

Development Committee

Monday, 6th February, 2012

SPECIAL MEETING OF DEVELOPMENT COMMITTEE

- Members present: Councillor Stalford (Chairman); and
Alderman Ekin,
Councillors Austin, Hendron, Keenan, Kelly,
Kingston, Kyle, McVeigh, Mac Giolla Mhín, Maskey,
Ó Muilleoir, Reynolds, Robinson, Spence and Webb.
- Also attended: Alderman Rodgers;
Councillors Attwood, M. E. Campbell, Convery,
Hargey, Hussey, Jones, Mullan and Thompson.
- In attendance: Mr. J. McGrillen, Director of Development;
Ms. S. McCay, Head of Economic Initiatives; and
Mr. B. Flynn, Democratic Services Officer.

Apologies

Apologies for inability to attend were reported from Alderman Humphrey and Councillors Curran, Lavery and Mallon.

Declarations of Interest

No declarations of interest were reported.

Councillor Austin

The Chairman, on behalf of the Committee, congratulated Councillor Austin on the birth of her grand-daughter earlier in the day.

Proposed Dissolution of the Department for Employment and Learning

The Director advised the Committee that correspondence had been received from the Chairman of the Committee for Employment and Learning at the Northern Ireland Assembly, Mr. B. McCrea, M.L.A., seeking comments in respect of the proposed dissolution of the Department for Employment and Learning. He pointed out that responses to the consultation were due to be submitted by 9th February and, accordingly, he recommended that the Committee agree that the correspondence be forwarded to each of the Party Leaders on the Council to enable individual responses to be formulated.

The Committee agreed to this course of action.

**Proposed Relocation of the University of Ulster
to Belfast City Centre**

The Committee considered the undernoted report:

“1 Relevant Background Information

1.1 In 2006 the Department of Employment and Learning (DEL) commissioned a report into the physical condition of the buildings at the University of Ulster (UU) Campus at Jordanstown. The report concluded that the main educational buildings were reaching the end of their useful life and were no longer fit for purpose as a modern educational establishment.

1.2 Following the condition survey a further study was undertaken to identify the preferred option for replacement facilities. DEL and Department of Finance and Personnel (DFP) subsequently approved a full business case which identified York Street as the most academically attractive and cost effective solution for replacement.

1.3 Since the completion of the business case the University has acquired a number of sites adjacent to its existing York Road campus, including the Interpoint building to facilitate the development of a new city centre campus. The project represents an investment of £250m in the area. The University have been awarded funding of £16m by DEL with the remainder being funded over a 25 year period from the University's income.

1.4 The Project Team has now completed the concept design for the new campus and wish to present the proposals to Elected Members as the first stage of an extensive engagement exercise in advance of submitting its planning application at the end of March 2012.

1.5 The University hopes to have full planning approval in place by late 2012. Contractors are expected to be appointed in mid 2013 with the new campus ready for occupation in 2018.

2 Key Issues

2.1 The relocation of the University of Ulster to the York Street area represents one of the biggest regeneration opportunities which the city is likely to see for decades to come.

- 2.2 Evidence from elsewhere would suggest the locating of a major anchor institution within a city centre presents the opportunity for substantial social, environmental and economic regeneration.
- 2.3 Should the planned relocation proceed, some 14,000 students and 2000 staff will be transferred to the York Street campus. The additional economic activity which will be generated has the potential to transform the economic future for this area of the city and present substantial benefits for communities in the vicinity of the campus and further afield.
- 2.4 The relocation will bring educational opportunities into the heart of the city centre. The project will bring with it a range of employment opportunities. The lead in period will present the potential for the Council, DEL and UU to support local communities to avail of employment opportunities both during the construction phase through social clauses and in the longer term.
- 2.5 In addition to employment opportunities within the University itself, the project will drive further commercial activity in the area, develop the night time economy and present real business opportunities for social enterprises in neighbouring areas through the provision of ancillary services.
- 2.6 The University is keen that its facilities will be accessible to local communities, helping build a strong and shared community and promote cultural and creative activity within the city.
- 2.7 If the regenerative benefits of the project are to be fully realised it will be critical that the development connects and integrates with other developments within the north of the city and the city centre. These projects include:
- Cathedral Quarter
 - Sailortown
 - Girdwood
 - North Cultural Corridor
 - Crumlin Road Jail
 - Royal Exchange
- 2.8 Whilst there are clear benefits to be gained from such a development it is recognised that a project of this scale will undoubtedly impact on communities across the city and in particular in those neighbourhoods closet to the development. The University recognises the need to take account of the aspirations and concerns of local communities and therefore is in the process of developing an extensive long term community engagement process.

