

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 13TH JUNE 2005
LEISURE & ARTS SERVICES COMMITTEE - 20TH JUNE 2005

REPORT ON: CONFERENCE CENTRE FEASIBILITY STUDY FINDINGS

REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT
DIRECTOR OF LEISURE AND ARTS

REPORT NO.: 377-2005

1 PURPOSE OF REPORT

1.1 The purpose of this report is to inform the Committees of the findings of the consultancy study and to seek approval for certain proposed actions resulting from the study.

2 RECOMMENDATIONS

2.1 It is recommended that the Committees:-

- note the contents of this report;
- remit the Director of Economic Development to ensure that an enhanced local Convention Bureau is a key part of the local Partnership Agreement with VisitScotland (to be operational post 1st April 2006);
- remit the Director of Leisure and Arts to examine the feasibility of making improvements to conference-related facilities at the Caird Hall complex.

3 FINANCIAL IMPLICATIONS

3.1 There are no financial implications directly associated with this report. Any financial implications associated with the above remits will be brought back to Committee for approval.

4 LOCAL AGENDA 21 IMPLICATIONS

4.1 Any improvements to conference services and facilities in Dundee should boost local employment and therefore have a bearing on one of the key themes of Local Agenda 21, viz:-

- the opportunity to undertake satisfying work in a diverse economy.

4.2 Similarly, such improvements, by boosting local employment prospects, would contribute to the Dundee Partnership's Policy Framework for tackling poverty and social exclusion.

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 None.

6 BACKGROUND

6.1 In partnership with Scottish Enterprise Tayside and the Angus and Dundee Area Tourist Board, the City Council commissioned consultants, DTZ Piedad Consulting, to carry out a feasibility study on a Dundee Conference Centre.

6.2 The consultancy brief included the following key actions:-

- review existing provision and update previous work undertaken by DTZ Piedad
- focus on the key USP (unique selling product) for a Conference Centre based on discussions with the Convention Bureau

6.3 Assuming a positive outcome on the need for a new facility then the brief required the further key actions:-

- specification for the new centre and discussion on location aspects
- viability of the facility, or more probably, the level of subsidy required to develop and staff the facilities

6.4 A range of key stakeholders were consulted during the study including:-

- the local Convention Bureau
- hoteliers representatives
- existing conference venues
- Dundee conference ambassadors
- VisitScotland

7 THE CONSULTANTS CONCLUSIONS

7.1 The Conference Industry is undoubtedly valuable and Dundee like many other locations around the world is right to consider what it can do to maximise its share of this market. Trends across the UK appear to suggest that there is a slowing of growth in the market whilst at the same time there is still a pipeline of new projects to build / expand conferencing facilities.

7.2 The Consultants' view is that given the City's likely potential to capture major new business of the level required to support a new purpose build facility and in light of competition from elsewhere, the viability of a new centre in the City is doubtful.

7.3 In terms of competing for international business, it is likely to be primarily the larger venues in both Edinburgh and Glasgow which capture most of the market. The larger international events are always attracted to major cities / capitals which can offer the wide range of conference / transport / accommodation / cultural facilities expected for large conferences. Dundee cannot expect to position itself to compete for this sector of the market and thus construction of a large-scale facility to accommodate this type of event is unrealistic.

7.4 However that is not to say that there are not a number of actions, which both the public and private sector could be undertaking to continue to consolidate and grow those sectors of the conference market where the City does offer a competitive advantage. That is namely in the National Associations sector linked to the City's established and well recognised academic and research base.

7.5 National or International Associations with already established links to Scotland or Dundee are those most likely to be attracted to the City and events hosted by these organisations tend to be on a bi or tri-annual basis.

7.6 Recent research has shown that conference organisers value the role and services offered by the convention bureaux across Scotland. Accordingly, the key conclusion of the Consultants is that the most effective way to grow the conference market in Dundee would be to concentrate resources on improving the already well respected range of services provided by the local Convention Bureau.

7.7 This could require additional staffing and resources but the Consultants feel that this investment is likely to prove more cost-effective in increasing the City's competitiveness in the conference market than by making significant capital investment in a major new conference venue.

