

Document Pack

**Committee and Members' Services Section
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22nd February, 2008

SPECIAL MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE
(to which all Members of the Council are invited)

Dear Councillor

The above-named Committee will meet in the Council Chamber, 3rd Floor, Adelaide Exchange - 22-24 Adelaide Street, Belfast BT2 8GD on Friday, 29th February, 2008 at 10.30 am, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully

PETER McNANEY

Chief Executive

AGENDA:

1. Routine Matters
 - (a) Apologies
2. Titanic Signature Project (Pages 1 - 3)

In pursuance of the Committee's decision of 22nd February, to receive from representatives of the Titanic Quarter Limited a presentation in relation to the Titanic Signature Project



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Titanic Signature Project
Date:	29 February 2008
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Peter McNaney, Chief Executive

Purpose

- 1.1 At its meeting on 22 February the Committee agreed to hold a special meeting on 29 February, to which all Members of the Council would be invited, to receive a presentation from Titanic Quarter Limited on their proposal to build an iconic Titanic Signature Project in the City, and to seek financial support from the Council to realise the project.

Relevant Background Information

- 2.1 Members may recall that a consortium made up of Titanic Quarter Limited (Harcourt Developments Ltd, Belfast Harbour Commissioners), the Northern Ireland Tourist Board and the Titanic Alliance supported an application to the Big Lottery Fund for funding of £25million towards the realisation of a £90million iconic Titanic Signature Project in Belfast.
- 2.2 The Titanic Signature Project is one of the key signature projects identified by the Northern Ireland Tourist Board Strategic Framework. The purpose of the signature projects is to develop a world class tourism product which will draw visitors from home and overseas and the projects identified are designed to have a significant impact on Northern Ireland tourism's performance. The Titanic Signature Project is one of five signature projects which have been identified.
- 2.3 Members will recall that it was the Council in November 2004, along with the Northern Ireland Tourist Board, who agreed to jointly fund a feasibility study for the creation of a Titanic Signature Project in the city.
- 2.4 The Northern Ireland Executive's position in relation to the development of a Titanic theme visitor attraction is that the Executive has agreed to commit up to £32.5million towards a proposed £90million iconic project. This agreement was subject to a number of conditions:

(i) the shortfall in funding would be made up by other funding partners, ie TQL / BHC £32.5million and Big Lottery £25million;

(ii) the developer (ie TQL) would accept the construction risk above £90million, ie there would not be any further demand on government for additional capital funding;

(iii) there would be no call on government for revenue funding for the operation of a Titanic Signature Project, ie the operating risk would be borne by the operator for the attraction for the first seven years of operation.

2.5 The Northern Ireland Executive's present position is that it still wishes to have a Titanic theme visitor attraction in place in Belfast for 2012, the hundredth anniversary of the launch of the vessel. The view is that such a project would enhance Belfast's position as a gateway tourist destination and would expand tourism's contribution to the wider regional economy. The Executive is therefore seeking to find alternative (non-Executive) sources of funding to bridge the £25million gap left by the failure of the Big Lottery application.

2.6 The purpose of the presentation by Titanic Quarter Limited is to set out the present position in relation to the funding of the project and to explore whether the Council would be prepared to consider contributing financial support which would help the project to be realised.

Key Issues

In determining the Council's response to the presentation, a number of key issues need to be considered:

3.1 Firstly, the Council needs to clarify its overall position on the Titanic Quarter. The Strategic Policy and Resources Committee has taken the view that the Council needs to take an active role in encouraging investment in the City and has requested that work be undertaken to create a Strategic Investment Fund. One of the purposes of the Fund would be to encourage and support the development of iconic projects, which would contribute to economic growth in the City. This economic growth would add value to the City's rate base which would have the effect of making more money available to the Council through the rates, which would allow the development of Council services whilst ensuring prudence in setting the overall rate for the City.

3.2 The Town Planning Committee, when considering the Planning Application for Phase II of Titanic Quarter, passed a motion supporting its immediate development. The Development Committee, in its previous form, initiated the creation of a feasibility document on a 'must see' visitor attraction. The Committee has also raised a number of questions about how the development of Titanic Quarter will address the issues of affordable housing, employability, accessibility to the rest of the City and community benefit. The Parks and Leisure Committee will have to engage with TQL on issues regarding road access that require some Council open space. All of these issues need to be formulated in a 'one Council' response that provides a firm foundation on which to go forward.

3.3 If after hearing the presentation on the Titanic Signature Project the Committee is interested in exploring the provision of support, a detailed due diligence exercise would need to be undertaken. The business plan for the Titanic Signature Project needs to be robustly reviewed, together with any projections for visitor numbers, income etc. The

Capital costs also need to be tested with clear accountability and guarantees established for any potential overspends or additional costs.

3.4 The governance of the project both during construction and more importantly afterwards would also need to be clarified particularly in regard to any potential revenue consequences and also as to who would be responsible should the project for some reason fail or one of the partners defaulted.

3.5 The Council would also have to consider the issues around affordable housing, employability, access, community benefit and open space.

Resource Implications

4.1 Should Committee decide to further explore these issues there will be a financial implication in carrying out due diligence reviews.

Recommendations

5.1 Members are asked to determine whether they wish to explore support for the realisation of the Titanic Signature Project and whether they wish to direct officers to conduct a full due diligence review on the issues outlined above.

Key to Abbreviations

TQL – Titanic Quarter Limited
BHC – Belfast Harbour Commissioners
DETI – Department of Enterprise, Trade and Investment
SP&R – Strategic Policy and Resources Committee
TPC – Town Planning Committee

Documents Attached

None.