



Belfast City Council

Report to: Strategic Policy and Resources Committee

Subject: Capital Programme:

- 1) Proposal for the Potential Relocation of Belfast Visitor & Convention Bureau and Belfast Welcome Centre
- 2) Options for Development of Conference Facilities in Belfast

Date: 18th March 2011

Reporting Officer: Gerry Millar, Director of Property and Projects

Contact Officer: Michael Stanley, Capital Programme Manager, Property and Projects

1	Relevant Background Information
1.1	<u>Belfast Visitor & Convention Bureau and the Belfast Welcome Centre</u>
1.1	At a special meeting on 22 February 2011 the Development Committee considered a report on the potential relocation of the Belfast Visitor & Convention Bureau and the Belfast Welcome Centre (BVCB/BWC), including an economic appraisal.
1.2	The Development Committee agreed to note the information which had been provided within the report and agreed further to allocate £15,000 towards the development of a full business case for each of the options, subject to the SP&R Committee agreeing that the project be included within the Capital Programme.
1.3	An extract from the minute of the meeting of the Development Committee is attached as Appendix A to this report.
1.4	This minute was subsequently amended at Council on 2nd March for further sites within the City to be included as options for the relocation of the BVCB/BWC.
	<u>Options for Development of Conference Facilities in Belfast</u>
1.5	At their meeting of 15 February 2011 the Development Committee considered a report on the options for development of conference facilities in Belfast.
1.6	The Development Committee agreed to an economic appraisal being undertaken to provide a detailed financial and operational appraisal on the available options.

1.7	An extract from the minute of the meeting of the Development Committee is attached as Appendix B to this report.
1.8	This minute was subsequently amended at Council on 2nd March for other parts of the City, particularly the North Foreshore, to be considered within the options for the development of conference facilities within the City.

2	Key Issues
2.1	The main issue for the SP&R Committee is that both the BVCB/BWC and the Conference Facilities are emerging uncommitted proposals for the capital programme and there are currently no capital funds available.
2.2	To move these proposals forward the SP&R Committee would need to agree that they should be committed to, subject to capital funding being agreed at a future date, and for a full business case and economic appraisal (respectively) to be developed to facilitate the submission of fully informed applications for funding from the NITB capital grants scheme and other potential funding sources, subject to the Gates process.
2.3	<u>Belfast Visitor & Convention Bureau and the Belfast Welcome Centre</u> The recommendation of an economic appraisal undertaken by the Development Department is that the most advantageous available option would be for the BVCB/BWC to relocate to ground floor premises in Donegall Square North.
2.4	The existing first floor facility opened in April 2001 and, although the premises were suitable at the time, the tourism product has changed significantly and the BVCB/BWC had an aspiration for some time to move to ground floor premises.
2.5	The lease on the current premises expired at the end of July 2010 and whilst the landlord initially made an application to the Lands Tribunal for renewal of the lease for a further 10 year term, they have subsequently indicated that they will now seek a new 5 year term. The Council had, however, applied for a new lease for 1 year from August 2010 and monthly thereafter. However, given that the programme for any relocation is likely to extend beyond August 2011, Council officers would now propose to seek agreement to a new lease term of 3 years from August 2010 or, alternatively, a 5 year lease with a break option at the end of year 3 or earlier.
2.6	In any event the time taken to select an option, agree funding and lease arrangements at a new site together with design, procurement and fitting out may take around 18-24 months.
2.7	Although it would be beneficial for a new BVCB/BWC to be available at the beginning of 2012, the outcome of the NITB grant application is unlikely to be made in time for a relocation to be completed by then and for the Council to agree capital funding of the balance and arrange the design, procurement and completion of fit-out works. In any case, relocation by the start of 2012 is not deemed to be essential; rather, as there will be a considerable tourism draw arising from next year's events, a new facility would subsequently promote sustainable tourism development following 2012.

