



**Report to:** Development Committee

**Subject:** Conference Subvention

**Date:** 20 August 2013

**Reporting Officer:** John McGrillen, Director of Development, ext 3470

**Contact Officers:** Shirley McCay, Head of Economic Initiatives, ext 3459

1	<b>Relevant Background Information</b>
1.1	<p><u>Conference Subvention</u></p> <p>Members will be aware that at the Development Committee Meeting of 10 September 2010 that Belfast City Council in conjunction with Northern Ireland Tourism Board (NITB) and Belfast Visitor and Convention Bureau (BVCB) adopted a new Conference Subvention Scheme for Belfast which superseded the previous policy.</p>
1.2	<p>Aligned to priorities in the draft Integrated Strategic Tourism Framework, NITB, BVCB and Belfast City Council developed this Conference Subvention Scheme with a total funding budget of £435,000 over three years, with Belfast City Council contributing £70,000 per annum and NITB £75,000 per annum.</p>
1.3	<p>At the Development Committee Meeting of 22 May 2012 Members agreed to extend the Conference Subvention funding period from 31 March 2015, until 31 December 2018. Because of the considerable time-lags between subvention approvals and completion of payments, long lead times, and the trend of later booking of venues.</p>
1.4	<p>Members will be aware that at the Development Committee Meeting of 5 February 2013 it was agreed, in light of the recent disruption which the City had been experiencing, that Belfast Visitor and Convention Bureau were given permission to use up to £30,000 within the sum allocated to it by the Council for the purposes of a subvention fund, to enable specific interventions to be made to secure any pre-arranged conference bookings in 2013 which might be placed at the risk of being cancelled as a result of disturbances.</p>
1.5	<p>The Conference Subvention Scheme was established in 2010 and to date, twenty two applications have been received, resulting in the issue of 14 letters of offer for total funding of £265,000 (£10k of this not subsequently required due to a lost bid) of which £36,788 has been paid. The economic impact of the 14 conferences supported through the subvention scheme to date is estimated at</p>

	£14.5m, delivering a return on investment of 1:55.
1.6	<p>The main objectives of the Conference Subvention Scheme are;</p> <ul style="list-style-type: none"> <li>– To raise the profile of Belfast and Northern Ireland as a leading business and conference destination</li> <li>– To consolidate existing investment in Belfast and Northern Ireland hotel and conference infrastructure</li> <li>– To increase the contribution of Business and Conference Tourism to Belfast and Northern Ireland economy</li> <li>– To change the international perception of Belfast and Northern Ireland</li> <li>– To encourage inward investment to Belfast and Northern Ireland</li> <li>– To grow the number of leisure visitors by encouraging conferences to run partner and extender programmes</li> <li>– To develop a partnership approach to promoting Northern Ireland as a business and conference destination</li> </ul>
1.7	<p>The main eligibility criteria for Conference Subvention are summarised below;</p> <ul style="list-style-type: none"> <li>– The conference should be based in Belfast and include use of overnight accommodation in the Belfast area.</li> <li>– The conference should preferably have a minimum of 300 out of state delegates and accompanying partners staying for two nights in the Belfast area. However a conference with a smaller number of out of state delegates staying for multiple nights will be considered if there is evidence that this conference will lead to a larger associated conference coming to Belfast within the next 8 years. The level of subvention being sought against the potential economic benefit will be taken into consideration</li> <li>– The conference should have an impact on and/or a potential for local businesses and organisations by providing opportunities for developing industry/sector links or to showcase local products, cultural, sporting or intellectual fields.</li> <li>– The subject areas of the conference should relate to local economic and tourism strategies or specific priority areas for Belfast or Northern Ireland.</li> <li>– The event, by locating in Belfast should enhance the areas international profile and as such the prestige value of the event will be taken into account i.e. media coverage, speaker profile</li> <li>– Conferences must demonstrate strict financial project management, cash flows and projected income and expenditure account.</li> </ul>
1.8	Governance arrangements were agreed by NITB and BCC to ensure transparent and effective delivery of the scheme on behalf of both funders.

<b>2</b>	<b>Key Issues</b>
2.1	<p><u>Funding</u> A number of issues have been identified regarding the Conference Subvention Scheme. These include;</p> <ul style="list-style-type: none"> <li>– The growth in level of competition from other conference destination cities</li> <li>– The lack of subvention in other cities, eg Manchester has an annual subvention budgets of £1m.</li> </ul>

	<ul style="list-style-type: none"> <li>– The recent impact of the civil unrest protest on Belfast’s appeal as a conference destination.</li> <li>– The new waterfront extension is due to open in 2016, and the need for Belfast to compete globally for large scale international and national events with a higher economic return.</li> <li>– The importance of special case applications seeking funding which may include, but are not limited to, conferences which deliver significant strategic benefits for the city such as events with significant media coverage or of international significance within Northern Ireland’s key economic sectors</li> </ul>
2.2	It has been identified that there is a need to have a more flexible funding scheme to ensure the city can compete and secure these types of events.
2.3	Within the governance of the current scheme subvention funding awards are capped at a maximum of £25,000 for events delivering an economic impact over £1m. A flexible approach will allow the current scheme to offer a higher funding amount for conferences that deliver more than £1m in economic impact or bring significant strategic benefits to the city.
2.4	It is proposed that the current maximum cap of £25,000 subvention is removed. This would allow Belfast to increase its competitiveness as a conference destination.
2.5	The removal of the maximum cap would not require any additional financial commitment from BCC or NITB, within current budgets.
2.6	As a joint funding partner of the Conference Subvention Scheme, NITB are also currently considering the removal of the maximum capped award of £25,000.
2.7	<p>The removal of the maximum cap of £25,000 to the current scheme will aim to:</p> <ul style="list-style-type: none"> <li>– Increase Belfast’s competitiveness as a conference destination and our ability to compete globally.</li> <li>– Maximise the return on investment from the city’s investment in the Belfast Waterfront extension.</li> <li>– Ensure that the scheme has a degree of flexibility to consider applications in extenuating circumstances, as the dedicated conference subvention fund for the city.</li> </ul>

<b>3</b>	<b>Resource Implications</b>
3.1	Funding of £70,000 is currently available in the 2012/2013 Tourism Culture and Arts Budget.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	There are no Equality and Good Relations Considerations attached to this report.

<b>5</b>	<b>Recommendations</b>
5.1	It is recommended that Members agree to the removal of the maximum cap of £25,000 to increase Belfast’s competitiveness as a conference destination and

	our ability to compete globally.
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<b>6</b>	<b>Decision Tracking</b>
Tourism, Culture and Arts Manager to produce annual report.	
Timeframe: April 2014	Reporting Officer: Shirley McCay

<b>7</b>	<b>Key to Abbreviations</b>
BVCB - Belfast Visitor and Convention Bureau	
NITB - Northern Ireland Tourist Board	