



Northern Ireland
Assembly

**PUBLIC ACCOUNTS
COMMITTEE**

OFFICIAL REPORT
(Hansard)

‘Bringing the SS Nomadic to Belfast: The
Acquisition and Restoration of the SS
Nomadic’

17 September 2009

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Maskey (Chairperson)
Mr Roy Beggs (Deputy Chairperson)
Mr Jonathan Craig
Mr John Dallat
Mr Jeffrey Donaldson
Mr Patsy McGlone
Ms Dawn Purvis
Mr Jim Shannon

Witnesses:

Mr Jackie Johnson) Department for Social Development
Mr Alan Shannon)

The Chairperson (Mr P Maskey):

We now move on to the evidence session on the Audit Office report ‘Bringing the SS Nomadic to Belfast: The Acquisition and Restoration of the SS Nomadic’. Mr Shannon will respond to the report, supported by Mr Jackie Johnson, the director of the departmental team for Belfast city centre regeneration. You are both very welcome.

Figure 5 on page 24 of the report shows that the target for finalising the full specification for the development and cost of restoration of the Nomadic was March 2008. Paragraph 4.22 records that a conservation-management plan is currently being drawn up, and the work is expected to commence in December 2009. It is now September 2009, so has that plan been completed? What does it estimate the cost of the restoration to be?

Mr Alan Shannon (Department for Social Development):

We do not yet know. Stage two of the conservation-management plan will set out what the actual plans will be, and those will then have to be costed by way of both estimates and tender. At the moment we are working to a rough figure of around £5 million.

Mr Jackie Johnson (Department for Social Development):

It is £5 million to £7 million.

Mr A Shannon:

We are hoping that it will be no more than that.

The Chairperson:

The first part of the question was about the work that was expected to commence in December 2009. It is now September 2009 and there are no costs; you are still working to a rough figure of £5 million to £7 million. Do you think that that is good?

Mr A Shannon:

We are not sure where that start date of December came from. The current plan is that stage two of the conservation-management plan will be available to the trust in January 2010. The trust will then meet to consider the proposals, and there will then be tendering and commissioning of work. We were not expecting work to begin in December.

Mr Johnson:

There are two parts to the plan. The first part was completed in May and the second part will be completed in January. The restoration will begin if there are sufficient funds available to begin the work once the tendering is completed.

The Chairperson:

You have estimated that the cost will be between £5 million and £7 million. When will that estimate be finalised and the work completed?

Mr Johnson:

Once the tenders are returned. When the trust puts the work out to tender, it will then have definite costings available for the work to be completed up to 2011. Those will set out the budget for the first phase of the work. At the moment, the estimate is based on a full business case that was completed, which gathered market information for this type of restoration. The costs suggested by that business case will then be confirmed once the tenders are responded

to.

The Chairperson:

When will that be done?

Mr Johnson:

Once the conservation-management plan is completed, the tenders will go out from January of next year.

The Chairperson:

How long will the process then take after that?

Mr Johnson:

It should take a couple of months to evaluate and to appoint the various contractors.

The Chairperson:

Therefore, it has not been done yet. It has been planned for a long time yet it has not reached the stage when the work can be carried out. Do you think that that is good? The boat is there, yet the tendering process has not even begun and the costs have not been finalised after all this time.

Mr Johnson:

The trust is a voluntary organisation staffed mainly by part-time workers who give up their time. I think that, in that context, it has made quite good progress. The trust set the targets itself, and those were quite challenging, as the Audit Office report indicates, but they were set largely by volunteers working part-time. The trust has only recently had the opportunity to employ a project manager, again on a part-time basis.

The Chairperson:

OK. Appendix 2 to the report sets out the saga of the result, which has been the subject of no less than three reports by the Comptroller and Auditor General.

What lessons have you learned from the well-documented experience of the Result, and does it worry you that the Nomadic could end up the same way?

