

30 October 2009
Update Report of the Chief Executive

Titanic Signature Project
Memorandum of Understanding

- 1 At the Strategic Policy and Resources Committee meeting on 23 October, the Committee considered the report on the Titanic Signature Project contained at Appendix 1. The Committee noted that the Northern Ireland Executive had now signed off its funding commitment to the project and that DETI had written to the Council confirming that the Council would not be required to carry any funding commitment (operational or capital) beyond its £10 million donation. After discussion the Committee agreed to recommend to full Council that the formal legal documentation for the project could now be signed by the Council.
- 2 The Committee further requested that details of the Memorandum of Understanding, setting out how communities in the City might benefit from the development of the site, should be circulated to all Members prior to the Council meeting. This report sets out the relevant details.
- 3 When the Committee initially considered making a financial contribution to the project, at its meeting on 29 February 2008, the Committee agreed that active consideration should be given to investing £10 million in the project, subject to a full due diligence review being undertaken. As part of the work of this review, consideration was given to how the communities might benefit from the overall development of Titanic Quarter. Accordingly at a further meeting of Committee on 28 May 2008, it was recommended that as a condition of funding Titanic Quarter Limited should develop a Memorandum of Understanding with the Council “to optimise the city and community benefits to be realised from the development to the Titanic Quarter Area”.
- 4 The full Due Diligence Review was considered by Committee at its meeting on 16 December 2008, and details of the draft Memorandum of Understanding were presented for approval. A copy of the relevant extract of the Report is contained at Appendix 2. Members will note that six priority themes had been identified and that the Memorandum of Understanding sets out a clear commitment from Titanic Quarter Limited and the Council to actively work towards creating the necessary conditions to optimise the city and community benefits of the Titanic Quarter development. The report further set out details of the £100K financial commitment Titanic Quarter Limited would make to assist the benefit of the Memorandum of Understanding to be realised; the need to establish a co-ordinating Steering Group and that the Area Partnership Boards had agreed that the East Belfast Partnership would act as managing agent for the other Partnership Boards to assist with the overall co-ordination and support for the Thematic Working Group. Finally the Committee noted that work was ongoing with government departments to seek their commitment to making the Memorandum of Understanding work.
- 5 A copy of the fully developed Memorandum of Understanding is attached at Appendix 3. The Memorandum of Understanding is part of a suite of legal

documents negotiated between the partners, including a Funders Agreement, Mutual Co-operation Agreement and Security Trust and Interfunder Agreement. Members will note that draft thematic action plans have now been developed to deliver on the six priority areas of:

- 1) Employment, Education and Skills (*TQ Work*)
- 2) Accessibility and Transport (*TQ Access*)
- 3) Housing (*TQ Housing*)
- 4) Community outreach (*TQ Outreach*)
- 5) Tourism development and promotion (*TQ Tourism*)
- 6) Quality Open Space and Public Art (*TQ Space*)

Work is ongoing in regards to finalising the necessary governance arrangements for taking this work forward and in further developing the associated Action Plans with realistic, deliverable and measurable actions and associated performance indicators being agreed.

6 Resources

Council officials have been engaging in ongoing discussions with Titanic Quarter Limited, community representatives and relevant Government Departments (e.g. DETI, DEL, DE etc) over the past number of months to firm up the resource and governance arrangements attached to the Memorandum of Understanding and to examine the potential to realign mainstream activities/programmes to support this process. This has resulted in:

- **Secondment from the Department for Employment and Learning (DEL):** funding has been secured from DEL to employ a full-time fixed term secondee who will be located within the Council's Development Department and will work with all relevant stakeholders to support and co-ordinate the developmental work around the employment, education and skills thematic action plan. The commencement date for this secondment is the middle of November 2009.
- **Departmental involvement in the delivery of the MEMORANDUM OF UNDERSTANDING:** A letter has been issued recently to all relevant Government Departments seeking their participation in both the Strategic Advisory Board and Thematic Action Groups. The successful implementation of the Memorandum of Understanding will be dependant upon the level of engagement and commitment provided by the relevant Central Government Departments in terms of the thematic areas identified for action.
- **Financial commitment from TQL of £100K:** TQL has committed a minimum of £100K per annum, made up of both cash and in-kind support, to assist in enabling the full benefit of the Memorandum of Understanding and thematic action plans to be realised.

