

Democratic Services Section
Legal and Civic Services Department
Belfast City Council
City Hall
Belfast
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Belfast
City Council

27th July, 2021

**REMOTE MEETING OF BELFAST WATERFRONT AND ULSTER HALL LTD
SHAREHOLDERS' COMMITTEE**

Dear Alderman/Councillor,

The above-named Committee will meet remotely, via Microsoft Teams, on Monday, 2nd August, 2021 at 5.15 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully,

SUZANNE WYLIE

Chief Executive

AGENDA:

1. **Routine Matters**

- (a) Apologies
- (b) Minutes (Pages 1 - 6)
- (c) Declarations of Interest

2. **Restricted Items**

- (a) Annual Report & Financial Statements for year ended 31st March 2021 (Pages 7 - 48)
- (b) Final Draft Business Plan 2021/2022 (Pages 49 - 70)
- (c) Casual Workers – (Verbal update)
- (d) Extension of Board Directors' Contracts (Pages 71 - 74)
- (e) Capital and Maintenance Update (Pages 75 - 78)

Belfast Waterfront and Ulster Hall Ltd. Shareholders' Committee

Monday, 17th May, 2021

MEETING OF THE MEMBERS OF THE BELFAST WATERFRONT
AND ULSTER HALL LTD. SHAREHOLDERS' COMMITTEE
HELD REMOTELY VIA MICROSOFT TEAMS

Members present: Alderman Haire (Chairperson);
Alderman Copeland;
Councillors Canavan, Matt Collins, Flynn,
Kyle, Magee, McAteer, McCabe,
Mulholland, and Newton.

In attendance: Ms. J. Corkey, Chief Executive, ICC Belfast
(Belfast Waterfront and Ulster Hall Ltd.);
Mr. I. Bell, Director of Finance and Systems, ICC Belfast
(Belfast Waterfront and Ulster Hall Ltd.);
Mr. J. Greer, Director of Economic Development;
Ms. S. Grimes, Director of Physical Programmes;
Ms. Pièr Morrow, Tourism Culture Heritage & Arts
Development Officer
Mrs. L. McLornan, Democratic Services Officer; and
Ms. K. McCrum, Democratic Services Officer.

Apologies

An apology for the inability to attend was reported from Councillor M. Kelly.

Minutes

The minutes of the meeting of 4th 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

No declarations of interest were recorded.

Restricted Items

The information contained in the report associated with the following 5 items is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

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Performance Report - Quarter 4, 2020/21

The Director of Finance and Systems at ICC Belfast/BWUH Ltd provided an update on the company's performance during 2020/2021.

As the venues had been mandated to close from 16th March, 2020, the Members were advised that there had been a major impact on sales revenue results and the majority of Key Performance Indicators (KPIs). However, live steaming with the Ulster Orchestra along with a number of other small events had allowed some revenue to be generated. The Director of Finance and Systems advised that, due to performance across previous financial years, targets around the number of delegate days and out-of-state delegate days remained ahead of target.

The Committee was advised that one of the main objectives during the last year had been to minimize the reduction in economic impact and, as such, work was continuing to retain conferences for future years and to establish multi-year deals. He added that ticket sales had increased as lockdown restrictions had eased, demonstrating that demand for the venues remained.

The Director of Finance and Systems provided an update regarding ongoing engagement with the staff team, as well as training and development work that was underway. He added that training was available to all staff, including those on furlough, and would ensure that the level of Health and Safety knowledge within the company was enhanced.

The Members of the Committee commended the work that had been undertaken given the difficult circumstances and recommended that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to note the update which had been provided.

Draft Business Plan 2021/22

The Chief Executive of ICC Belfast/BWUH Ltd. provided the Members with an update on the direction of travel for 2021/2022. She confirmed that a date for reopening had now been provided, however, the parameters in terms of capacity and social distancing were, as yet, unknown.