This is being led by Dr Duncan Morrow who has recently returned to the University following his term as Chief Executive at the Community Relations Council.

2.9 As part of that process the University's project team have identified four key issues which they wish to explore with local communities to ensure their concerns are adequately addressed during the development and delivery of the project. These are:

- Planning and Design of the building
- Housing
- Transport and Parking
- Community Benefit

2.10 The first stage of that process is a presentation of their concept design to Elected Members. This will allow the team to get the initial views of the Council and identify potential issues which they will need to address with local communities as they take forward their community engagement plans.

2.11 The University and central government departments recognise the benefits of the integrated approach developed by the Council in taking forward the development of Titanic Quarter and the Department of Social Development (DSD) are proposing that a similar programme led, integrated approach is taken on the delivery of the University relocation and associated regeneration of North City Centre/Inner North Belfast area of the city.

3 Recommendations

3.1 Elected Members are asked to:

- Consider the content of the presentation given by the University project team;
- Identify any additional key issues which the team need to consider as part of the Community Engagement Process;
- Agree to Council officers working with the Project Team and officials from Government departments to develop terms of reference for a cross departmental/Council/University delivery team and associated governance arrangements; and
- To receive a further report on the above once the proposals have been developed."

It was reported that a deputation representing the University of Ulster was in attendance to provide the Committee with a presentation in respect of the proposed development. Accordingly, Professor R. Barnett, Vice-Chancellor, Professor A. Adair, Pro- Vice-Chancellor, Mr. R. Fitzpatrick, Project Director, Mr. D. McGinn, Director of Media and Corporate Relations, Mr. D. Morrow, Community Relations Council, Mr. S. Tyler, Project Leader and Ms. H. Harrison, Town Planning Consultant, were admitted to the meeting and welcomed by the Chairman.

Professor Barnett congratulated the Council on the recent launch of its Investment Strategy and stated that the University wished to work in conjunction with the Council in the delivery of major schemes which would provide direct benefit to the City. Professor Adair then provided an overview of the economic and civic context for the proposed development and outlined how the University would work with local communities and agencies throughout the delivery of the project. He referred to the range of consultations which had been undertaken and provided examples of how the development would enhance the amenity of the area and re-invigorate the York Street and Cathedral Quarter areas of the City. Ms. Harrison then outlined the various planning stages of the development and how the new buildings had been designed to complement the existing architecture within the vicinity. Professor Barnett emphasised that the University would seek to develop existing relationships by working in partnership with local communities to identify educational opportunities. He concluded by stating that work on the development would commence in late 2013, with a view to its completion in 2018.

A number of Members welcomed the proposals and pointed out that there existed an onus on the University to carry out meaningful consultations with local communities and elected representatives in respect of the development. However, concerns were expressed regarding the ability of the University to address effectively the needs of additional students, especially in terms of infrastructure, accommodation, transport, parking, anti-social behaviour and the associated requirements for shops, services and amenities. It was pointed out that the plans might be construed as being somewhat ambitious and that additional research regarding the extent, design and delivery of student accommodation, together with the levels of effective community engagement required, would be fundamental in the success of the development.

In response, Professor Barnett pointed out that the University, as a strategic partner of the Council's Holylands Inter-Agency Group, was acutely aware of the issues which would arise with the development of the campus in York Street. He stressed that it was the aim of the University to work fully in partnership with the Council, together with a wide range of statutory bodies and agencies, in respect of issues pertaining to student accommodation and behaviour, environmental concerns and other such matters.

After further discussion, the Committee agreed to adopt the recommendations contained within the foregoing report and noted that progress reports would be submitted for the Committee's consideration in due course.

Waterfront Hall Extension - Economic Appraisal

The Committee considered the undernoted report:

“1. Relevant Background Information

1.1 The Belfast Waterfront (the Waterfront) is a large purpose-built arts and entertainment centre which opened for business in 1997. It was constructed at a total cost of £37 million.

1.2 The facilities offered within the existing building include:

- auditorium of seating capacity in excess of 2,200;
- studio with a seating capacity of 380;
- 20 small meeting rooms;
- two bars;
- fully Licensed Restaurant;
- gift Shop; and
- box Office.

In addition to the above public space, the venue includes office space for staff; dressing rooms for performers; technical areas; and 2 small kitchens.

1.3 The Waterfront is located on the banks of the River Lagan and adjacent to the Belfast Courts Complex, Hilton Hotel, and BT Tower in an area which is now considered a business hub within Belfast.

