

CABINET

Revised report

Agenda Item 136

Brighton & Hove City Council

Subject: Maintaining Brighton Centre Economic Impact
Date of Meeting: 9 December 2009
Report of: Director of Culture & Enterprise
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Key Decision: Yes Forward Plan No: Procedure Rule 16 complied with
Wards Affected: All

FOR GENERAL RELEASE

This report was not included on the Forward Plan because Information required to complete the report has only been available very recently and analysis of this information was completed within the last 10 days from which a formal report has been produced. The urgency of works identified in Part 2 mean that rather than delay the report until the New Year the paper is being brought to December Cabinet.

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Brighton Centre has to compete for conferences and other events against newly constructed venues throughout the country and Europe.
- 1.2 The age of the building and much of its fabric, fittings and equipment are of an age where they are at the end of their useful life, are costly to maintain or simply do not compare to what is on offer in other venues.
- 1.3 These are many of the reasons why the Council is pursuing the re-development of the Brighton Centre. It is anticipated that following completion of the feasibility study in March 2010 the council will be in a stronger position to share a development timetable.
- 1.4 It is proposed that some of the Brighton Centre Redevelopment Reserve, specifically set aside to assist with the cashflow of the redevelopment during the early years, be applied to the maintenance and competitiveness of the current centre in order that local employment can be sustained.
- 1.5 Despite the age of the venue effective sales and marketing has still delivered strong bookings for the venue. Twenty five conferences in the current year and 32 last year however it is felt that investment could sustain and potentially improve this.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves allocation of £820,000 from the Brighton Centre Re-Development Reserve towards maintenance and operational needs of the existing Brighton Centre in order that the economic impact of the Venue can be maximised up to the point of re-development. This amount is based upon an

assumption of continued Planned Maintenance Budget investment at a level equivalent to 2009/10.

- 2.2 That Cabinet instructs officers to continue to reassess the required level of the reserve once the latest feasibility study is completed. The council will need to build sufficient contributions within the Medium Term Financial Strategy to ensure the level of the Brighton Centre Redevelopment Reserve is adequate to support the development.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Brighton Centre opened in 1977 and produces around £50m of economic impact in the local area each year through the balanced programme of Conferences, Commercial Hires and Entertainments.
- 3.2 In 2007/08 the Council committed to funding a Re-Development Reserve to support the development of business in a new Brighton Centre.
- 3.3 While it is recognised that the City requires a new Brighton Centre to secure growth and sustain the significant direct employment, it is recognised that this will take some time to deliver.
- 3.4 At the same time there is significant competition for the lucrative business which the Conference Centre secures for the City.
- 3.5 The age of the venue and the state of the equipment that supports it as well as the fabric of the current operation makes competing for business extremely difficult.
- 3.6 The Brighton Centre operates a balanced programme of events with activity broken down into 1/3 entertainment, 1/3 conference and 1/3 private hires/corporate. The occupancy of the Brighton Centre compares favourably with other venues. In the latest benchmarking data the centre operated at 74% occupancy with venues including Birmingham operating in the low 60's.

4. CONSULTATION

- 4.1 Feedback on the need for investment and its likely impact is overwhelmingly positive. Comments are as follows:
- 4.2 Keith Faulkner, TUC: 'The TUC has been a long term supporter of the Brighton Centre. We would encourage investment in the current building to prevent the venue from falling behind other newer and refurbished centres in the UK'.
- 4.3 Jacinta Scannell, Happening Conference Management: 'The availability of funds to help maintain the Brighton Centre would be very welcome indeed. As a city Brighton is a very attractive option for our clients, but many feel the Brighton Centre does not represent the right image for their event. Although the flexibility and capacity of the venue is great, the first impression is tired and an outdated building can put people off. The investment of funds would reassure clients and demonstrate the commitment to keep the venue in good order for the future.'

This is very important for clients who are considering the venue for events that may take place in 3, 4 or 5 years time.'

