

REPORT TO: POLICY & RESOURCES COMMITTEE – 8 MARCH 2004

REPORT ON: CENTRAL WATERFRONT PROJECT – ORGANISATION AND MANAGEMENT

REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION

REPORT NO: 187-2004

1 PURPOSE OF REPORT

- 1.1 To propose the creation of a public sector partnership to manage the overall development of the Central Waterfront and the establishment of appropriate officer groups to organise its implementation.

2 RECOMMENDATIONS

- 2.1 Members are asked to note the contents of this report, agree to the proposals and to seek the agreement of Scottish Enterprise Tayside and the Tay Road Bridge Joint Board.

3 FINANCIAL IMPLICATIONS

- 3.1 The Council has been awarded £9.3m from the Cities Growth Fund to assist in implementing the Central Waterfront Project. Additional public and private sector investment will be necessary to complete the overall project, but all administrative costs associated with this report will be contained within this initial £9.3m.

4 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 The Central Waterfront Masterplan seeks to maximise the opportunities for sustainable forms of transport and development and this principle will be further advanced during the detailed implementation of the project.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 The Central Waterfront Masterplan was designed to ensure the maximum level of accessibility and opportunity for all sections of society and this principle will be developed further in the detailed implementation of the project.

6 BACKGROUND

- 6.1 At its meeting on 9 August 2003 (Report No 612-2003) the Policy & Resources Committee remitted the Director of Planning & Transportation to report back on specific proposals for the establishment of an appropriate delivery mechanism for the Central Waterfront Project.

- 6.2 In assessing the most appropriate model for delivering this important project, the following criteria were taken into consideration:

- a The creation of public confidence in the project, its management and its commitment to achieving the highest standards of new development ;
- b The full involvement and commitment of the key landowners, funders and delivery agencies in the project;
- c The avoidance of unnecessary bureaucracy and over wieldy structures and processes;
- d Avoiding adverse legal, tax and VAT implications for the Council, its partners and the overall project;

- e The formation of a transparent, open and fair relationship with the private sector which achieves best value for the Council and other public sector stakeholders; and
 - f The need to put in place a mechanism which will stand the test of time over the full life of the project.
- 6.3 A wide variety of possible models were then assessed against the above criteria. These possible models included;
- a A Working Group
 - b A Partnership;
 - c A Limited Liability Partnership;
 - d A Development Trust
 - e A Joint Venture Company; and
 - f An Urban Regeneration Company.

Each possible mechanism has potential advantages and disadvantages (see Appendix 1), but the only option which satisfies all of the identified criteria is the creation of a Partnership.

- 6.4 A Partnership is not a 'corporate body' and as such does not have a separate legal existence from its members. Instead, it is formed by a group of people or organisations coming together for a common purpose, but who then retain their separate legal identities. Therefore, a partnership of this nature will allow the project to create public confidence, fully involve key stakeholders and engage with private developers while also avoiding potentially punitive legal and financial implications, keeping its structures largely unbureaucratic and allowing flexibility to respond to any changing future circumstances.
- 6.5 Such partnerships are the most flexible form of delivery organisation, but an Agreement between the members of the Partnership would be of great benefit in establishing the roles, powers and responsibilities of each partner and the overall partnership relationships. The proposed 'Heads of Terms' for such a Partnership Agreement is included in Appendix 2.
- 6.6 In considering which key stakeholders should be invited to form the 'Dundee Waterfront Partnership', issues such as land and property ownership, sources of funding and statutory roles and responsibilities need to be properly taken into account. Almost all of the land in the Central Waterfront is owned by two public bodies; the City Council and the Tay Road Bridge Joint Board. The main sources of funding for the required infrastructure costs associated with the project all lie within the public sector, with the vast majority of this being channelled through the City Council, Scottish Enterprise Tayside and the Tay Road Bridge Joint Board. Within the Project Area, the statutory local authority is the City Council (covering a wide range of responsibilities), the economic development agency role is performed by Scottish Enterprise Tayside and responsibility for the northern landfall of the Tay Road Bridge lies with the Joint Board.
- 6.7 As such, it is therefore proposed that the City Council, Scottish Enterprise Tayside and the Tay Road Bridge Joint Board come together as the three partner organisations which form the 'Dundee Waterfront Partnership'. Given the need for the procurement of major works contracts and the marketing and sale of development sites, it is proposed that this will be an exclusively public sector partnership in order to avoid any possible commercial conflicts of interest and to ensure proper probity. Private Sector contractors and developers will be engaged on a phase by phase basis through a fully open and competitive tender process based on quality and price. Broader commercial private sector interests in the city will be engaged by ensuring close liaison and consultation with the local Chamber of Commerce.
- 6.8 In order to properly manage and organise the project, it is proposed that a Partnership Board be established comprising a maximum of two 'Member' representatives and two 'Officer' representatives from each of the partner organisations (See Appendix 3). Reporting to this

