



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	<b>Relocation of Belfast Welcome Centre and Belfast Visitor Convention Bureau</b>
<b>Date:</b>	23 November 2012
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects
<b>Contact Officer:</b>	Donal Rogan, Head of Contracts Kerrie Sweeney, Tourism, Culture and Arts Manager

<b>1</b>	<b>Relevant Background Information</b>
1.1	The Strategic Policy Resources Committee on Friday 23 March 2012, agreed to progress the proposal for the relocation of the Belfast Welcome Centre (BWC) and Belfast Visitor and Convention Bureau (BVCB) as a committed scheme in the Capital Programme and Investment Programme 2012-2015 and to the allocation of Council capital funding of £810k (50% of the, then, estimated cost of £1.62m), and to Officers completing the lease negotiations on 8-10 Donegall Square North, Belfast.

<b>2</b>	<b>Key Issues</b>
2.1	Scheme design proposals have been developed for the project with a programmed delivery date of July 2013, to coincide with the end date of current lease for the existing premises in Donegall Place on 31 July 2013.
2.2	The Northern Ireland Tourist Board (NITB) has agreed to support this project through their Tourism Development Scheme with funding sourced from the European Regional Development Fund (ERDF).
2.3	As the design has developed into specific proposals, and following building condition inspections, the overall budget for the project has increased to £1.86m based on a programme for delivery in July 2013.
2.4	The Council expects to receive a letter of offer from NITB during week commencing 19 November with funding support capped at £747,310.
2.5	The programme for delivery remains very challenging and contingency arrangements are being prepared in case delays are incurred. These include; <ul style="list-style-type: none"><li>• Extending the current lease for a further three months to 31 October 2013. A further quarter's rent would amount to £40,000 plus service charge and rates. However due to a nine month rent free period agreed for the new</li></ul>

	<p>premises this contingency option would mean that there would only be contemporaneous rental payments on the two premises for a period of one month;</p> <ul style="list-style-type: none"> <li>• Accelerating the procurement programme;</li> <li>• Providing for phased delivery of the BWC and the BVCB elements.</li> </ul>
2.5	The next stage of the process is to invite tenders and appoint a contractor for the works and other associated capital elements of the project. To increase the possibility of delivering finished premises for the World Police and Fire Games (August 2013) and minimise the possibility of extending the lease, varying options are being considered to shorten the delivery programme.
2.6	One of the options to achieve this is to shorten the procurement processes for the appointment of a building contractor; however, this would require special consideration with regard to Standing Order 64, which requires the open advertisement of tenders, to permit the application of a simplified procurement process (such as that which has been introduced by the Central Procurement Directorate) and would involve randomly selecting six contractors registered with the Constructionline Government certification service and invite them to tender without open advertisement. This would potentially have the net effect of shortening the overall delivery process by 4 weeks. Following this process would not impact on the grant aid.
2.7	The lease for the new premises in Donegall Square North is being finalised by Legal Services, the Estates Management Unit and the landlord's solicitors with an anticipated lease commencement date of 1 January 2013 (with 9 month initial rent free period).

<b>3</b>	<b>Resource Implications</b>												
3.1	<p>Financial summary:</p> <table border="1" data-bbox="300 1312 1276 1576"> <tr> <td>Total Cost of Project</td> <td>£1,860,000</td> </tr> <tr> <td colspan="2"><b>Funding Source</b></td> </tr> <tr> <td>NITB</td> <td>£747,310</td> </tr> <tr> <td>BCC</td> <td>£1,112,690</td> </tr> <tr> <td>Amount of current Capital allocation</td> <td>£810,000</td> </tr> <tr> <td>Additional Capital allocation required</td> <td>£302,690</td> </tr> </table> <p>As with other lease cessations, the relocation will incur costs for dilapidations in the current premises.</p> <p>The Director of Finance and Resources has confirmed that there is capacity within the 2012/13/14 Capital Programme to accommodate the required increase in the Council's capital funding commitment of £302,690 over that previously reported.</p> <p>The further quarter's rent of £40,000 plus service charge, rates and dilapidations will be funded from revenue.</p>	Total Cost of Project	£1,860,000	<b>Funding Source</b>		NITB	£747,310	BCC	£1,112,690	Amount of current Capital allocation	£810,000	Additional Capital allocation required	£302,690
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<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	None.

<b>5</b>	<b>Recommendations</b>
5.1	<p>Committee are recommended to note:</p> <ul style="list-style-type: none"> <li>• the progress on the proposed lease arrangements;</li> <li>• the anticipated grant offer from NITB;</li> <li>• the proposed programme for delivery set out above;</li> </ul> <p>and agree to:</p> <ul style="list-style-type: none"> <li>• the proposed contingency lease extension arrangements in order to keep BWC/BCVB facility operating without interruption;</li> <li>• advance the project to the invitation of tenders, award on the basis of most economically advantageous (evaluated on cost and quality criteria) tenders received and full commitment to deliver;</li> <li>• waive Standing Order 64 to permit the use of a simplified procurement process;</li> <li>• the allocation of an additional £302,690 of capital funding to the project budget.</li> </ul>

<b>6</b>	<b>Decision Tracking</b>
<p>The Director of Property and Projects will be responsible for the delivery of this project.</p>	

<b>7</b>	<b>Key to Abbreviations</b>
<p>BWC – Belfast Welcome Centre          BVCB – Belfast Visitor and Convention Bureau          NITB – Northern Ireland Tourist Board          ERDF – European Regional Development Fund</p>	

<b>8</b>	<b>Documents Attached</b>
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