1.4 In 2008, Belfast City Council (BCC) commissioned a Feasibility Study for the development of a Convention Centre in Belfast. The key driver behind this Feasibility Study was that despite experiencing considerable success as a conference destination, the Waterfront was unable to attract a significant number of events from within their key target market i.e. the Association Conference Market. This study concluded that the provision of a larger conferencing facility in the City could attract additional conferences, resulting in significant economic benefits being realised.

1.5 In February 2011, BCC commissioned a Business Case to explore the feasibility of creating a link between the Waterfront and the vacant Level 0 and Level 1 at the Lanyon Quay Building.

- 1.6 The Business Case concluded that the development of a link bridge and the conversion of Levels 0 and Level 1 could potentially provide the venue with significant additional space, thereby providing the potential to attract large scale international conferences.
- 1.7 Following the completion of the Business Case, BCC commissioned RSM McClure Watters to complete a Full “Green Book” Economic Appraisal to consider the most appropriate option for the development of integrated conferencing facilities in Belfast.
- 1.8 RSM McClure Watters have been invited by the Committee to present their conclusions and recommendations.

2. Key Issues

- 2.1 The development of new/enhanced conferencing/convention facilities represents a significant opportunity to contribute to:

- The promotion of business tourism within Belfast;
- The development of Belfast as a prime tourism destination;
- The economic growth of Belfast and the wider region;
- Job creation; and
- Urban regeneration

- 2.2 Specifically, the growth of the business tourism market is cited by both the Northern Ireland Tourist Board’s (NITB) Draft Tourism Strategy 2020 and the Council’s Integrated Strategic Framework for Belfast Tourism as a key strategic priority and significant opportunity for the growth of Belfast and Northern Ireland over the next 10 years.

2.3 Business Tourism

Business Tourism is identified as a key growth area for the local economy over the next 10 years. It is considered:

- resilient, sustainable and complements the leisure tourism sector;
- to be at the high quality, high yield end of the tourism spectrum;
- to create quality, year-round employment opportunities;
- that investments in business tourism facilities lead to the regeneration of urban and inner city areas;

- that business tourism stimulates future inward investment as business people see the attractions of a destination while travelling on business or to attend a conference, exhibition or incentive, and then return to establish business operations there.

2.4 Overview of the National Conferencing Market

- There are circa 12,000 International Conferences hosted annually, 375 of which were located in the UK in 2010, none of which were hosted in Belfast;
- Research by the British Association of Conference Destinations (BACD) in 2006 identified that 2,509 associations regularly hold events. 1,208 (48%) hold a conference as their major annual event. A further 804 (32%) describe their main annual event as a meeting or AGM. An additional 153 associations hold a variety of annual events that range from lunches and dinners to festivals, ceremonies and presentations;
- A total of 63 opportunities have been lost by the City and by the Waterfront directly over the period 2008 – 2011 due to a lack of appropriate facilities (Source: BVCB/Waterfront); and
- Consultations with Professional Conference Organisers (PCO's) and Associations have indicated that should adequate facilities be in place they would be willing to bring conferences to Belfast

2.5 Need for Additional/Enhanced Conference Facilities in Belfast

Since 2008 there has been a significant decline in the number of conferences hosted in Belfast with the number of national and international conferences has declined by 93% and 71% respectively over the period 2008-2010. In total the number of conferences hosted in the city has decreased by 92% in that period. In addition to the citywide decline, the number of conferences hosted at the Waterfront over the last 3 years has decreased by circa 36%. The corporate market has stayed largely consistent during this period, with the largest decline in the GB and International Association market, which has seen a 59% decrease.

Stakeholder consultation has indicated that the key reasons for this decline are the lack of appropriate facilities in the city. As the Waterfront is the largest and most popular venue, the issues highlighted with this venue include:

- There is insufficient exhibition space available on site. Exhibition space requirements range from 1,500 sq/m to 5,000 sq/m (3,000 delegate conference);
- The exhibition space that is available is split over 3 levels, which is not appropriate for the majority of exhibitions;
- There is a lack of appropriate sized breakout space at the venue also; and
- There is no banqueting facility available on site, which some associations prefer. As with exhibitions, in the past the Waterfront has offered St George's Market as a potential location for exhibitions, but as it is a separate building a short distance from the plenary sessions, this has been poorly received.

Given the above constraints, the following requirements were identified by those consulted:

- An integrated convention centre with a clear span exhibition space across one level with a minimum of 2,000 sq/m;
- A minimum of 5 rooms that can accommodate breakout which can accommodate larger groups i.e. 200 plus; and
- Banqueting space that can accommodate up to 750 people.