The Members were reminded of some of the key achievements from 2019/2020 and of the interim Mission Statement that had been agreed in April, 2020, in light of Covid -19.

The Chief Executive of ICC Belfast provided details of their SWOT Analysis, with key strengths, including strong business retention and market engagement throughout the pandemic, strong team engagement and the development of the hybrid delivery model which had received a number of industry awards. The uncertainty around reopening and restrictions to international travel were raised as potential threats to the business.

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Details on a range of Strategic and Corporate Projects were provided, each designed to address a particular issue or ensure a strong return to the market, utilising both short term and longer term KPIs. The importance of supporting staff to return to the workplace was highlighted.

In conclusion, the Chief Executive of ICC Belfast again underlined the importance of the development of the hybrid model to event delivery, as well as the venues remaining safe and covid secure. She explained that their focus was to ensure that once reopened, the venues were sustainable, accessible and operating at full capacity.

The Director of Finance and Systems provided a financial overview for 2021/2022 which was currently based on a reopening date of 1st October, 2021. He suggested that, as this date was likely to be brought forward, it was probable that the anticipated financial performance would improve. He added that the Corona Virus Job Retention Scheme (CJRS) was due to end of 30th September, and, whilst the hospitality industry was lobbying for further support, this remained an unknown area of expenditure. For these reasons the Members were advised that it was a challenge to provide an accurate forecast at this time, however, a greater degree of accuracy could be provided once more clarity regarding the easing of restrictions was provided.

The Director of Economic Development added that it had been a difficult year but, due to the work of the sales and marketing team in rebooking events, he was hopeful of a successful recovery, however, this would be very dependent of the operating environment that all events would be subject to.

A number of the Members commended the work of staff during a difficult year.

In response to a query regarding how prices would be impacted should capacity be limited to 30%, the Chief Executive of ICC Belfast advised that with respect to entertainment, it would be at the discretion of the promotor as to whether they wished to hold an event with reduced capacity. With regards to conferences, she advised that ICC Belfast would not be encouraging a price rise to the consumer as a result of reduced capacity. She added that as a result, many promoters and conference organisers were moving dates into the future in the hope of increased capacity. She also suggested that, while fuller capacity events were preferable, lower capacity events at the outset would build consumer confidence.

The Members of the Committee recommended that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to note the update which had been provided.

Capital and Maintenance Update

The Director of Physical Programmes provided the Committee with an update on the ongoing capital and maintenance works at the ICC Waterfront Hall.

The Committee was reminded of the three major capital projects that had been identified at the Waterfront Hall, namely, the replacement of the escalators and of the chiller units, as well as works to the roof.

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In respect of the escalator replacement, she explained that previously it had been agreed that two sets of escalators would be replaced between November, 2021 and February, 2022. She added that the tender process had now been completed and a supplier recommended.

The Committee was advised that, while the submission was within the ringfenced allocation, an additional option had been included to replace the third set of escalators. Following discussions with ICC, it was agreed that it would be preferable to replace all of the escalators in order to simplify installation, maintenance requirements and to ensure that they all had a 25-year life span. She added that this change would not impact the timeframe already agreed and the additional financing was within the affordability limits of the Council. She confirmed that, on this basis, the Strategic Policy and Resources Committee, at its meeting on 23rd April, had agreed to replace the 3 sets of escalators at a cost of £1.02million, and as a result, the tender had now been awarded.

With regards to the chiller units and works to the roof, the Members were advised that reports on both were due to be delivered in late May, however neither had associated financing and so both would need to go through the appropriate governance processes and seek Strategic Policy and Resources Committee approval.

Finally, the Director of Physical Programmes advised that a series of thematic sessions would be held over the coming weeks with Departments across the Council to determine future capital works priorities, the Waterfront being one of these sessions. She confirmed that any update from these meetings would be brought back to the Committee.

