



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Funding Issues – Ulster Orchestra
Date:	17 October 2014
Reporting Officer:	Ronan Cregan, Director of Finance and Resources
Contact Officer:	Mark McBride, Head of Finance and Performance

1.0	Relevant Background Information
1.1	This paper outlines a request from the Ulster Orchestra for financial support.

2.0	Key Issues
2.1	The Ulster Orchestra has submitted a request for financial assistance in the context of a forecast £400k deficit for 2014/15 caused by cuts in funding by the Arts Council and BBC.
2.2	There are two elements to the UO proposal. The first is that the Council provides a comfort letter agreeing to cover any expenditure incurred by UO not covered by funding up to 31 March 2015 and not exceeding £500k in total. This intervention would serve to secure the UO's financial position in the short term.
2.3	The second element is a request for a rent-free period of five years for the use of the Ulster and Waterfront Halls on the basis that this would make a significant difference to the Orchestra's loss-making position, allowing greater flexibility to develop strategically and further collaboration on special projects with the Council. The request (Appendix One) outlines the benefits of the UO to Belfast and N Ireland along with developments that are planned for over the next six months.
2.4	At present the Council provides £149,283 of annual grant funding to the UO. However, the Council receives income from the UO in the form of hire and leasing charges. In 2013/14 this amounted to £154k.

2.	Members are asked to note that recent announcements regarding cuts for events and arts/culture will also have a considerable impact on the city.
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3.0	Resource Implications
3.1	If the Council decides to support the request to indemnify the Ulster Orchestra for any deficit up to £500k for 2014/15, then this amount would have to be met from Council reserves. This would be a decision for the existing Council.
3.2	The decision to grant a rent free period will need to be considered by the Shadow Strategic Policy and Resources Committee in the context of the estimates and rate setting process.

4.0	Equality and Good Relations Implications
	There are no equality and good relations implications associated with the report.

5.0	Recommendations
	<p>Members are asked to consider:</p> <ul style="list-style-type: none"> • The request from Ulster Orchestra and whether the Council should consider entering into a 'cash deficiency agreement' with the Ulster Orchestra in which the Council would agree to indemnify the Ulster Orchestra for any deficit up to £500k that it incurs by 31 March 2015. <p>Members are also asked to agree:</p> <ul style="list-style-type: none"> • That the request by the Ulster Orchestra for a five year rent free period should be referred to the Shadow Strategic Policy and Resources Committee so that this may be considered as part of the 2015/16 rate setting process.

6.0	Decision Tracking
	The Director of Finance and Resources will implement the decisions of the Committee.

7.0	Documents Attached
	<p>Appendix 1: Ulster Orchestra Letter 6 October 2014</p> <p>Appendix 2: Ulster Orchestra Proposal to Belfast City Council 6 October 2014</p>