Mr A Shannon:

That was certainly a worry. When we decided to purchase the Nomadic, which pre-dated the

publication of a couple of those reports, we were aware that the Result was an issue. We were also aware of a previous attempt to purchase a ship — the Clyde Valley — and, therefore, of the very real risk of ending up with owning something that we purchased but with which we were making no progress.

Therefore, we tried to build in certain safeguards. Although the report states that the Department of Finance and Personnel introduced the condition that it would give 18 months for the people concerned to demonstrate that they could make progress on the Nomadic, it was actually the Minister of the day who introduced that condition. The condition was that, if at the end of 18 months, no satisfactory progress had been made, the ship would go back on the market, possibly even to the breakers' yard. The thinking was that there would be no tolerance in having a ship lying around as an embarrassment for many years to come. That was the first safeguard.

The second safeguard, and this is where we drew on previous experience, was that we set up the charitable trust. In setting up that trust, we sought to engage a number of key people, including Belfast City Council and the Belfast Harbour Commissioners. We sought to involve some prominent local businessmen to give it a business element, and we also engaged some enthusiasts who were very keen to see progress on the ship.

We took a number of steps to safeguard the Nomadic itself so that it would be maintained and protected from deterioration. In taking those steps, we complied with the recommendations that the Audit Office report on the Result made.

The Chairperson:

Paragraph 3.7 of the report states that although DFP approved a ceiling of £400,000 for the purchase and transportation of the vessel, the Department for Social Development had spent over £900,000 by the end of December 2008. Do you think that that demonstrates that your Department made a hasty decision at the outset and that it had no realistic idea of what the cost of purchasing and transporting the Nomadic back to Belfast would be? More importantly, did that demonstrate what the potential long-term implications for public expenditure might be?

Mr A Shannon:

The decision was hasty in that it was made and executed within seven working days. That really was very unusual. It was hasty in that sense, but it was not reckless or ill-considered. We produced a business case, and we knew about the lessons that were learned from dealing

with other ships of that kind.

We sought to protect the public purse by estimating as best we could the costs of purchasing and bringing back the ship. We did not get it quite right, but we got it nearly right. I think that we underestimated the cost of bringing the Nomadic into Belfast harbour and of carrying out some short-term maintenance work on it. The real safeguard for the public purse was the Minister's announcement that he would fund the costs of bringing the Nomadic back but not the costs of restoration. That was to be a matter for the trust through its fundraising activities.

The Chairperson:

I think that it is still hard to comprehend the estimated costs. I asked you a question earlier, and you stated that the estimated cost of restoration was between £5 million and £7 million. I am aware that that estimation was for the transport of the Nomadic back to Belfast; however, that figure was arrived at before that stage. I think that some aspects of that situation need to be dealt with.

Ms Purvis:

Paragraph 2.19 of the report states that one of the conditions of DFP approval was that the ownership of the Nomadic would transfer to the charitable trust. Paragraph 2.21 records that your own solicitors consider that the trust should have an interest in the Nomadic to justify pursuing its charitable objectives. Why has the Department not complied with the conditions of the DFP approval and, according to what is written in the report, not taken the advice of its own solicitors?

Mr A Shannon:

There were two DFP conditions. One was that we should transfer the ship to the trust as soon as possible; the other was that we should dispose of the ship if progress on it was not made in 18 months. We could not easily transfer the ship to another body and then take it back and dispose of it at a later stage. Therefore, we made the judgement — and the Minister was firmly of this view at the time — that we would retain control and ownership of the ship during that 18-month period until we were satisfied that a serious proposition was under way. At the end of the 18 months, we considered whether it would be appropriate to transfer ownership at that stage.

Ms Purvis:

Can you clarify when the end of the 18-month period was?