2.8	This would enable a programme to be developed for the opening of a new facility by August 2013, on the assumption that a 3 year lease term is agreed. Negotiations are ongoing with the landlord but the matter is still scheduled for determination by the Lands Tribunal if agreement cannot be reached between the parties and there is no guarantee that the Lands Tribunal will award a term shorter than 5 years.
2.9	<p><u>Options for Development of Conference Facilities in Belfast</u></p> <p>There are several options available for this proposal and the economic appraisal will consider each in detail and make a recommendation as to that which is most advantageous for reporting back to the Committee for further consideration.</p>

3	Resource Implications
3.1	These proposals are currently two of a number of emerging, uncommitted capital programme proposals and are only being brought forward due to the Development Committee decisions.
3.2	<p><u>Belfast Visitor & Convention Bureau and the Belfast Welcome Centre</u></p> <p>Implementation of the recommended option would require a capital funding requirement of £1.62m, although there may be consequential revenue savings in funding support by BCC of c£46,750 per annum. It is proposed that an application will be made to NITB for funding under their capital grants scheme, for which a short window of opportunity for applications will soon become available.</p>
3.3	However, to advance the proposal to the next, Gate 2, stage would require approximately £15,000 to develop a full business case.
3.4	Should the SP&R Committee agree to this, the proposal would advance in the capital programme as a committed project subject to the Gates process, with the outcome of the full business case to be presented to the Committee on completion to enable the SP&R Committee to consider the proposal further.
3.5	There would be no commitment at this point to any expenditure beyond the development of the full business case.
3.6	Furthermore, to be realistic the SP&R Committee would need to agree to an amendment of the minutes which approved a full business case for each option in the economic appraisal and to include further options.
3.7	To advance this proposal would need a business case to be completed for a generic city centre location and selection of a site from available options at the appropriate time following future decisions on availability of grant and capital funding.
3.8	<p><u>Options for Development of Conference Facilities in Belfast</u></p> <p>Implementation of options would require a capital funding requirement of up to £22.2m. It is proposed that an application will be made to NITB, the EU Sustainable Competitiveness Programme and other relevant potential funding sources.</p>

	To advance this proposal would need an economic appraisal to be undertaken for available options, at a cost of approximately £30,000, with future decisions to be based on availability of grant and capital funding.
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4	Equality and Good Relations Considerations
4.1	None.

5	Recommendations
5.1	It is recommended that the Committee consider, from a financial perspective, these proposal from the Development Committee and agree to: <ol style="list-style-type: none"> 1. approve the development of a full business case for the Relocation of Belfast Visitor & Convention Bureau and Belfast Welcome Centre; and 2. the undertaking of an economic appraisal for the Options for Development of Conference Facilities in Belfast.

6	Decision Tracking
6.1	The outcome of the full business case, the economic appraisal and the funding applications will be presented to the Committee when available to permit the Committee to consider the proposal further.

7	Key to Abbreviations
7.1	BVCB/BWC – Belfast Visitor & Convention Bureau and the Belfast Welcome Centre

8	Documents Attached
8.1	Appendix A – Extract from minutes of 22 February 2011 meeting of the Development Committee re the Proposal for the Potential Relocation of Belfast Visitor & Convention Bureau and Belfast Welcome Centre
8.2	Appendix B – Extract from minutes of 15 February 2011 meeting of the Development Committee re Options for Development of Conference Facilities in Belfast

Appendix A - Extract from minutes of 22 February 2011 meeting of the Development Committee re the Proposal for the Potential Relocation of Belfast Visitor & Convention Bureau and Belfast Welcome Centre

The Committee considered the undernoted report:

1 Relevant Background Information

- 1.1 The Belfast Welcome Centre (BWC) opened in April 2001. It provides a focal point for visitors to Belfast by offering general tourist information on Belfast and Northern Ireland, ticketing, retail and accommodation bookings and it plays a key role in delivering spending targets for Belfast and spreading the economic benefits of tourism across the City.
- 1.2 The BWC currently deals with approximately 385,000 enquiries per annum (of which 310,000 are from visitors to its premises at Donegall Place). Annual revenue costs (approx £1.6 million per annum) are part funded by BCC (£479,465 per annum) and the NITB (£158,000 per annum) with the balance of funding arising from profit on retail sales and commissions on ticket sales/accommodation bookings.
- 1.3 The ten year lease of the current premises at Donegall Place expired on 31 July 2010, but is renewable. The current premises are on the first floor and it has been a long term aspiration of the BWC to relocate to a more suitable ground floor location.
- 1.4 Members have been fully briefed on the possibility of relocating the BWC. TTC and Allan Balnaves produced an initial report demonstrating the potential of the BWC relocation to ground floor, presented to Development Committee on 13 January 2010. ASM Horwath were appointed in October 2010 to undertake the economic appraisal and presented initial recommendations to Development Committee on the 10 November 2010.
- 1.5 Having considered the views expressed by the Members at the above meeting the consultants are now in a position to present their final report for the Committee's consideration.

