



## Belfast City Council

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	Contractor to undertake interim operations manager duties at Waterfront Hall
<b>Date:</b>	25 April 2014
<b>Reporting Officer:</b>	John McGrillen, Director of Development , Ext 3509
<b>Contact Officers:</b>	John McGrillen, Director of Development, Ext 3509

<b>1.0</b>	<b>Purpose of report</b>
1.1	The purpose of this report is to request permission to deviate from Standing Orders and to accede to Standing Order 62a exceptions in relation to contracts by direction of the Council acting on a recommendation of a Chief Officer that the exception is justified in special circumstances. (Attached at Appendix 1)
<b>2.0</b>	<b>Background</b>
2.1	Members will be aware that the Minister for Enterprise, Trade and Investment recently announced funding support from the Northern Ireland Tourism Board (NITB) and the ERDF Programme of £18.5m towards the development of new conference and exhibition facilities at the Belfast Waterfront Hall. The Council is now in receipt of a Letter of Offer from NITB, which sets out a series of conditions associated with the projected economic benefits set out in the Economic Appraisal submitted by the Council in its application for the above funding.
2.2	The Director of Development previously reported to the Strategic Policy and Resources Committee that it was anticipated that the Letter of Offer would require the Council to fully examine a range of operating models and would require the Council to deploy an operating model which provided the maximum economic return to the City.
2.3	At its meeting on 24 <sup>th</sup> August, 2012 the Committee agreed that the Director conduct a soft market testing exercise to establish any potential private sector interest. Four companies subsequently responded to this exercise expressing an interest in operating the new facility.
2.4	In parallel with this, a consultancy firm, Excellence in Work, were engaged to provide recommendations on the future operational structures should the operation ultimately remain in-house. This work will be completed by the end of April 2015 and a report will be brought back to a future meeting of the Committee on this work.
2.5	Given the uncertainty around future funding and the future operational model the Development Committee agreed to the recruitment of an Interim Head of Waterfront Hall to oversee operations during any interim operational period. Despite 2 recruitment exercises it has not been possible to appoint a suitable candidate with the necessary commercial experience to fill the post.

3.0	<b>Key Issues</b>
3.1	As stated above, the Council is now in receipt of the NITB's Letter of Offer. The conditions therein require the Council to "fully test a range of operating options for the Project to ensure the operating model deployed gives the greatest return to the economy in line with the targets set out in the Business Case." These options range from enhancing the current operating model through to the outsourcing of the operator to an established private sector operator.
3.2	In addition the Council is required to "provide a transition plan acceptable to NITB outlining the operational and management arrangements within the transitional period.
3.3	The project plan projects the new facilities being open for business in May 2016. It is important that we immediately develop a sales strategy to build on the business already secured for 2016 and in future years.
3.4	Successful achievement of the sales targets is essential to meet the targets set out in the business case, but is also central to our objective of reducing the operating deficit at the Waterfront Hall.
3.5	Geoff Fenlon, the principal consultant from Excellence in Work, has a proven track record in successfully delivering and managing large-scale conference facilities including the International Conference Centre in Birmingham, the Edinburgh International Convention Centre and the Dublin Convention Centre.  In developing the internal operating model he has secured the co-operation and respect of both staff and the trade unions.
3.6	It is recommended that in the absence of a Managing Director that the Council enter into a contract with Excellence in Work to procure Geoff Fenlon's services to act as Interim Head of the Waterfront Hall for a period of 4 months during which time he will support the Director of Development develop the necessary sales strategy, support the development of the options appraisal and the development of the transition plan as set out in the condition of the Letter of Offer from NITB. He would also assist the Waterfront Team and Project Team prepare operational plans to facilitate the ongoing business of the Waterfront whilst construction takes place.
3.7	Support will also be given to the Director of Development and the Assistant Chief Executive in preparing job descriptions and person specifications for a permanent Managing Director for the new facility and on other changes to the job description, as may be required to meet the future business needs of the Conference and Exhibition Centre.
3.8	It is believed that this exception from the Standing Orders is justified in the circumstances, given that the recruitment exercise has failed twice. Given the time constraints, it would not be possible to conduct a procurement exercise for this service.

<b>4.0</b>	<b>Resource Implications</b>
<b>Human</b>	
The Director of Development and the Assistant Chief Executive will work closely with the appointed contractor over a period of 4 months from 1 <sup>st</sup> May, 2015.	
<b>Finance</b>	
The expected costs associated with undertaking this type of project are in the region of £30K and will be met from the Development Department's revenue budget. This will extend the commission of Excellence in Work to a total budget of £60K.	

<b>5.0</b>	<b>Equality Implications</b>
An Equality Impact Assessment in relation to this appointment of the contractor.	
<b>6.0</b>	<b>Recommendations</b>
Committee is asked to note the contents of this report and –	
<ul style="list-style-type: none"> <li>• Agree to accede to Standing Order 62, (a) exceptions in relation to contracts by direction of the Council acting on a recommendation of a Chief Officer that the exception is justified in special circumstances for the appointment of the Contractor Excellence in Work.</li> </ul>	
<ul style="list-style-type: none"> <li>• Agree to the development of an options appraisal for the operation of the Waterfront Hall and a transition plan, as required by the Letter of Offer from NITB.</li> </ul>	
<b>7.0</b>	<b>Appendix</b>
Appendix 1 – Standing Order 62a	
<b>8.0</b>	<b>Decision Tracking</b>
The Director of Development will be responsible for the continued progress of this appointment	