



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Titanic Signature Project
Date:	Friday, 18th April, 2008
Reporting Officer:	Gerry Millar, Director of Improvement
Contact Officer:	Kevin Heaney (ext 6202)

1.0	<u>RELEVANT BACKGROUND</u>
1.1	Members will recall that a consortium made up of Titanic Quarter Limited (Harcourt Developments Ltd, Belfast Harbour Commissioners), the Northern Ireland Tourism Board and the Titanic Alliance supported an application to the Big Lottery Fund's Living Landmarks Programme for funding of £25million towards the realisation of a £90million iconic Titanic Signature Project in Belfast.
2.2	The failure to attract a grant from the Big Lottery Fund had resulted in a funding shortfall of £25million for the Titanic Signature Project (TSP). A reconfiguration of the proposed funding structure would require £40 million from the Northern Ireland Executive (DETI), £40million from the Titanic Quarter Limited and the Belfast Harbour Commissioners and the Council has been asked to contribute the outstanding £10million towards the realisation of the TSP.
2.3	The Council's Strategic Policy and Resources Committee, at a special meeting on 29 th February, 2008, reaffirmed its support for the building of the Titanic Signature Project and the need for the Council to show leadership by investing in iconic projects which would bring significant benefit to the City. The Committee agreed that consideration should be given to investing £10million in the project, subject to a full due diligence review being undertaken.
2.0	<u>CURRENT POSITION</u>
2.1	Accordingly, Deloitte has been commissioned by the Council to undertake a detailed economic appraisal and due diligence review of the proposals for TSP.
2.2	As part of this work, Deloitte has been asked to specifically examine and give consideration to the undernoted issues:- <ol style="list-style-type: none">1. independently appraise the feasibility study undertaken of the Titanic Signature Project and examine the financial viability of the project proposals ensuring alignment with the revised economic appraisal being taken forward by DETI;2. assess the degree of risk to the Council attached to its investment decision;3. examine the governance arrangements for the project in terms of the creation of an appropriate delivery vehicle, the level of representation the Council should request on the Board and the oversight arrangements it should put in place to oversee the ongoing management of the TSP;4. outline those conditions which the Council should attach to any offer, if agreed, of funding to safeguard its position; and5. set out the main benefits of the Titanic Signature Project and wider Titanic Quarter Development for Belfast in both socio-economic and social terms.
2.3	Members will note that at the Council meeting on the 1 st April 2008, Members strongly articulated their aspirations for the TSP and the need for it to bring much wider social and economic benefits to the city and the citizens. It was suggested that any consideration given by the Council to the potential funding of the TSP should take into account the wider social impact of the Titanic Quarter in general for the city. Accordingly Deloitte has been requested to

engage directly with political and community representatives to capture the main concerns and develop recommendations on how they might be addressed.

A draft report on the Titanic Signature Project due diligence exercise being undertaken by Deloitte on behalf of the Council is expected by the end of April and it is, therefore, recommended that a special meeting of the Council's Strategic Policy and Resources Committee, to which all Members of Council be invited, be scheduled in May to discuss this in more detail.

3.0 Resource Implications

Financial and Human Resources

There are no Financial or Human Resource implications contained within this report.

4.0 Recommendations

Members are asked to agree that a special meeting of the Council's Strategic Policy and Resources Committee, to which all Members of Council be invited, be arranged, in liaison with the Chairman, for May 2008 to discuss the findings of the Deloitte due diligence exercise currently being undertaken.