

REPORT TO: Council

DATE: 15 December 2021

SERVICE AREA: Harrogate Convention Centre

REPORTING OFFICER: Paula Lorimer (Director, Harrogate Convention Centre)

SUBJECT: **HARROGATE CONVENTION CENTRE – 2021 UPDATE**

WARD/S AFFECTED: All

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

1.1 To provide Council with an update on activity at Harrogate Convention Centre (HCC) over the last year.

2.0 RECOMMENDATIONS

2.1 That Council notes the information provided in this report.

3.0 RECOMMENDED REASON FOR DECISIONS

3.1 This report is for information only.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 There is no alternative.

5.0 THE REPORT

Background

5.1 The purpose and vision of HCC is to deliver high quality conferences, exhibitions and events that bring maximum economic impact and prosperity to the district of Harrogate. Our aim and mission is to provide world class facilities and customer service for every event we host, so that HCC can be cost neutral by 2024.

In order to achieve our aims, we need to ensure that we attract events that in addition to their direct venue hire fees also drive the maximum broad

economic impacts, provide for additional revenues on Audio Visual (AV) equipment and the opportunity for significant catering spend.

Therefore, HCC continues to implement its new sales strategy focusing on winning high value association conferences, recognising that these events drive more than double the economic impact of an exhibition. Exhibitions however remain a vital component of the product mix at HCC. However there have been significant industry wide impacts from Covid-19 between March 2020 and July 2021.

Covid-19 and Harrogate Convention Centre

- 5.2 The global pandemic resulting from Covid-19 has had two significant impacts for HCC during 2021. These were the closure of the events industry and the repurposing of HCC as a Nightingale Hospital until July 2021.

Nightingale Hospital – Yorkshire and the Humber

- 5.3 Following its rapid construction in March 2020 the Nightingale Hospital was maintained to provide emergency capacity to assist the pandemic response until April 2021. The HBC and HCC teams worked closely with BAM Construction and the NHS to ensure the venue was returned fit to host events in July 2021. The works to reinstate the venue enabled a number of improvements which have been welcomed by both current and future clients.

National Reopening of Events Industry

- 5.4 The Events industry along with many others was severely impacted by the results of the Covid-19 pandemic. From the commencement of the national lockdown on 24 March 2020 all events activity was curtailed or operated under significant restrictions. Following the departure of the NHS Nightingale the venue was able to welcome our first medical conference event back under the then existing restrictions from 5 July. The Country's first major trade event was hosted at HCC under the Government's Event Research Programme from 18 July.
- 5.5 The closure of the events industry and the repurposing of HCC as the Nightingale Hospital Yorkshire and the Humber has had a significant impact on income. There was no income earned from events or associated revenues such as catering through the 2020/21 financial year. There have been a significant number of events delivered following reopening in July 2021 reflecting activities postponed due to the pandemic restrictions. These are included in the table below.

Employee Review

- 5.6 Following on from successfully redeploying two thirds of HCC's employees to assist in delivering Harrogate Borough Council's critical services to residents the return to delivering event operations and the post pandemic reduction in business has highlighted a need to review how services at HCC are delivered. This review is ongoing and is anticipated to be concluded for April 2022.

Impact on Catering Operations

- 5.7 The four refurbished catering and bar areas which were removed as part of the repurposing to a Nightingale Hospital have been reinstated prior to reopening.

Through working closely with CH & Co management the reopening of the catering offer has been a success with a number of events and functions delivered for clients resulting in appreciative feedback.

Economic Impact

- 5.8 HCC's Economic Impact (EI) is reported in line with the Visit Britain methodology for event and conference venues. It is estimated that, using this new methodology, HCC drove approximately £29 million of EI for the year ending 2019/20, reflecting the month of effective closure in March 2020. Due to the industry wide closure and the repurposing of HCC as a Nightingale Hospital there was no Economic Impact based on the Visit Britain methodology in 2020/21.

Redevelopment Project

- 5.9 For HCC to attract major association conferences we are embarking on progressing the design and specification of a significant redevelopment, reconfiguration and upgrade of our venue's facilities, many of which are in need of modernisation having not been touched for over 30 years.

Projects were able to be progressed during 2021 included the completion of the Conference Centre Forecourt Waterproofing with the repairs to areas of the Royal Hall roof continuing.

Business Strategy

- 5.10 The Convention Centre ordinarily attracts a number of different types of events however these have been significantly impacted by the pandemic and its associated restrictions;

Exhibitions

Our strategy is to protect our current large trade shows with longer term, multi-year deals while shifting our focus to win more lucrative conference business. As exhibitions drive less economic impact than conferences our redevelopments aim to enable us to maintain current exhibition volumes whilst growing the conference business.

Association Conferences

Our strategy is to focus on winning back larger, multi-day association and trade conferences. Through improving the facilities at HCC by providing larger breakout rooms and better delegate flow we will be able to better compete within the ever growing and competitive landscape.

Corporate Events

Prior to March we hosted a number of high profile corporate events. These events can be highly lucrative and our intention is to invest in reconfiguration and refurbishments which will make the venue a more affordable and attractive option for clients to consider. Corporate events also drive a high economic impact but unlike association conferences, they tend to have a much shorter length of tenancy and often move venue each year.

Entertainments

Harrogate Theatre undertake the majority of entertainment bookings at the Royal Hall and HCC Auditorium with a significant number of events in autumn 2021 being pandemic delayed bookings from 2020-21. Although entertainment and community events play an important role in the town, often these events drive a comparatively low economic impact and routinely deliver a low or no profit outturn for HCC.

The table below summarises the number of events held in total during 2019/20. No events were delivered in 2020/21. Forecasted number of events for 2021/22 are provided subject to current event delivery being maintained.

Sector	18/19		19/20	
	No of Events	% of Lettings Income	No of Events	% of Lettings Income
Exhibition	23	58%	23	49%
Conference	27	33%	29	34%
Corporate	13	7%	14	14%
Entertainment	11	2%	17	3%
Total	74	100%	83	100%

Sales and Marketing

- 5.11 Our sales strategy continues to focus on attracting larger association conferences as detailed earlier in this report. There have been a number of events attracted to HCC as a result of both the sales strategy and the national publicity regarding the use of the venue as a NHS Nightingale.

Crucial to Harrogate and HCC's success is that the destination is marketed expertly. A new Destination Management Organisation (DMO) has been created under a dedicated Head of Service with a clear focus on delivering quality marketing and promotion activities which include the wider District. This is a key element in bringing Harrogate and HCC to the wider market and reinforcing Harrogate as a premier conference and event venue.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations,

assessments, considerations and implications considered necessary during preparation of this report are detailed below

7.0 CONCLUSIONS

- 7.1 Covid-19 and the response to the pandemic led to the venue being repurposed as the Nightingale Hospital Yorkshire and the Humber to assist in the national response. Following venue reinstatement and the reopening of the events industry we have welcomed back a significant number of existing and new clients, contributing to the prosperity of the District and wider region. The intentions to reconfigure and redevelop the venue speaks to the confidence in the conference and events sector and the benefits for businesses and residents which result.

Background Papers - None

OFFICER CONTACT: Please contact Michael Constantine (Head of Operations, Harrogate Convention centre), if you require any further information on the contents of this report. The officer can be contacted at Harrogate Convention Centre, PO Bo 787, Harrogate, HG1 9RW, telephone 01423-556732 or by e-mail – Michael.constantine@harrogate.gov.uk