



Belfast City Council

Report to: Strategic Policy & Resources Committee

Subject: Funding Proposal for the Museum Arts Centre (MAC)

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Reporting Officer: Marie-Thérèse McGivern, Director of Development, Ext 3509

Contact Officer: Shirley McCay, Head of Economic Initiatives, Ext 3463

Background

The issue of lack of cultural infrastructure in Belfast has been a concern for Belfast City Council for nearly 20 years. The Council's own contribution to that infrastructure – the Waterfront Hall has created new standards in what was needed for the City. The success of the Waterfront Hall raised further debate in Council and resulted in the commissioning of 2 major reports – a review of performing arts venues and one of visual arts promotion in the City.

The review of performing arts known as the Southwood Review was jointly commissioned by Belfast City Council and the Arts Council N.I. The report was endorsed by Council in February 1998; its recommendations were agreed by both councils.

The 8 recommendations were:

- That Belfast City Council and the Arts Council establish formal mechanisms to ensure a strategic approach in the support of the arts product in the City.
- That Belfast City Council (BCC) and the Arts Council (ACNI) facilitate formally constituted, regular meetings of a liaison group consisting of representatives of the City's principal venues and promoters.
- That the Ulster Hall and the Group Theatre are totally refurbished.
- That a major, city centre arts centre for Belfast is developed, either through the amalgamation of the Crescent Arts Centre and the Old Museum Arts Centre

(OMAL), or by another means.

- That the Arts Theatre is funded as a receiving house until such times as plans to develop a middle-scale performance pace by other organisations are able to be fully appraised.
- That the Lyric Theatre upgrade the facilities for audiences and performers.
- That Belfast City Council and the Arts Council revisit the concept of a city-wide arts marketing service.
- That the proposal to establish a Mobile Theatre Unit be supported, subject to the outcome of the economic appraisal.

BCC and ACNI were keen to move forward with these proposals and the next years were to see major changes in the cultural sector in Belfast. The establishment of a Department for Cultural Arts and Leisure, with a Minister, added weight to arguments about the role of culture in regeneration. The Council in 2000 initiated and backed a bid for Belfast to become European City of Culture, which also further galvanised the debate. In this period also, Laganside become responsible for the area now known as Cathedral Quarter and designated this as a cultural area.

As a direct result of Southwood, the Council took a number of actions. In relation to performing arts venues the Arts Sub-Committee included the refurbishment of the Ulster Hall, a major city centre arts venue and the upgrade of the Lyric in its 1998-2001 Arts Strategy agreed in February 1998. A Southwood Group was established between BCC and ACNI with both officers and Members participating, which met from 1998 to 2002. An arts venue promoters group was also established. BCC also commissioned an economic appraisal by BDO Stoy Hayward into the development of a city centre arts centre in Belfast – its conclusion endorsed by the Arts Sub-Committee in April 1999 was that the preferred option was to site it at Talbot Street (Laganside to provide space) and to have it managed by an amalgamation of the Crescent Arts Centre and the Old Museum Arts Centre, or some other arrangement.

In addition, the Client Services Committee agreed in principle in November 1999 to the refurbishment of the Ulster Hall. Alongside this process the Grand Opera House was also seeking refurbishment. What was essentially lacking from the process though was major resourcing to undertake in particular the physical infrastructure projects outlined in Southwood. Both ACNI and BCC lacked large capital resources to support these. The failure of the Capital of Culture Bid in 2004 underlined the need to address this issue, as lack of cultural infrastructure was cited as a main reason for the failure. As a result, DCAL worked to establish capital funding for new infrastructure and published its own position paper in November 2005 in which it included the Lyric, the Grand Opera House, the Ulster Hall, OMAC/City Centre Arts Venue, Crescent Arts Centre as well as the Black Box, as strategic projects. Since then they have worked with ACNI, DSD and ourselves to bring these projects to fruition.

Moving forward in relation to performing arts infrastructure as outlined by Southwood – the Ulster Hall is now being refurbished; the Lyric is poised to move forward and the City Centre arts venue is to be completed by OMAC, both supported by DCAL and ACNI. In addition, the Grand Opera

House recently completed its refurbishment and the Crescent Arts Centre is in the final planning stage to go forward.

In this context, BCC considered again its commitment to providing support to cultural infrastructure. Under its Integrated Cultural Strategy launched in June 2007, the Council committed itself to the development of creative and cultural means to promote physical regeneration in the City and support sustainable development of cultural venues in the City.