- 4.4 Philip George, Head of Events, Solace: 'The Brighton Centre is a flexible venue which makes it a good venue for us to organise the SOLACE Annual Conference. It is also in a great location which is attractive to our delegates – 75% of our delegates said they were very or fairly satisfied with the Brighton Centre while only 7% were dissatisfied with it. However our delegate feedback suggests that the venue is a bit shabby and some investment in improving the feel of it would enhance our delegates' experience at our conference.
- 4.5 Joe Norris, Partner, Off The Kerb Productions: 'I consider the Brighton Centre to be one of our favourite venues, when putting together a UK tour.....Any further investment into the venue will, I feel, enhance the experience that you give to your customers, which is extremely important as the ticket buying public's expectations over the past few years have been raised with new venues coming on line such as O2 and the LG Arena'.
- 4.6 Harvey Goldsmith CBE: 'I have been promoting at the Brighton Centre for 30 years and view Brighton as one of the major cities on the UK tourism circuit. I think any additional investment in the infrastructure of the venue would further enhance the Brighton Centre and make it a more attractive proposition for promoters like myself to continue and increase the number of live events that we bring to your city'.
- 4.7 Caroline Jones, College of Occupational Therapists: 'Our organisation is holding its annual conference – the showcase for the occupational therapy profession – at the Brighton Centre in June 2010 and June 2011 and it is absolutely vital that the Brighton Centre is fit for purpose and well maintained and that our members have a positive experience of our conference...I hope that ongoing maintenance and refurbishment is carried out on a timely basis to ensure the experience of our delegates is a positive one, and ultimately, a positive experience for Brighton itself'.
- 4.8 Mark Jones, Chairman Brighton & Hove Hotels Association: 'The BHHA has long emphasised the importance of maintaining, even improving, the current Brighton Centre right through to the end of its life. Whilst we await a move forward on a new conference venue for the city, we must remember that the city's ability to continue to win conferences, concerts and exhibitions is crucial to the hospitality sector's fortunes. These improvements offering a well maintained Brighton Centre that is still able to attract key business events, is essential in that quest. I welcome the City Council's decision to spend this money and look forward to a continuing event programme and more visitors as a result'.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The financial implications are detailed in the report listed on Part 2 of the agenda.

Finance Officer Consulted: Rob Allen

Date: 17/11/09

Legal Implications:

- 5.2 There are no immediate legal, health & safety or Human Rights Act implications arising from this report

Lawyer Consulted:

Bob Bruce

Date: 17/11/09

Equalities Implications:

- 5.3 An equalities impact assessment exists for the venues. Many of the proposals contained within detailed plans for venues improvement would enhance the experience of all visitors but particularly allow us to improve the experience for those with disabilities.

Sustainability Implications:

- 5.4 The main sustainability implications are in securing future business for the venue and the city and in ensuring that local employment is maintained. In additional works planned would be able to mitigate the consumption of resources where replacement or improvement of equipment is taking place. Additionally improvements would allow the venue to improve practice in respect of waste management.

Crime & Disorder Implications:

- 5.5 There are no crime and disorder implications arising from the proposals in this report.

Risk and Opportunity Management Implications:

- 5.6 Risk implications are improved as a consequence of this investment. Risks including unplanned closure, lost business, loss of local economic impact and local employment are all mitigated by the proposed investment.

Corporate / Citywide Implications:

- 5.7 The main corporate and citywide implications are positive in terms of economic impact and employment and confidence in the local tourism market to invest and develop. In terms of corporate implications there are resource needs from various services to support the programme of works and also the need to rebuild the Brighton centre Redevelopment Reserve.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The main alternative considered is the status quo. This however retains the risk of lost business as a consequence of unplanned closure and diminishing client confidence.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To sustain local employment and economic impact, to compete with other venues and destinations and to build business in the period leading up to a new

venue rather than allow business in the city to decline and result in a harder battle to improve standards once the new centre is operational.

SUPPORTING DOCUMENTATION

Appendices:

1. Contained in Part 2

Documents In Members' Rooms

1. 2009 Condition Survey of Brighton Centre

Background Documents

None

