INTRODUCTION

The purpose of the Convention Centre is to attract events to Harrogate which in turn deliver an economic benefit of around £55m to £60m to the District through visitor spend and create and sustain local jobs, as well as being a catalyst for wider economic growth.

Our ambition is to increase the number of Convention Centre visitors, grow economic impact significantly and ensure we continue to sustain jobs in the District through:

- Effective Marketing and Sales
- Working with local businesses to promote the District
- Recruiting and developing the best possible Convention Centre team
- Investing in Convention Centre facilities and local infrastructure

BUSINESS PERFORMANCE

Our annual repeat events are worth 72% of all lettings income this year compared to 81% last year and our new business will contribute 28% versus 19% in the previous accounting year.

The current financial year has been extremely challenging. We set a very ambitious target for new business in 18/19 and whilst we will record an increase of at least 30% in new lettings over 17/18, this substantial growth has been offset by a fall of 20% in repeat lettings as a consequence of contracted cancellations and some key annual events downsizing.

The Convention Centre attracts business in several areas, the four main sectors being:
EXHIBITIONS

This is our largest sector by revenue (52%) and we are fortunate to have a legacy of large exhibitions which have been coming to Harrogate for many years. However, in the past four years total revenue from exhibition lettings has reduced by 14%.

ASSOCIATION CONFERENCES

This sector comprises national conventions for professional associations, which this year included UK Kidney Week, Wounds UK and The British Association of Sports and Exercise Scientists Conference.

2018/19 has been our best year in the past four years for this sector with an increase of 7% compared to 17/18 and up 13% since 15/16. Bringing in overnight visitors, it is an attractive sector for the town and Convention Centre as these events book from 2 – 6 years in advance, securing the future.

In the longer term there is potential for more growth in this sector if we can develop additional meeting and breakout spaces to meet the demands of many association organisers.

CORPORATE EVENTS

Sales rallies, team building, product launches and staff conferences for private sector companies.

Our corporate sector is the most volatile in that it is from 4 – 12 months short lead, sensitive to economic market conditions such as Brexit uncertainty and difficult to forecast. Forecast lettings revenue is down 8% this year when compared with 2015/16.

ENTERTAINMENT

It has been our policy to rely on Harrogate Theatre and Harrogate International Festivals to book entertainment events however we have ample capacity in the Auditorium to promote more entertainment events and are in the process of establishing contact with promoters and agents to grow this sector over the next three years.
### SUMMARY OF EVENTS (Excluding Royal Hall)

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The Convention Centre's top ten repeat annual events are worth 47% of the overall Lettings' income and have sustained the Convention Centre business through the 2008 financial crisis and subsequent recession, by signing multi-year contracts and in most cases, achieving a 3% year on year growth in Lettings' fees.

Eight of the top ten events are trade exhibitions and uncertainty following Brexit is putting these events under additional pressure as exhibitors cut back on their discretionary spend, reducing the size of their exhibition stands or choosing not to attend. This has resulted in pressure from exhibition organisers to maintain the current Lettings' rates or even re-negotiate contracts based on a reduction in Lettings' space no longer required.

In addition, the increased threat from terrorism has resulted in a need for more security measures and staffing, creating cost pressures which have been alleviated in the short term through salary savings from vacant posts.

Whilst trade exhibitions and corporate events are more susceptible to the prevailing economy, association conferences are less reliant on market conditions.

To mitigate these economic pressures and ensure the future success of the venue, it is essential we develop a longer term view, investing in the venue and the sales and marketing strategy, keeping focused on bidding for and winning, association conference business.
SALES & MARKETING

Over the last year we have:

Exhibited at major events industry trade shows including International Confex and The Meetings Show both at Olympia, London as well as IMEX Frankfurt and from 27-29 November we will be represented on the Visit England stand at IBTM World in Barcelona.

To generate enquiries for national and regional events the team has taken stands at The PA Hub, The PA Club, The Independent Venues Roadshow, Ask Abbie, The IVR and DMC Showcase.

At International Confex in February 2019 we have booked a larger exhibition stand than in recent years. Our key messages will be built around a Visit Britain Survey in which Harrogate came top for visitor return visits and ‘Harrogate Welcomes the World’ (UCI World Cycling Championships). To increase our appeal to the association sector we will promote our burgeoning ‘Convention Quarter’ with the Convention Centre at the centre of a district bordered by the recently refurbished hotels, The Crowne Plaza, The Majestic Hotel, Hotel St. George by Country Living and the Premier Inn.

We are members of the International Congress and Convention Association (ICCA) and in March next year we host the UK and Ireland Chapter Debate which took place in Belfast last year. The event is attended by around 80 delegates including association event organisers and their agents as well as venues and convention bureaux. The debate will give us the opportunity to promote the Convention Centre and the social programme will afford delegates an opportunity to experience Harrogate.

New events to look forward to next year include Visit Britain’s ‘Explore GB’ in May 2019 when 200 international travel buyers will descend on Harrogate and use the Convention Centre as their base for learning about the leisure attractions of Yorkshire and northern England.