- **Council support:** Clearly there are synergies between the development of the Titanic Quarter and the priorities and objectives of the Development Department in terms of supporting tourism development, economic development and regeneration activity within the city. Accordingly, an internal co-ordination resource has been made available within the Department (through the realignment of resources and activity) to undertake the necessary developmental work and operational management of the Memorandum of Understanding process including monitoring progress and reporting to elected Members.

- **Service Level Agreement (SLA) with the East Belfast Partnership Board:** The Council is currently in the process of finalising negotiations with the East Belfast Partnership in relation to entering into an SLA with the Council to act as a managing agent on behalf of the Belfast Area Partnership Boards, to assist with the overall coordination of the Memorandum of Understanding process at an operational level and to facilitate wider city-wide community engagement processes.

The draft SLA attached at Appendix 2 is to be considered by the Executive Committee of the East Belfast Partnership Board on 10th November 2009. Early indications (based on previous discussions at the Executive Committee) would suggest that the SLA will be accepted and would come into effect from 1st December for a 1 year period subject to review.

Titanic Quarter Limited has agreed to fund the total £30K support cost for the SLA with the East Belfast Partnership Board in addition to its other funding commitments.

7 City-wide Context

To ensure that the opportunities which emerge as part of the Memorandum of Understanding process and the development of the Titanic Quarter is made fully accessible to all parts of the city, as requested by Elected Members as a condition of any Council funding committed to the TSP project, the East Belfast Partnership Board has put in place an agreed protocol of engagement (attached at Appendix 4) with the other Area Partnership Boards.

This protocol provides for an effective mechanism to ensure that relevant stakeholder groups (including neighbourhood partnership boards) across the city are kept fully engaged in the process and that emerging opportunities are considered within an overall city-wide context.

The Belfast Area Partnership Boards (as a collective forum) have nominated a lead Partnership Board, to participate, on behalf of all the Partnership Boards, on each of the Thematic Groups i.e.

- Employability – North Belfast Partnership Board

- Access and Transport – West Belfast Partnership Board

- Housing –East Belfast Partnership Board
- Tourism – South Belfast Partnership Board
- Art and Open Space – Greater Shankill Partnership Board

The lead Partnership Board will be responsible for ensuring that the key issues emerging from the local discussions /engagement undertaken by each of the Partnership Boards across the city inform the discussions within the Thematic Groups and that the emerging decisions and opportunities are communicated.

This approach provides the opportunity to effectively engage, disseminate information and seek local views on the Memorandum of Understanding and wider Titanic Quarter development; optimising already established structures and avoiding the need to create anything new.

8 Governance Arrangements and oversight role of the Council

The Memorandum of Understanding sets out a three tier governance structure to take forward the work in the thematic action plans. The purpose of the structure is to try and bind in all the key stakeholders who will need to contribute to the delivery of the objectives set out in the action plans. Essentially this involves a Strategic Advisory Board, a Co-ordinating Steering Group and Thematic Action Groups. Terms of Reference for the groups are being established and will be reported to Committee. Crucially the Council will exercise an oversight role to ensure that the benefits of the Memorandum of Understanding are fully realised. This will involve detailed reports being brought to Committee twice a year setting out progress against the Action Plan and the contribution being made by the key stakeholders.

TQL have indicated that they will be happy to attend Committee on these occasions to discuss progress. Finally, the Memorandum of Understanding itself provides for an Annual Review.

- 9 Finally I enclose, at Appendix 5, a copy of the community benefit clauses which have been incorporated in the legal documentation, which are the clauses recommended by Government Central Procurement Directorate and relate to training and skills development, employment, promotion of equality and sustainability.
- 10 A further update report will be brought to Committee, suggesting how the Council may wish to exercise its continued oversight of the project which in general terms will recommend that the Development Committee exercises the oversight roles over the Memorandum of Understanding and the development of the tourist attraction elements of the project and that Strategic Policy and Resources exercises oversight over the construction and funding elements.