rehearsals and concerts in both the Ulster Hall and the Belfast Waterfront.
2.4	<p>Currently the Orchestra receives an annual grant of circa £149k through the Council's Culture and Arts Multi Annual funding programme.</p> <p>The Orchestra now requests that Belfast City Council allows rent free use of:</p> <ul style="list-style-type: none"> a) All of the original office space in the Ulster Hall and; b) Use of both Halls for rehearsal and performances for a five year period whilst still receiving the £149k grant annually.
2.5	As Members will be aware, the Belfast Waterfront Hall is undergoing major expansion to facilitate conferences and exhibitions from May 2016 onwards. It will be important going forward that the programming of rehearsals and performances in the Waterfront are aligned with the future conference requirements of the new facility.
2.6	A number of staff previously located in the Belfast Waterfront have been relocated to offices in the Ulster Hall during refurbishment. The previous office accommodation in the Waterfront is to be redeveloped as break out facilities in the new conference centre and will not be replaced. There will therefore be a need to facilitate these staff within the Council's future accommodation plans.
2.7	In line with the NITB funding offer for the Waterfront extension, an options appraisal is currently being conducted for the future operation of the Waterfront Hall. Any accommodation of free use of the Hall will need to be factored into any future operating arrangement.

3	Resource Implications
3.1	If Members agree to the request made by the Ulster Orchestra, this will add £170k per annum to the Council's operating costs and would have to be considered within the rate setting process for 2015/16 and beyond.

4	Equality and Good Relations Considerations
4.1	There are no Equality and Good Relations implications associated with this report.

5	Recommendations
5.1	Members are asked to note the request by the Ulster Orchestra for a five year rent free period and agree that this be considered as part of the rates setting process and departmental estimates in January 2015.

6	Decision Tracking
A further report will be presented to Committee in January 2015 as part of the estimates process.	
Reporting Officer: Suzanne Wylie, Chief Executive	

7	Key to Abbreviations
ACNI – Arts Council of Northern Ireland	
BBC – British Broadcasting Corporation	

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