In September we host the UCI World Cycling Championships where the Convention Centre will be the Organiser’s HQ, accreditation centre and Media Hub. The Convention Centre will be promoting a ‘Harrogate Welcomes the World’ gala dinner in the Royal Hall which will premiere ‘The Story of Harrogate’ on the eve of cycle racing.
Our credentials as an events’ destination took a boost earlier this year when the UK’s tourist board Visit Britain published their Business Events Survey 2018. Interviewing delegates and visitors at events all around the country, 96% of interviewees would recommend Harrogate for events. When asked if they would choose to return to their event ‘city’ in their own leisure time, Harrogate scored 88% to become No.1 in the UK, 11% ahead of our nearest competitor.

Since publication in March these statistics have been the foundation of our digital and print marketing.

**ECONOMIC BENEFITS**

The current estimated economic benefit resulting from the Convention Centre, excluding the Royal Hall, in the first six months of 2018/19 is £26m with 31 events taking place attended by 86,000 visitors.

**BUILDING PROJECTS & INVESTMENT**

A number of major projects have been completed this year with a total value of around £0.9m. These include:

- Conference Centre Toilet Refurbishments
- Royal Hall Roof Repairs
- Installation of Royal Hall seating lift
- Installation of Royal Hall blackout blinds to Clerestory windows
- Replacement of Royal Hall motorised lighting bar
- Substation Transformer replacement
- Rolling programme of replacing internal fire doors
- Technical and IT Equipment
- Furniture Replacements
- Hall D Motorised Blinds
- Convention Centre Car Park Signage in Town Centre
- Rolling programme of internal re-decoration and re carpeting

Further projects are currently being planned to take place over the next 12 months with an estimated value of £1.45m. These include:

- Hall D Re-decoration
- Re surfacing of Royal Hall, Hall A and Mall M entrance
- Conference Centre Forecourt waterproofing and landscaping
- Entrance 1 PAS vehicle barrier
- Hall Q Toilet Refurbishment
- Sun Pavilion Dome and Roof Repairs
- Catering Outlets and Bars Refurbishment
- Hall Q Heating and Ventilation Refurbishment
- Hall Q Lighting and Fire Alarm Refurbishment
- Hall D Passenger Lift Replacement

CONVENTION CENTRE SITE DEVELOPMENT PLAN

Last year The Right Solution, a company specialising in the planning and development of Conference and Exhibition Venues worldwide, carried out a review of the Convention Centre business to help inform the future development of the business for the Council.

The conclusions and recommendations were:

- To reconfigure the site to develop a 6,000m² multi-purpose hall to enable higher value conferences and exhibitions to be attracted and increase the operating efficiency of the site.
- Develop an increased entertainment programme for the Auditorium by working more closely with entertainment specialists.
- That a more “Arms-Length” operating model would be the most cost effective solution for the future.
- That increased support from the town, such as establishing a convention and visitor bureau, is essential.
- That a reconfigured site could generate “private sector” investment that would help support the conference and exhibition business.

Following this work, the Council’s Economic Development Team appointed Cushman and Wakefield, specialist consultants, in order to understand the viability and commercial attractiveness of various models of mixed use development on the site and ensure that we achieve best value.

The consultants presented the re-development business case to the HCC Board in July for an optimum mixed use scheme on the site, including a re-configured Convention Centre as well as commercial office and residential space.

Further work has now been commissioned, and will be completed by March 2019, to consider how the optimum development solution could be delivered in a number of discrete, operationally self-contained phases, whereby each phase
contributes incrementally to the overall development objectives, minimises the impact on existing annual events and limits the council's financial risk.

The comprehensive re-development of the Harrogate Convention Centre site offers the potential to deliver an exciting and major transformation for Harrogate town centre. It presents a unique opportunity for the council to use its land assets to support a high quality convention centre, promote a strong local economy, and create a long-term revenue income for the council to help achieve its objectives of self-sufficiency.

CUSTOMER FEEDBACK

Fundamental to the Convention Centre business strategy is seeking and responding to Customer feedback.

We actively encourage visitors and delegates to submit their comments and complaints by phone, email and online.

We carry out face to face interviews during a number of events and our Event Managers submit a detailed report after each event, identifying good service and areas for improvement.

Last year, we appointed PR and Communications consultants Clark Associates to carry out more detailed research with our business event organisers post event. As part of this research, organisers are asked to score every element of our service delivery and this feedback is used as part of our staff development planning and appraisals, and discussed at our quarterly full staff meetings.

(See Appendix for September Client Feedback Summary)

CATERING

Our new catering service launches on 1 January 2019 following the appointment of CH & Co. as our new catering partner for the next five years.

The mobilisation of the contract has started with the key priorities being the TUPE transfer arrangements, the marketing strategy, operational handover arrangements and the prioritisation and planning of the onsite investment in the catering areas.

There is no doubt that the new contract will be a key element in winning new business and increasing revenue on existing events as well as building
confidence within our Sales and Planning team when they are negotiating with event organisers.