2.6 Project Objectives

The aims for this project are to:

- Provide an integrated conference/convention centre solution in Belfast;
- Position Belfast as a premium destination for National and International Conferences;
- Utilise the development of business tourism in Belfast as a catalyst for wider economic growth across the City;
- The creation of jobs at the new facility and to create and sustain jobs across the city of Belfast;
- Exploit the leisure tourism market through increasing return visits to Belfast by Business Visitors;
- To improve the sustainability/growth of the local hotel market; and
- Improve the profile, perception and image of Belfast as a City.

The objectives of this project are:

- By 2015, provision of an integrated conference/ convention centre in Belfast which offers the following:
 - * A minimum of 2,000 sq/m exhibition space across one level (2010 Baseline: 520sq/m);
 - * Banqueting space for a minimum of 750 people (2010 Baseline: 450sq/m) ;
 - * Breakout provision for a minimum of 5 groups of 200 (2010 Baseline: 3 Rooms over 100);
- To attract 50,000 annual conference delegates to the City by 2020 (2010 Baseline: 25,000);
- To attract 35,000 (of the 50,000) out-of-state conference delegates by 2020 (2010 Baseline: 5,750);
- To host an average of 6 National Large Association conferences per annum from 2020 (Baseline: 1 Annually); and
- To host an average of 6 International/European Association conferences per annum from 2020 (Baseline: one every 2 Years)

2.7 The consultants have examined for options as part of the appraisal, those options being:

- (i) Do nothing;
- (ii) Link to Lanyon Quay;
- (iii) Extension over service yard;
- (iv) Extension over service yard with additional space.

2.8 The option appraisal also considers the potential operating model for the new facility.

2.9 A summary document on the Economic Appraisal will be made available to Members on the night.

3. Resource Implications

3.1 The total capital cost for the project is anticipated not to exceed £20m. An application for funding of £2m has been made to the NITB Tourism Development Scheme and a further application is being prepared for a £10m application to the European Regional Development Fund. The capital cost to the Council is not expected to exceed £8.

- 3.2 It is projected, however, that the reduction in the deficit funding required for the Waterfront Hall in the future will reduce significantly as a result of this investment.

4. Recommendations

- 4.1 Members are asked to consider the conclusions and recommendations of the report and agree to officers bringing forward an implementation plan and associated timetable in due course.

The Committee was advised that Mr. D. Mackin and Mr. J. Lavery, representing RSM McClure Watters, together with Mr. P. McGuckin from Robinson McIlwaine Architects, the Council's consultants in this matter, were in attendance and they were admitted to the meeting and welcomed by the Chairman.

Mr. Mackin tabled for the Members' information an economic appraisal of the proposals and outlined the principal benefits which the Council would achieve in extending the Waterfront Hall. He provided the Committee with an overview of the detailed research which had been undertaken on the viability of an extension to the building and outlined the range of factors which had been taken into consideration in identifying the options presented to the Committee. He gave a synopsis of the advantages and disadvantages associated with each option and indicated that, after careful evaluation, Option 3, viz., an extension which would utilise the space currently available at the service yard area in the Waterfront Hall, was considered to be the most economically viable choice available to the Council. He then gave an overview of the principal developments which would be achieved through endorsing Option 3, namely:

- the establishment of a primary access to the venue through the existing studio area which would be demolished creating an entrance and lobby area;
- the establishment of additional space at ground floor level with potential storage space at Lanyon Place;
- the creation of a ground floor lobby of 800 square metres with an escalator, passenger lift and a stairwell access to Levels 1 and 2;
- the creation of 2,100 square metres of exhibition space at Level 1 to be serviced by a van and lorry lift, passenger lifts, escalators and stairwells; and
- the creation of 1,900 square metres of flexible space at Level 2, which might be utilised as breakout rooms, studio and banqueting space.

Mr. Mackin indicated that Option 3 was considered to be the most beneficial in terms of value for money; represented the lowest associated risk; and could, potentially, realise significant economic benefits for the Council over a medium and long-term basis. The Chairman thanked Messrs. Mackin, Lavery and McGuckin for attending and they then retired from the meeting.

After discussion, the Committee agreed to endorse the recommendation that Option 3, as set out within the foregoing report, represented the most beneficial option for the development of integrated conference/convention facilities at the Waterfront Hall and agreed that officers develop an implementation plan and associated timetable for consideration in due course. It was agreed further that officers would, in the interim period, consult with a range of potential partners, including representatives of the adjacent Hilton Hotel, in respect of the Council's plans.

Chairman