Mr A Shannon:

We took the view that the 18 months started when the trust was set up, which was in autumn 2006. Therefore, we were reviewing it in spring 2008. We talked to the trust at that stage. The trust felt that it was very much in fund-raising mode and was not on a secure financial footing or in a position from which it could guarantee carrying out a management function to our satisfaction. We agreed with that. We decided that we would retain ownership while things were going quite well and that we would review the situation in spring 2010, by which stage we expect that the trust will be in a more steady state, now that its funding is in a more secure position.

You touched on the lawyers' advice. Now that the trust is in a position of managing substantial amounts of money, we feel that we need to have a stronger legal relationship with it, and we will be moving to establish that in the very near future.

Ms Purvis:

Given that your Department is responsible for the charities legislation and that the solicitor advised the trust to have an interest in the project, what are the implications for the trust's ability to raise funds?

Mr A Shannon:

We have not found any problem so far in the trust raising funds under the current arrangement, but the stronger legal basis that I just mentioned would be aimed at removing any doubt about that. We will devise a legal instrument that will demonstrate that the trust has an interest in the ship.

Ms Purvis:

Will that be while the Department retains ownership?

Mr A Shannon:

While the Department retains ownership and until it reviews the situation next spring.

Mr Craig:

You stated earlier that DFP said initially that the cost would be no more than £400,000; however, it turned out to be £900,000. You said that you almost got it right. I know that you had only seven days to produce a business plan. Can you clarify what you meant by that?

Mr A Shannon:

The business plan covered the costs of purchase and transportation. That is where the figure of £400,000 came from. We actually purchased the ship for less than we had anticipated; we got it for €1 over the reserve price at the auction in Paris. We underestimated the transportation costs because the only information that we had about the state of the ship was a Harland and Wolff report that was done in 2004 that said that the Nomadic was seaworthy. However, when we got the ship to the sea and had a better look at it, we were advised that, until it had been taken out of the water and given a proper inspection, it would be too risky to tow it round the British Isles. Therefore, we had to rent a barge, and the cost of that was significantly more expensive than the cost of towing the ship. That was where the Department underestimated those costs.

As far as the £400,000 ceiling was concerned, DSD buying a ship was novel and contentious; therefore, the Department went to DFP for approval on the project. DFP agreed and approved both the purchase of the ship and the business case for its purchase. Once the ship arrived, it ceased to be novel and contentious, and the Department was spending money on the ship from its delegated authority. Both the Department and DFP are quite happy with that

Mr Craig:

You can understand my concern when you suggested that the Department almost got it right. However, I thank you for clarifying that point. If I had done something like that at home, I know who I would have to answer to.

Mr A Shannon:

As I said at the outset, DSD was getting involved in areas in which it had very little experience.

Ms Purvis:

I want to follow on from that. You just said that the Department purchased the ship for €1 above the asking price, yet figure 2 on page 14 of the report does not show that to be the case.

Mr A Shannon:

That was my recollection.

Ms Purvis:

Are the amounts in figure 2 in question? Can you clarify that for me, please?

Mr Johnson:

The purchase cost was based on the Department's top limit, and its approval was based on not going over £204,000 at the auction for the ship. As Alan said, the actual amount that was paid was £171,000, which was €1 above the reserve price that the auctioneer placed on the SS Nomadic.

Ms Purvis:

Therefore, the reserve that was placed on the ship was £170,000?

Mr A Shannon:

Yes, or €300,000.

Ms Purvis:

Yet the Department's business case was for £204,000.

Mr Johnson:

That was because the Department expected to have to bid at auction with other interested parties.

Ms Purvis:

OK. I just wanted to clarify that.

Paragraphs 3.5 and 3.6 show that the Department spent £319,000 up to the end of December 2008. Has the Department incurred any further expenditure, and, if so, on what?

Mr Johnson:

The Department has spent a further £29,000 on insurance for the year ahead, and it has also funded the trust with £9,000 for a Nomadic schools project. The purpose of that project is to raise schoolchildren's awareness of the project, and 35 schools are taking part in it. There has also been some small, sundry expenditure, which brings the total for this year to £40,500.

Ms Purvis:

£40,500?