2 Key Issues

2.1 Rationale for Relocation

The Belfast Welcome Centre was opened in April 2001 and is now 10 years old. During this period, tourism across the city has grown and the total number of overnight trips to the City region has trebled. The tourism product has changed across the City, a new Belfast brand has been adopted, visitor patterns have changed and the use of technology has become a must for all tourism destinations – to attract visitors and service visitors once in a destination.

- 2.2 2012/2013 will be a key year for Belfast as the new Titanic Belfast attraction will be opened. This, alongside recent private sector investment into the city e.g. Merchant Hotel, demonstrates the recognition of Belfast's importance as a tourism destination and a Gateway to the rest of the region. London 2012 also presents opportunities that will not be present in future years, specifically in relation to the number of international media who will visit the UK to cover the Olympics. The Belfast Welcome Centre plays a strategic role in signposting visitors from honey pot areas to other parts of the city and therefore will play an important part in spreading visitors and benefits across the city in 2012 and thereafter.
- 2.3 The Belfast Welcome Centre needs to be updated and it has long been their aspiration to move to a ground floor location. It is therefore timely to explore the potential for relocation before any lease on the current premises is extended and any upgrade in the existing facilities is undertaken.
- 2.4 The principal focus of the economic appraisal has been to assess the location options which are currently available. A preferred location has now been identified and, subject to the approval of this option by the Committee, a full business case now needs to be worked up to establish how this location might be sustained financially.

2.5 Lands Tribunal

Members are aware that BCC's lease on the Donegall Place premises terminated on 31 July 2010. BCC as tenant applied to the Lands Tribunal for an order for the grant of a tenancy for a further year from 1 August 2010 and month to month thereafter at the current rent of £160,000 p.a. The application was made to the Tribunal as it was not possible to agree the term of the new lease with our landlord. The length of term requested by BCC reflects the ongoing work around a potential relocation of the Belfast Welcome Centre.

2.6 The Member for the Lands Tribunal has set 25 March 2011 as the date for the hearing with written evidence to be submitted to the Member by 11 March 2011. Legal Services have instructed Bernard Brady to act for BCC and his Opinion on the case is awaited. The landlord's position is that they will accept no less than a 5 year term at the existing rent for any further tenancy. Even if the Member sets a term which BCC still find unacceptable BCC will have 3 months to vacate the premises.

2.7 Capital Programme

It is important to note that this project has not been included within the capital programme agreed by the Council at its meeting on 9 February 2011 when this year's rate was agreed. Should the Committee agree to approve one of the options set by the consultants the associated capital expenditure would require approval by the Strategic Policy and Resources Committee. Any decision would be subject to advice from the Director of Property and Projects and the Director of Finance and Resources as to whether the project represents value for money and is fundable within the capital budget allocation. Furthermore the SP&R Committee will want to consider the project within the context of the wider capital expenditure proposals.

2.8 Next steps

The next steps in the process are set out in the Council's Decision Making and Gates Review Process. These are:-

Development Committee decision considered by the SP&R Committee as part of Quarterly Update on the Capital Programme. Formal Prioritisation within the Capital Programme (SP&R)
Financial Services examine the preferred option within the Green Book Appraisal, capture resource needs for the project and future departmental implications/efficiencies
Gate 1 Review – Business Justification; Recommendation to move forward or referred back for clarification
(Gate Reviewers)
Department develops full business case, including brief for delivery and performance indicators for benefits to be achieved

3 Resource Implications

- 3.1 All options are based on receiving ongoing revenue support from BCC of £479,465 per annum, however relocation may present an opportunity to reduce this support.
- 3.2 The capital costs associated with the options presented within the report range from £544K, which is deemed to be the minimum reinvestment required in the current location, to £1.62 million associated with relocating to a suitable ground floor location. Should the SP&R Committee agree to proceed with the project applications will be made to NITB for capital support.
- 3.3 As stated in Paragraph 2.7 above any decision to proceed will lie with the Strategic Policy and Resources Committee in the context of the overall capital programme and the availability of capital financing within the current budget.
- 3.4 If a decision is taken to proceed £15,000 will be required from the Development Department's 2011/2012 budget to support preparation of full business case.