Board would be a Steering Group comprised of 'Officer' representatives from each partner organisation. This group would be responsible for directing and overseeing the work of the Project Team which would include a project director and other necessary dedicated staff resources (eg project management, civil engineering etc). The project team would be supplemented by the commissioning of external consultants and secondment of staff as and when necessary.

7 CONCLUSION

- 7.1 The Central Waterfront Project has now reached a crucial stage in its development. The City Council needs to form an appropriate alliance with other key stakeholders in order to drive the project forward. This report sets out the preferred route for establishing this alliance and the mechanisms it would use to ensure a successful outcome.

8 CONSULTATIONS

- 8.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Assistant Chief Executive (Community Planning) and the Director of Economic Development have been consulted and are in agreement with the contents of this report.

9 BACKGROUND PAPERS

- 9.1 None.

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1 March 2004

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APPENDIX 1

	Criteria A (Public Confidence)	Criteria B (Key Stakeholders)	Criteria C (Avoid Bureaucracy)	Criteria D (Fiscal Implications)	Criteria E (Private Sector)	Criteria F (Flexibility)
Option A (Working Group)	YES	NO	YES	YES	YES	YES
Option B (Partnership)	YES	YES	YES	YES	YES	YES
Option C (Ltd Liability Partnership)	YES	YES	NO	NO	YES	NO
Option D (Development Trust)	YES	YES	NO	NO	YES	NO
Option E (Joint Venture Company)	NO	NO	NO	NO	NO	NO
Option F (Urban Regeneration Company)	NO	YES	NO	NO	NO	NO

APPENDIX 2

Proposed Heads of Terms for a Partnership Agreement

- 1 Name of Partnership – Dundee Waterfront Partnership
- 2 Status of the Partnership – Unincorporated Body
- 3 Membership – Dundee City Council
– Scottish Enterprise Tayside
– Tay Road Bridge Joint Board
- 4 Purpose of the Partnership – “To champion the development of Dundee’s Central Waterfront by bringing together our combined skills, assets and resources to ensure that the project Masterplan is realised to the benefit of the citizens of Dundee and its surrounding area”.
- 5 Partnership Board – Each partner organisation will be entitled to nominate four representatives (two ‘members’ and two ‘officers’) onto a Partnership Board who will oversee the business of the project. A minimum of two representatives from each partner organisation shall be required to be in attendance in order for a Board meeting to be quorate.
- 6 Decision Making – Each partner organisation shall have a total of one vote in deciding on any matter at the Partnership Board, with a simple majority required to carry the decision. Should any partner decide to abstain and there is a tied vote, then the chair will have the casting vote.
- 7 Chairperson – All meetings of the Partnership Board will be chaired by a representative of Dundee City Council.
- 8 Frequency of Meetings – In the initial stages of the Project the Partnership Board will meet on a quarterly basis. Thereafter, the Board can consider reducing the frequency of their meetings as considered appropriate, subject to there being at least one Board meeting per financial year.
- 9 Staff Resources – A Steering Group, consisting of senior officers from each partner organisation, will report to the Partnership Board and will oversee the work of a Project Team. The Project Team will consist of the core staff resources required to deliver the project. Any necessary additional staff resources will be procured or seconded as necessary from time to time.
- 10 Existing Property Assets – Each of the partner organisations will retain their existing property assets under their own ownership and the partnership will not therefore own any property. For the purposes of cooperation, coordination and best value, however, the partner organisations agree to ‘pool’ the value of their non-operational land within the project area until the completion of the project. At the completion of the project, the final value of the pooled land assets, less any associated remaining infrastructure costs, will be distributed back to the partners on the basis of the proportion of land (calculated by area) each contributed to the pool. The partnership Board will be under a joint obligation to ensure this final net value is not less than zero.
- 11 Completion of the Project – Following the completion of all the required infrastructure works, the completion of all of the sites identified for development, and the distribution of the final pooled land assets, the Partnership shall be dissolved.

APPENDIX 3