Mr Johnson:

Yes.

Ms Purvis:

How much more do you anticipate spending on the project?

Mr A Shannon:

That is hard to predict. The Department certainly sees itself supporting the trust, and the challenge for the Department in the future is enabling the trust to carry out the management function that the Department foresees for it. I am not sure whether we have a figure for that.

Mr Johnson:

There is no figure at present for that. The Department is in discussions with the trust about what it will require for restoration management through to 2011. The trust will submit an application to the Department, which will be appraised, and a figure will then be agreed.

Ms Purvis:

Will you provide the Committee with details on the total departmental staff time that has been spent on the project and its cost from inception to date? Will you also provide details on how much more time is likely to be spent on the project until it reaches fruition?

Mr Johnson:

The Department will provide that information to the Committee in the next few days.

Ms Purvis:

I appreciate that. Paragraph 3.18 of the report deals with fundraising, and it appears that even though the SS Nomadic is a public asset, most of the funding that has been raised has come from the public sector. Furthermore, the Department has employed a fund-raising consultant whose salary is paid from the public purse and who receives an extra 1% of his salary as commission. Is it appropriate that public sector funding is paying for the fund-raising consultant who is sourcing mostly public sector funding and receiving 1% commission mainly from public money?

Mr A Shannon:

I will pass to Jackie Johnson for a detailed answer, but the important point is that the consultant was employed by the trust. The conditions of his employment were determined by the trust. The decision on the appropriate remuneration package was the judgement of the businessmen and others on the trust. Whether those bonuses are paid is a matter for the trust and subject to the conditions that were laid down, and I am not sure whether the Department

has a view on that.

Mr Johnson:

On a point of clarification, the Department is not funding any commission payments as part of its funding for that consultant. The Department is paying a grant of up to £120,000 over two years to employ the services of a fund-raising consultant; there is no provision in that grant for the trust to make commission payments.

Ms Purvis:

Given that most of the funds that have been raised to this point are public money, will the commission that is paid to the consultant come out of that public money?

Mr Johnson:

I do not think so. I have some background knowledge of the funding bodies, and I imagine that the conditions on those grants are such that they would not be paid for that purpose. However, we can check that and come back to the Committee with more information.

Ms Purvis:

What proportions of funds that made up the original target were to be raised between public and private sector sources?

Mr Johnson:

I understand that there is no proportional split. Those targets are numeric and relate to the total amount of funding that is to be raised after year one and year two. However, the sources of funds for the Nomadic-style restoration are not unusual, if one thinks of other national historic ships. For example, the restorations of the Cutty Sark, Mary Rose and SS Great Britain were largely dependent on public funds, whether they came from the lottery or elsewhere. Fund sourcing for the Nomadic is no different, but the challenge now is to broaden that further and to get as much commercial and private sector funding as possible.

Ms Purvis:

Does the Department know the total amount of commercial or private sector funding that has been raised to date?

Mr Johnson:

I have some figures. Two campaigns have raised modest amounts of public money. One campaign was sponsoring a rivet and the other was sponsoring a porthole. I believe that those

campaigns raised more than £500. There has been a big contribution of just under £400,000 from the Titanic Quarter and the Harbour Commissioners to refurbish Hamilton Dock to provide a base for the refurbishment of the Nomadic. Those have been the two major contributions to the fund. Several thousand pounds has also been raised by the Institute of Directors, and Ulster Garden Villages is providing £200,000.

The Chairperson:

You said £500; did you mean £500 or £500,000?

Ms Purvis:

It was £500. How many rivets and portholes were sponsored?

Mr Johnson:

Not a significant number.

Mr A Shannon:

To be fair, there was a cheap shot at that fact in some media coverage the other day.

Ms Purvis:

Yes.

Mr A Shannon:

That sponsorship is the kind of little enterprise that works if a large number of people are visiting the ship. Last year, the ship was not open at all; this year, it was opened for the visit of the Tall Ships, which made the opportunities for that project very limited.