4 Equality and Good Relations Considerations

4.1 If this projects proceeds it will be subject to Equality screening.

5 Recommendations

5.1 Members consider the options presented by the consultants and if appropriate agree to refer the project to the SP&R Committee for its consideration.

6 Decision Tracking

**Timeframe: March 2011 - Report to SP&R Committee
Reporting Officer: John Mc Grillen**

**Timeframe: April 2011 - Further Report to the Development Committee
Reporting Officer: John McGrillen**

7 Key to Abbreviations

**BWC - Belfast Welcome Centre
NITB - Northern Ireland Tourist Board
BVCB – Belfast Visitor and Welcome Centre”**

It was reported that Messrs. M. Williamson and J. Parker, representing ASM Horwath, who were acting as consultants in this matter and who had prepared the associated economic appraisal, were in attendance and they were admitted to the meeting and welcomed by the Deputy Chairman.

Mr. Williamson reviewed the role of the Belfast Welcome Centre and referred to the options which had been considered for its future location and development, which are set out hereunder:

- (i) do nothing;
- (ii) relocate to Donegall Square North (the former Northern Bank Building);
- (iii) remain at the Donegall Place site and refurbish the building
- (iv) remain at the Donegall Place site and do nothing; or
- (v) relocate to the Belfast Central Library.

Mr. Williamson outlined advantages and disadvantages associated with each of the options, including the fit-out costs, the operating costs and potential revenues, the wider economic benefit to the City and the cost-to-benefit ratio. He advised the Committee that, after studying the future potential options for the relocation of the Welcome Centre, it had been concluded that the most advantageous to the Council, on a longer-term basis, would be to relocate to the former Northern Bank Building, 8-10 Donegall Square North, since it would, in the consultant's opinion, offer the most viable solution for the undernoted reasons:

- the building was of a high-profile and offered a central location close to the City Hall;
- the location would, potentially, attract a higher number of visitors which would, in turn, generate additional direct and indirect spending opportunities;
- the location was close to the existing transport network and any Rapid Transit System which might be developed in the City; and
- the location would enable the utilisation of the latest information technology.

Mr. Williamson and Mr. Parker then answered a number of questions which were put to them by the Members regarding the potential capital costs associated with the proposals outlined and they then retired from the meeting.

A Member stated that, whilst the former Northern Bank building in Donegall Square North was located in an area that would prove beneficial in terms of prominence, accessibility and potential footfall, a full survey should be carried to establish the long-term viability of the building as a site for the Welcome Centre. It was suggested also, given the age and design of the building, that there might be a long-term financial burden placed on the Council should it choose this option and that other possibilities should be explored.

After discussion, the Committee agreed to note the information which had been provided within the Consultant's report and agreed further that £15,000 be allocated towards the development of a full business case for each of the options, subject to the Strategic Policy and Resources Committee agreeing that the project be included within the Capital Programme.

Appendix B – Extract from minutes of 15 February 2011 meeting of the Development Committee re Options for Development of Conference Facilities in Belfast

The Committee considered the undernoted report:

