



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	The provision of hospitality to external organisations using the City Hall
Date:	Friday, 21 st May, 2010
Reporting Officer:	Mr. Liam Steele, Head of Committee and Members' Services (ext. 6325)
Contact Officer:	Mr. Gareth Quinn, Development Officer (ext. 6316)

Relevant Background Information

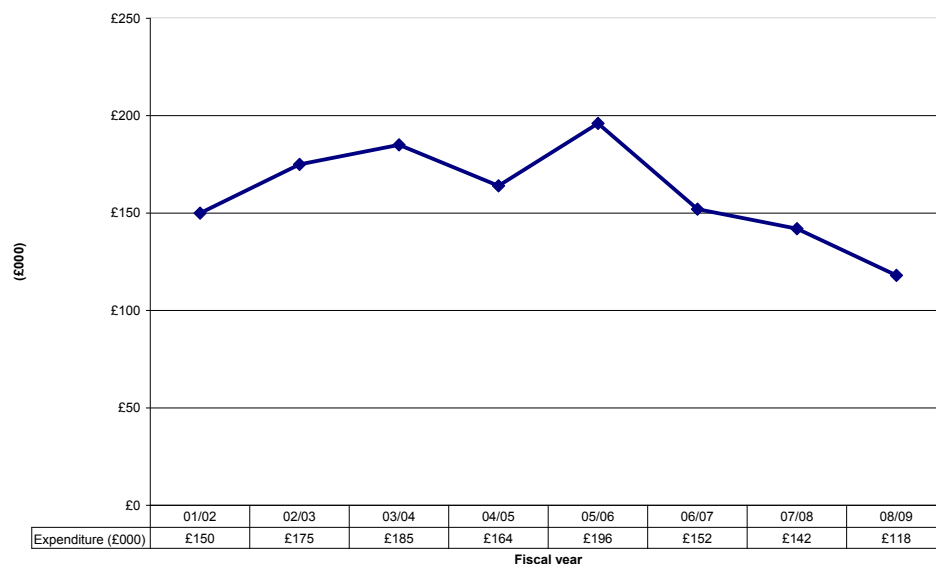
As part of the rate setting process for 2010/2011 the Committee has stressed the need for all Departments to consider potential efficiency savings. The drive to effect efficiencies and to reduce costs across the organisation is ongoing and reports will be submitted periodically. One area where costs could be reduced is in the provision of hospitality to external organisations using the City Hall.

Key Issues

The Council provides hospitality in relation to events organised by external organisations as well as several civic events, such as the Lord Mayor's installation dinner, the Somme Commemoration and the Rose Trials Dinner, which are organised directly by the Council.

Hospitality is provided to most external organisations which have been granted authority for their event to take place within the City Hall. However, it is apparent that the provision of hospitality is of secondary importance to organisations, with securing the use of the building for their event being their primary concern.

The total expenditure on hospitality for each of the past eight years is illustrated below.



Members will recall that when the City Hall was closed from September 2007 to October 2009, the Council continued to cover the cost of hospitality for events which were held in alternative venues so long as the request satisfied the criteria.

Members will observe from the data that, despite the cost of food and drink increasing over this period, hospitality expenditure has generally decreased. This is due largely to the decision taken when the policy for the use of the City Hall was reviewed in 2003 to move away from the provision of civic dinners to a 'use of the building only' concession. There was a recognition at that time that circumstances had changed to the extent that Belfast did not have to provide lavish dinners in order to attract conferences, and certainly this does appear to have been the case. This is illustrated by the fact that the number of business visitors coming to the City doubled from 329,000 in 2003 to 659,000 in 2008. While there are obviously a range of factors involved in contributing to this increase, it is certainly true that reducing the level of hospitality has not had a negative impact. The current economic circumstances facing the Council make it necessary to further review the existing policy and to consider whether effecting enhanced savings would be appropriate.

The following options have been identified as a means of achieving this:

1. cease to provide any hospitality whatsoever for events organised within the City Hall by external organisations, which would still be granted the use of the building. This option could save the Council approximately £105,000 per annum.
2. cap the amount to be spent on drinks receptions to £500 per event. This option could save the Council approximately £23,000 per annum.

Although the options outline the financial benefits to the Council they do not take into account any detrimental effects associated with reducing the amount or level of hospitality provided to external organisations. The following points highlight some of the arguments for retaining the provision of hospitality:

1. It is accepted that there is an expectation amongst conference organisers and delegates that hospitality will be provided within the Civic Headquarters of the host city. This hospitality is normally expected to be in the form of a drinks reception and is the norm within other conference cities.

2. Many organisations, especially community groups, avail of the free use of the building to organise a low budget yet still important event. Hospitality allows these organisations to add to the success of the event by providing refreshments, such as sandwiches or a finger buffet, for their guests and permits the Council to acknowledge the important contribution made by such organisations to the life and well-being of the city.
3. Many events in the City Hall include high profile and influential guests who have the ability to encourage investment and development within the City. The level of hospitality provided may influence the perception which these guests have of the city.
4. Although feedback suggests that the reduction in hospitality already implemented has not had a negative effect upon the numbers of visitors to the city, any further reduction could have a detrimental impact.

In addition, the scale of charges applicable to organisations using the City Hall should be reviewed and introduced at an early date and criteria established in order to determine when such charges will apply.

Resource Implications

Savings of either approximately £105,000 or £23,000 per annum.

Recommendations

1. To agree to cap the contribution to hospitality in the form of drinks receptions to £500 per event. This will enable external organisations to secure the use of the City Hall whilst allowing the Council to welcome guests to the building by making a contribution towards the event.
2. To review the scale of charges for the use of the City Hall and to apply these on a consistent basis.

Decision Tracking

If the Committee adopts the recommendation, Gareth Quinn, Development Officer, will ensure that the relevant revisions are implemented and that the application form and accompanying guidance notes will be amended accordingly.

Furthermore, Julie Thompson, Director of Finance and Resources, will arrange for a review of the scale of charges to be undertaken and will ensure that these are applied on a consistent basis.