The Members of the Committee recommended that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to note the update and the updated position in respect of the replacement of three sets of escalators, rather than the two sets as originally planned.

Update on Casual Workers

The Director of Finance and Systems at ICC Belfast advised that, since the last meeting of the Committee, individual consultation meetings had been set up with 23 casual workers, however, 4 workers subsequently communicated their withdrawal from the process indicating that they wished to remain on a casual working arrangement.

He added that further meetings were scheduled in the weeks ahead, and that it was anticipated that the process would be complete in late May to early June. He reminded the Members that these staff were eligible to be furloughed via the Corona Virus Job Retention Scheme (CJRS) until 30th September.

In response to a question as to whether there had been any feedback from the staff involved, he confirmed that to date the response had been positive, and that more in-depth conversations would be had in the weeks ahead.

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The Members of the Committee recommended that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to note the content of the report.

Governance of BWUH

The Director of Economic Development reminded the Members that, at their meeting on 4th March, they had requested that a report be circulated covering the issues which had been discussed at the BWUH Governance Workshop in December 2020 and that a legal opinion be sought as to whether the governance operating model for BWUH Ltd. could be changed; specifically, how a mutual agreement would work and if Elected Members of the Council could be appointed directly to the Board of Directors.

The Director subsequently provided background information on the management of the Waterfront Hall by the Council, and explained that, in order to secure ERDF grant funding to expand the economic impact of the venue, it was considered necessary to review the business operations of the Waterfront Hall. He outlined the various operating models that had been reviewed in order to deliver on the targets within the Letter of Offer from the then NI Tourist Board, and confirmed that the Council's Strategic Policy and Resources Committee had agreed in September, 2014, that two options should be examined further in order to determine the best governance arrangements. These were an arm's length trading company and enhanced in-house options.

The Members of the Committee were advised that, following study visits to review similar models, a recommendation was made to and agreed by the Council, that an arm's length company was the most likely option to be able to deliver the required outcomes and outputs. The Director added that it had been agreed that the Council's oversight should be via a Shareholder Committee and not Member Director given the onerous nature of a Director's role in that they would be required to have both extensive commercial knowledge and experience, as well as be prepared to accept legal liability risks.

In terms of the legal opinion, the Members were advised that the advice stated that current governance arrangements could not be reviewed as the Council, in April 2016, had entered into a 10 year contract with the company to run and manage the venues, and any breach of this contract could result in litigation. In addition, the Committee was advised that the Letter of Offer with Tourism NI was still active and so any change to the governance model would also require their agreement so as to avoid the risk of a funding clawback. He also confirmed that this legal opinion had been sought as a result of the request made by the Committee in March, 2021.

A Member questioned whether the requirements within the Letter of Offer in terms of delegate and conference numbers had been met by the 2020 deadline, and whether it would be possible to amend the current contract if all parties were in agreement. He also questioned what engagement had taken place with ACC Liverpool about their experience of having Member Directors.

The Director of Economic Development confirmed that all of the targets had been achieved and were subject to audit by the managing authority, the Department for the Economy, as well as a further 10 years of monitoring against ongoing targets agreed to

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alongside Tourism NI. With regards to engagement with ACC Liverpool, the Members were advised that a number of operating models had been reviewed in detail by RSM and this had formed the foundation of the recommendation to Council.

He added that the key consideration with regards to any change in governance arrangements would be the agreement by the Council, Tourism NI and the current Board of the Waterfront Hall. The Members were reminded that the Council had previously opted for a Shareholder Committee rather than Member Director given that they could be made personally liable for issues such as financial loss or health and safety breaches.

Following further discussion, it was suggested that any further queries regarding the governance arrangements could be raised directly with the Director of Economic Development.

The Members of the Committee subsequently recommended that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to note the detail provided relating to the background to the establishment of BWUH Ltd., and note the legal advice received from Belfast City Council on this matter.

Chairperson

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of the Local Government Act (Northern Ireland) 2014.

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