7.8 Recent research for VisitScotland confirms that "value for money" is key to conference organisers, especially those in the academic sector. Therefore in order to remain competitive, it is essential that the venues and Convention Bureau work together to provide packages that are seen to represent 'Value for money'. This does not always have to include direct financial support to conferences (although undoubtedly this is always welcomed) but in particular the Consultants suggest that the Convention Bureau and its public and private sector partners focus on:

- Overall the role of the **Convention Bureau** should be strengthened as in light of the decision not to proceed with a new venue, then activity should be focused on improving the delivery of current activities and services to maximise the potential of the existing conference infrastructure of the City.
- The role of the **Ambassadors Programme** is crucial to ensure the sustainability and growth of the conference market in the city. Research for Visit Scotland has indicated that the presence of a strong Ambassador Programme is key to securing National and International Association Business. This sector of the market is going to continue to be the City's main target. The majority of the events programmed by this sector can be accommodated in the city and activity should concentrate on maximisation of those events which the city does have the capacity to host. The enthusiasm of the Ambassadors was evident during the study consultations and strengthening and growing that Programme is recommended.
- **Co-ordination between venues** so that business to Dundee is maximised not just to the individual venues and businesses. The flexibility / capacity of existing venues needs to be fully exploited. The provision of a seamless package, requiring significant co-ordination and input from the Convention Bureau staff, is key to convincing conference organisers that Dundee does have the capacity and experience to host events. If a single venue is unable to accommodate all the requirements of the largest conferences then improved co-ordination between venues is essential and again the Visitor and Convention Bureau role is central to this and should be supported.
- **Pricing structures** were raised by a number of the study consultees as key to developing future business. There is a perception, not so much that venues in Dundee are expensive, but that they do not represent value for money. Again the packaging of venues and services, and co-ordination by the Convention Bureau could help to improve the perception of value for money.
- **Training** is a key component of the need to demonstrate 'value for money'. Investment in staff, the 'soft infrastructure', is crucial as conference organisers and delegates frequently cite the attitude and enthusiasm of staff as key to the overall success of the event. Scottish Enterprise and partners already run a number of training programmes in this area and these should be expanded in conjunction with the participation of more hoteliers / venues to maximise take up.

7.9 The Consultants also recommended that existing facilities relating to both conference venues and hotel bed-space numbers should be improved in line with the market.

8 **POTENTIAL ACTIONS BY THE COUNCIL**

8.1 Given the conclusions of the report, the key potential areas for action by the Council include:-

- Convention Bureau - The Council will be negotiating a formal Partnership Agreement with VisitScotland which will be operational from 1st April 2006. It is clear from the importance of business tourism to the City and the Consultant's key recommendation that the key focus of the Agreement should be the enhancement of the existing local Convention Bureau.

- Council Conference Facilities - The Caird Hall complex plays a key role in the Council's business tourism product because of its ability to accommodate a large number of delegates. However, its ability to cater for the increasingly flexible requirements of conferences (such as flexible break-out rooms, flexible catering services etc) is limited. A greater range of conferences could be attracted to the Caird Hall if these limitations could be overcome.
- Other Facilities and Overall Bed-Spaces - The range and variety of facilities and the overall number of hotel bed spaces greatly influence any city's ability to attract and host conference and seminars. It will therefore be important to continue current attempts to encourage hoteliers and developers to expand / upgrade existing facilities and to attract inward investment in new facilities.
- Central Waterfront - A conference Centre has always been one of the potential developments looked at for the Waterfront Area. This particular study does not rule this option out in the longer term. It will be some years before the details of such an option would be considered because of initial infrastructure requirements. In these circumstances, there may be significant changes in the overall conference market and the Waterfront development itself should help raise Dundee's profile in relation to its ability to attract conferences. The issue should therefore be re-examined in future years.

9 CONSULTATIONS

- 9.1 The Chief Executive, Depute Chief Executive (Finance) and Depute Chief Executive (Support Services) were consulted in the preparation of this report.

10 BACKGROUND PAPERS

The following Background Papers were relied upon in the preparation of this Report.

- 10.1 Dundee Conference Centre Feasibility Study March 2005
- 10.2 Dundee Conference Centre Working and Enterprise Theme Strategy
- 10.3 Dundee Partnership Tourism, Arts and Leisure Strategy and Action Plan

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DATE: 7TH JUNE 2005

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