Key Issues

- MAC have submitted an application seeking support of £552,906 from BCC towards the capital build of the new project based at St Anne’s Square in the Cathedral Quarter. A summary of their application is attached and representatives of MAC will be in attendance to present their proposal.
- The total cost of the MAC is over £17m with the following breakdown of support provided:

Capital Costs breakdown	£
Total Project Cost	17, 771, 627
Department of Culture, Arts & Leisure	10,760, 000
Arts Council of Northern Ireland Lottery	4, 250, 000
Laganside / DSD	550,000
Shortfall	2,211,627
Requested BCC support (25% of shortfall)	552, 906
OMAC fundraising to date	630, 000
Remaining fundraising target	1, 028, 721

- MAC require a commitment of 95% of the total project costs before entering into a contract with the project’s preferred building contractor to allow construction to begin in April 2009. The sum requested from BCC will permit the project to reach close to this limit and supports a number of other active applications to trusts and foundations.
- The MAC is designed to be a new landmark culture venue in the Cathedral Quarter. The 5500 sq metre project will contain:
 - 1000 sq metres of state-of-the-art visual arts exhibition space
 - two fully flexible theatre spaces – a mid-scale space for 350 – 550 people and a studio of 120 people
 - a range of studio, rehearsal and workshop rooms

- associated meeting & function rooms plus commercial facilities

- The MAC is forecast to deliver 64,000 audience members per annum for live events; 55,000 for visual art and 20,000 for community engagement.
- The funding offered to the Lyric was part of the £3m identified for the Cultural Legacy Fund. The equation selected by Committee on which to base an allocation for the Lyric was approximately 25% of the private sector fund-raising target.
- The proposed location of the MAC in Cathedral Quarter has additional regenerative impact to an area that is now beginning to create critical mass in terms of regeneration with the current St Anne's development and the proposed UU campus.
- MAC will create numerous opportunities through training and youth programmes for entry into creative industries, a sector now employing 1.1m people according to the Department of Culture, Sports and Media's sources.
- Members will recall that in principle, the agreement was given to fund the MAC at the Dec 07 Policy & Resources Committee in conjunction with a decision to provide £1.25m to the Lyric Theatre for its capital redevelopment given both projects met previously agreed criteria for the City Investment Strategy.

MAC would welcome BCC participation on its Project Board and other governance structures.

Resource Implications

Financial Services have provided the following update on CIF resourcing:

FUND BALANCE PROGRESS

	£m
Reserves 2007	1.0
Rental Windfall 2007	1.075
Balance as at 31.03.2008	2.075
Boucher Road Receipt	1.429
Balance as at 26.02.2009	3.504
Planned Contribution from Reserves 2008	1.0
Forecast position as at 31.03.2009	4.504

NB: The 3 year funding proposal to raise £29m included capital receipts as well as rate contributions and negotiations are active on a number of Council assets a number of which are expected to be completed within the next six months.

COMMITMENTS UNDER CIF

Connswater Community Greenway

The Council has agreed to provide **£4.2m** funding towards a £30m Connswater Community Greenway project.

Lyric Theatre

The Council has agreed to provide **£1.25m** funding towards the realisation of a £17m new iconic Lyric Theatre.

Titanic Signature Project

The Council has agreed to provide **£10m** funding towards the Titanic Signature Project.

PHASING OF BCC'S COMMITMENTS

		AGREED	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16
		TOTAL £m	£m	£m	£m	£m	£m	£m	£m	£m
Connswater Community Greenway	Note 2	4.235	0.171	0.505	1.281	1.220	0.709	0.168	0.143	0.037
Lyric Theatre	Note 3	1.25								
Titanic Signature Project		10.0								
Total		15.485	0.171	0.505	1.281	1.220	0.709	0.168	0.143	0.037
Proposed MAC Commitment				0.185	0.185	0.185				

Note 2 - These figures are indicative and need to be redrafted. Project is currently behind schedule and there is no clear indication as to how scheme will progress. BCC are at Land assembly stage (land identification for the project) and forecast is dependent on speed of progression

Note 3 - The Council has committed £1.25m to this scheme. Discussions are ongoing between the lawyers on the phasing of payments.

Note 4 - The targeted spend is forecast for 2011/12 subject to legal agreement.

Recommendations

To receive a presentation from MAC on their funding proposal to BCC and to approve in principle an allocation of £552,906 subject to the necessary legal agreement being put in place.

Documents Attached

Summary of MAC funding proposal.

Abbreviations

MAC – Museum and Arts Centre.

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