- “1 **Relevant Background Information**
- 1.1 **Northern Ireland Context**
- The current NITB Business Tourism Plan for 2010 to 2013 includes the objective to increase both volume and value from Business Tourism. In addition, the NITB Business Visitor Attitude Survey in June 2010 highlighted the following:
- 1.2 ‘The lack of large scale fully integrated conference facilities conference and exhibition space under one roof, is viewed as the cause of lost conference/meetings/exhibition business. This lack of large scale capacity at conference venues was also highlighted in the earlier 2005/06 survey.’
- 1.3 Among suggested improvements, was the need for a new purpose built large, integrated conference and exhibition space that can cater for large conferences and also for large gala dinners.
- 1.4 Traditionally many national associations chose the locations of their conferences on a rotation system and increasingly they demand high quality conference venues with state of the art facilities and high levels of service. Their requirements include adequate provision of electronic communications technology, flexible space for syndicate/breakout rooms and there is now a greater need for exhibition space. This is an area in which NI is currently finding difficult to provide as the current facilities offer limited integrated conference and exhibition space. Organisers also look for high quality transport systems to and within a destination, plus venue, accommodation, restaurants and post conference entertainment in close proximity.
- 1.5 However, the Association Conference market, both national and international is becoming increasingly competitive, and NI is currently unable to compete for a percentage of this market due to the limited product capacity, in particular conference venues that can house 800-2000 delegates under one roof, including main auditorium, break out spaces, exhibition and dining facilities.
- 1.6 Most of the conferences held in NI, in particular in Belfast, currently fall into this sector. For example, in 2009 Belfast welcomed a total of 59 Association conferences, 36 of which were National Associations, generating £17million for the economy. Ambassadors play a big role in the success of bringing these conferences to NI with 70-78% of all wins being connected with an Ambassador. NI’s particular strengths lie in attracting Association Conferences with links to the skills and industries associated with specialist fields of academia and medicine. Within the bidding process, NI cities compete with cities such as Glasgow, Edinburgh, Newcastle, Liverpool and Manchester. NI has been successful in this sector due to its high quality product provision, strong Ambassador Programme, compact cities and personal services. The Business visitor Attitude Survey 2006, indicated that NI was perceived as a ‘new’ business tourism destination. However, as the dynamics of the sector have changed, a reliance on subvention and significant exhibition space with integrated conference and break out facilities is apparent. As NI currently has only a modest subvention programme and lacks integrated exhibition facilities, business is being lost and Belfast in particular is experiencing an erosion of its conference market share.
- 1.7 **Belfast Context**
- In July 2008, Belfast City Council commissioned a feasibility study for new conference and exhibition facilities within the city. The study was initiated as a result of the fact that Belfast was finding it increasingly difficult to compete within the sector where it has been successful in recent years, namely the ‘not for profit’ or association sector, both nationally and internationally. Evidence of this has been the gradually reducing level of conference business in recent years, at the city’s main venue, the Waterfront Hall.

1.8 To retain and increase current market share, there is a need for large clear span exhibition space and additional breakout rooms to support conference facilities, as well as large scale (c1,000 pax) banqueting facilities. Conference organisers require exhibition space to secure sponsors in order to make their events financially viable. The exhibition and breakout space must be close to the other conference facilities in order to encourage delegates to visit exhibition stands and to ensure they are not lost travelling to/from breakout sessions. In terms of banqueting space, although the city is well served by the hotel sector, the current maximum capacity available in the city is 750.

1.9 These needs are recognised and referenced in a number of places within the Belfast Integrated Strategic framework document 2010-14, particularly within the section of 'Visionary Drivers', where it states that :

'There is a need for new or extended integrated conference and exhibition facilities in the city, in response to growing competition and certain current deficiencies (e.g. lack of dedicated exhibition space). Significant work has already been undertaken to identify possible solutions to this product gap. With Dublin's new conference centre opening in 2010, there is now an urgent need to review options and potential delivery with a view to plugging Belfast's infrastructure weaknesses within the next 3-5 years if not before'.

1.10 The framework document recommends that a long term development and feasibility study is carried out.

1.11 Whilst business tourism is a vital element of the city's Tourism Product, contributing annually £6 - £7m to the local economy, Belfast will find it ever more difficult to compete in the future, therefore continuing to experience the erosion of its market share, unless enhanced facilities are provided in the future.

1.12 Hotel and Service Sector

It should also be noted that both the Northern Ireland Hotels Federation and BVCB have also expressed concern over Belfast's current ability to compete effectively in the Business Tourism market, and supports the need for the city to invest in appropriate facilities in order to allow it to do so. The Federation notes that 'the business visitor is critical in Belfast's success as a destination, and that the weekday economy depends heavily on this sector, with the business tourist spending £127/day against the leisure visitor's spend of £37/day'.

