



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Refurbishment of Floral Hall
Date:	14 October 2010
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure
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Purpose

The purpose of the report is to set out a proposed way forward in respect of the refurbishment of the Floral Hall.

Relevant Background Information

The Committee is reminded that at a Special Meeting on 6 September 2010 it received a presentation from Consarc Consultants outlining proposals for the refurbishment of the Floral Hall. Some of the main conclusions from the report are as follows:

- The building is considered to be of growing heritage importance with the potential to attract a wide range of visitors and attractions;
- The structural fabric of the building is considered to be in a satisfactory condition; remedial works to the main building fabric are considered relatively straightforward and achievable.

The report sets out three main options:

- Option 1 is for Zoo Use Only at a cost of £3.8m;
- Option 2 is for events use only at a cost of £4.0m;
- Option 3 is for a combination of Zoo and event space use at a cost of 3.7m;

The recommended option is option 3. The report presents an outline case to support the economic sustainability of a refurbished Floral Hall. This is based on a model that builds on the 300,000+ visitors to the Zoo each year combined with the unique attraction offered by the Floral Hall to a wide range of potential users, private individuals and a myriad of organisations looking for something a little different.

The cost of option 3 excludes a range of fees and possible contamination works and also excludes interpretation and education, a more realistic figure is likely to be in the region of £5m.

- The report outlines a range of potential funding bodies that might assist with the development.
- It suggests that the project might be progressed along three steps:
 - Undertake immediate condition work at a cost of £360k (excl VAT and fees)
 - The development of a robust business case including concept drawings and associated costs; an economic appraisal; and management options;
 - Restoration works.

Current context

The current context is as follows:

- The Floral Hall is a listed building (B1 Status) owned by Belfast City Council;
- There is an element of current momentum to refurbish the building in so far as there is a range of stakeholders interested in delivering a sustainable building. These stakeholders include, Belfast City Council; NI Tourist Board; NI Environment Agency; Heritage Lottery Fund and Belfast Building Preservation Trust;
- A review of the 2004 feasibility study has been carried out and has concluded that a sustainable building and associated business is deliverable;
- The estimated capital cost of the project is in the region of £5m, no funding has been secured and there are no applications currently under consideration;
- It is view of the stakeholders that further work is required to reassure the potential stakeholders and funding bodies of the economic sustainability of the Floral Hall should it be refurbished;
- In addition, the council has commissioned a piece of work to assess the development options in relation to the Old Zoo lands adjacent to the Floral Hall.

Key Issues

The key issue for the Committee relates to the future of the Floral Hall itself and whether a refurbished building is both deliverable and sustainable and will not impose a further revenue burden on the rate. While there are a number of interested parties engaged in discussions about the Floral Hall, as the owner of the building it is primarily a matter for Belfast City Council to determine its future direction. In reaching its determination it is important to reflect on a range of issues including:

- The capital cost of refurbishment and associated funding sources;
- The revenue implications including increased running costs and income generation;
- The potential benefits of a refurbished Floral Hall, aligned to the business model for the Zoo and the wider Council's Corporate Objectives;
- Future management options; and
- Consideration of the status quo option.

The current context would suggest that a refurbished building, along the lines suggested in the feasibility study, would be able to generate sufficient income to meet its liabilities. However, the assessment to date is not sufficiently robust to enable a decision on this to be taken without a more detailed economic appraisal being completed. Such an economic appraisal would also be required by potential funding bodies and would clearly establish strategic fit, need, deliverability and sustainability.

At this time, the Committee must decide on how to move forward. The following section sets out options for consideration.

Option 1 – Proceed with refurbishment based on the feasibility study.

As outlined above, the Feasibility study has set out three main options. Its preferred option is to refurbish the Floral Hall and integrate it within the existing Zoo business at an estimated cost of £5m.

The study believes that the building would be sustainable in economic terms. However, it also alludes to the need for additional work to establish the case and define costs more accurately.

Option 2 – Seek to De-list the Floral Hall and demolish the building

The Committee will be aware that the refurbishment of the Floral Hall has been considered on several occasions over a number of years and that none of the proposals have resulted in the development of a deliverable or sustainable project. Clearly, given the condition of the Floral Hall the situation cannot be permitted to continue indefinitely. An alternative route to refurbishment would be demolition. However, the building is listed. Should the Council determine that the best course of action is demolition it would be necessary to make application to have the building de-listed. Our indications are that this would be resisted by the NI Environment Agency and potentially other, non statutory, but interested parties.

It would be the view of Officers that without having exhausted all other options that de-listing and demolition is not a viable option at this time. However, it would be appropriate to consider this within a wider economic appraisal process.

Option 3 – Adopt, in principle, the preferred option outlined in the feasibility study, subject to a more detailed economic appraisal

Within this option the Council is acknowledging the conclusion in the feasibility that there are grounds to support the view that the refurbishment of the Floral Hall is both deliverable and sustainable. By endorsing this option, subject to an economic appraisal, the Committee is presenting an opportunity for all stakeholders and interested parties to contribute to this project.

Within this option it is proposed that:

- An economic appraisal be commissioned and completed;
- The findings of the economic appraisal are presented to a future meeting of the Parks and Leisure Committee for consideration;

- In addition, a funding strategy be presented to the Committee setting out potential funding opportunities and time scales for applications in support of refurbishment, on the assumption that the economic appraisal supports this option;

At this time a clear direction and associated project plan can be determined. It is also proposed that no remedial work be carried out until this study has been completed and a decision taken as to the future of the building itself.

Resource Implications

Financial

The cost of an economic appraisal will be in the region of £5-10,000 and will be commissioned through the Project Management Unit. The cost will be met from existing revenue budgets.

Human Resources

There are no additional human resource implications at this time.

Asset and Other Implications

The refurbishment of the Floral Hall would add a prestigious renovated and functioning building to the Council's asset base. However, members should be aware that the inclusion of the Floral Hall on the Capital Programme will have implications for other projects.

Recommendations

It is recommended that the Committee adopt option 3, as outlined in the Options Section in this report and agree to the commissioning of an economic appraisal to further explore the deliverability and sustainability of the refurbishment of the Floral Hall.

Decision Tracking

The Principal Parks and Cemeteries Development Manager will commission, through the Project Management Unit, an economic appraisal, consider a funding strategy and will present a detailed report to Committee by April 2011.

Key to Abbreviations

None.

Documents Attached

None.