2 Key Issues

2.1 The Market Opportunity

The most recent industry estimate of the overall value of the Business Visits and Events in the UK is £24 billion, with the conference market making up approximately £8 billion of this total in terms of value to UK venues, with the exhibition market valued at £9.3 billion. This does not include the indirect spend and economic value of attracting conference delegates to the cities hosting these events, which the UK Events Market Trends Survey 2010 estimates to be in the region of £18.8 billion.

2.2 The greatest opportunity for Belfast is within the 'non-profit' making sector and National (UK) Associations. Research by the British Association of Conference Destinations (BACD) in 2006 identified that 2500 national associations regularly hold events, 1200 hold a conference as their major event, with a further 800 having the AGM as their major event.

2.3 The Competition

The British Meetings and Events Industry Survey (BMEIS) 2009 reveals that the most popular destinations for the 'not-for-profit' sector as follows:

Destination	Percentage of organisers preferring destination
London	59%
Birmingham	31%
Manchester	21%
Leeds	16%
Edinburgh	15%
Glasgow	11%
Cardiff	10%
Nottingham	10%
Newcastle	10%
Coventry	8%
Liverpool	8%
Harrowgate	6%
Belfast	5%

2.4 Factors influencing destination and venue

The key factors influencing destination and venue are:

Rank	Key Factors
1	Location
2	Price / Value for Money
3	Access (road/rail/air)
4	Capacity of Conference Facilities
5	Availability
6	Quality of Service
7	Quality of Facilities

2.5 Conference with Exhibitor Market Characteristics

The 'EIA (Exhibition Industry Association) Facts 2009' survey provided the following breakdown of space requirements for events held in the UK in 2008:

Square Metres	Percentage of Events
Up to 5000	48.5%
5001 – 10000	21.8%
10001 – 20000	14.9%
20001 – 60000	9.9%
Over 60000	5.0%
Total	100%

The median of all exhibitors was 5,132 sq metres.

2.6 Market Supply

While demand has flattened due to the economic climate in the last two years, cities are continuing to expand facilities to capture or retain market share within this sector of the business tourism market. The following cities are currently considering new centres or extending existing facilities:

Location	Status
Aberdeen	Redevelopment of the Arena being explored, which would also add exhibition space
Blackpool	Council have bought the Winter Gardens and are looking at maximising the building's use as conference facilities
Brighton	Planning underway for redevelopment of existing centre
Cardiff	Developers being sought for new convention centre
Coventry	Expansion of available facilities at RICOH Arena underway
Dublin	Convention Centre, Dublin opened September 2010
Edinburgh	Extension to EICC has started on site (c £86m)
Glasgow	12,500-seat Arena development to SECC, due to open in 2013, increases capacity for conferences
Leeds	Despite setback from CPRG re funding the Council are continuing to explore new Arena development with conference capacity
London	London ICC opened Spring 2010. New Olympia ICC and Battersea Power Station events facilities submitted for planning applications
Manchester	£20m refurbishment and reconfiguration to Manchester Central Convention Complex now complete redefining the entrance areas and adding a large banqueting space accommodating 1,000
Newcastle Gateshead	Funding being sought for new conference and exhibition facilities adjacent to The Sage Gateshead
Nottingham	The city revisits feasibility of a new city centre location regularly. Most recently considered expansion of the Ice Centre and new facilities at the football club
Telford	Changes to Telford International Centre commencing Winter 2010 add new entrances and 3,000 sq m. Planning applications for hotel adjacent
Torquay	OJEU process has been carried out with potential developers for site alongside the Riviera Centre. This includes options for redevelopment of the centre

Clearly the opening of the Convention Centre in Dublin will also impact on the level of business taking place in Belfast, as many of the Associations being targeted will have membership in UK and Ireland.

2.7 Existing Conference and Meetings Business in the Waterfront Hall

The revenue from conferences in the Waterfront Hall over the last few years is as follows:

Year	Turnover
March 2007	£690k
March 2008	£668k
March 2009	£589k
March 2010	£549k

Conference Business Revenue at the Waterfront has reduced by 19% since 2007. Whilst the decline in income is in no doubt partly due to the economic climate of the past five years, the Waterfront's Business Sales Team and the Belfast Visitor and Convention Bureau repeatedly find that the venue is rejected at enquiry stage due to the lack of integrated exhibition space and inadequate breakout rooms and banqueting facilities. Many repeat and new business opportunities have been abandoned. Since 2008, over 100 conference bids have been lost because the requested special requirements cannot be met.

In addition, in the last year alone, BVCB have identified at least 30 conferences that the city was unable to facilitate due to a number of factors – delegate numbers and the lack of integrated exhibition space and break-out facilities. The lost economic benefit of not being able to service these 30 conferences is estimated to be in the region of £100m.

Belfast's ability to attract conference business will continue to be challenged by increased venue supply and competition on price. Without investment in the required conference and exhibition facilities, its market share for national and international conference business will continue to decline.

Current Options within the City

2.8 A number of options have been considered for the provision of enhanced conference and exhibition facilities within the city. These are as follows:

2.9 **Redevelopment of Sirocco Works Site & Shatterzone**

Over the past two years, the Carvill Group have been examining the potential redevelopment of the Sirocco Works site and have drawn up preliminary proposals for a purpose built facility opposite the Waterfront Hall on the East side of the River Lagan. Initial projections suggest a build cost of £125m with an annual operating deficit of circa £2m. Any proposal by Carvill will probably envisage an annual subvention from the public sector to cover the cost of the deficit.

2.10 **Redevelopment of the Odyssey**

The Odyssey Trust has given some consideration to the reconfiguration of the Odyssey building as a potential exhibition and conference facility. Preliminary work would suggest that this would require the relocation of W5 and substantial capital works. It would also require the construction of a hotel adjacent to the Odyssey building to make the option viable financially. The Trust has reported that they do not see this being a feasible option in the current financial climate and have decided not to pursue this further.

2.11 **Conference Facility at Titanic Quarter**

Titanic Quarter Ltd had for some time been in contact with a New York based entrepreneur who has expressed a desire to construct a conference and exhibition centre alongside an International Standard Museum and Multi-Media Campus adjacent to the Northern Ireland Science Park. To date, they have not received any business case for this proposal although they remain in contact with the project promoter. At this point there is no evidence to suggest that this proposal will develop into a realistic project in the short to medium term.

2.12 **Belfast Waterfront Hall**

In the absence of any viable alternative, Belfast City Council recently requested a report by Right Solution Ltd, as a follow up to their 2008 market report, to examine a number of options for extending the facilities at the Waterfront Hall, including the potential purchase and redevelopment of currently vacant buildings adjacent to the Waterfront Hall on Lanyon Quay, which currently house restaurant units (now vacant), and car parking facilities on the low ground floor.

The options and estimated associated costs in relation to this potential project are as follows:

Option	Additional Usable Space Achieved (sqm)	Total Space including existing capacity (sqm)	Total Estimated project cost (£million)
Redevelopment of two floors at Lanyon Quay with extension to river side of building. Additional extensions on 3 levels to the Waterfront Hall, link between buildings	4820	7470	£22.2m
Redevelopment of one floor of Lanyon Quay, link between buildings, and extensions to Waterfront Hall	3152	5820	£17.2m
Waterfront extension only (bar level areas) on three levels	1692	4193	£8m+ (£3m for temporary structure)
Two floors Lanyon Quay building and link bridge only	3110	6300	£14m

In addition to the Lanyon Quay building, the site opposite the 'Hilton' car park on Lanyon Place is also vacant called Lanyon Plaza, which may also provide a development opportunity to add conferences and exhibition facilities to those provided at the Waterfront. This option has not been considered in detail at this time, as it has only just become available on the open market. The potential accommodation provided within this option would be over four floors, providing additional floor space of over 8,000m². This opportunity is only available on a lease basis.

The economic impact of each of the above options is still under assessment. This data will be essential to conclude upon which option gives the greatest return on investment.

3 Resource Implications

There are no resource implications attached to this report

4 Equality and Good Relations Considerations

None

5 Recommendations

1. It is recommended that the five options identified are subjected to more detailed financial and operational appraisal, and funding options further explored, in addition to a 'Do Nothing' option.
2. That an application is made for support funding for the project, through the European Union Sustainable Competitiveness Programme.

6 Decision Tracking

There is no decision tracking attached to this report"

The Committee adopted the recommendations.