Ms Purvis:

Figure 4 notes that the Department used a firm of solicitors to deal with the auction and the transportation of the Nomadic. It also gives a number of examples of services that DSD commissioned for the Nomadic. I note with some concern that the report records that the Department was unable to determine the cost of the service that that firm of solicitors provided. Are you able to provide that information to the Committee, including the value of the original contract with the firm?

Mr A Shannon:

Yes. We could not determine the cost at the time, because the invoices had not arrived. I understand that the finalised cost is £25,814. We have had the contract in question for some

years, and it has an annual value of about £300,000. We use the firm for a range of regeneration purposes, so the amount that we pay depends on the level of activity in any year.

Ms Purvis:

How does your Department monitor that contract?

Mr Johnson:

We monitor the expenditure on a monthly basis at our divisional management meetings. We also produce an annual performance report, which assesses the contractor's performance. That is used to decide whether there will be a fresh approval for renewal of the contract.

Mr A Shannon:

There is nothing dubious about the contract; it was tendered for and awarded. We use this particular company because the Government lawyers that are available to us have neither the time nor the expertise in development and property activities that we need.

Ms Purvis:

Who from the Department attends the trust's board meetings?

Mr A Shannon:

Jackie attended those meetings at the start.

Mr Johnson:

I attended at the start, and one of my senior management team, who is at grade 7, now attends.

Mr McGlone:

The report states:

“the Department was unable to provide us with evidence showing when each of the tenders was received, when the tenders were opened and who was present during the tender opening. To adopt these practices and retain evidence of them would accord with best practice and demonstrate openness and transparency.”

Any of us who have been through a tendering process with other authorities and bodies will know that following those procedures is a given. Therefore, it is unusual that the Department did not adhere to that type of process and that those procedures were not followed, given that large amounts of money were involved. Why was that the case?

Mr Johnson:

That refers to a specific tender for an economic appraisal that the trust tendered for. We provided the trust with grant aid for the procurement of the service, and it carried out the tender. We required the trust to adhere to Government tendering procedures, but it was the first time that a number of the trust's staff had been involved in such an exercise. After they carried out their assessment, they did not retain the envelopes in which the tenders were delivered or the record sheet of who had been present when they were opened. All the other documentation was retained.

Mr McGlone:

Are you saying that the Department had no connection with the trust staff during the tendering process?

Mr Johnson:

The Department gave the trust staff instructions and reiterated the required practice later.

Mr McGlone:

Did they not adhere to those instructions?

Mr Johnson:

No, not on that occasion

Mr Dallat:

It has been a long afternoon. I am trying to get my head around the project. Was it divine providence that the ship was named the Nomadic? I ask because it seems to have done nothing but wander about.

You mentioned the Cutty Sark, the Mary Rose and the Clyde Valley. In which category would you place the SS Nomadic? Please do not tell me that the SS Nomadic was gunrunning too; that would really scare me. At which end of the spectrum would you put that boat?

Mr A Shannon:

I am no expert in that area, but —

Mr Dallat:

Nor am I.

Mr A Shannon:

However, I met the National Historic Ships committee on the day that it came to visit the SS Nomadic. The decision to register it fell to it. National Historic Ships has very demanding criteria; only a very small number of ships is on its register. I met the committee after its visit, and its members said that they were very impressed. They thought that it was a ship of significant historical interest, and in due course, they put it on their register. Where it is on the spectrum I could not say, other than to say that it has —

Mr Dallat:

Please tell me that it is far away on the spectrum from the Clyde Valley, which I understand was towed out and scrapped.

Mr Johnson:

I can clarify that for you. The UK National Historic Ships collection includes well over 1,000 vessels, but the core collection comprises a very small number — about 50 vessels. SS Nomadic is in that core collection, which emphasises its importance as a White Star Line ship and its place in the UK's industrial maritime heritage. It is classed alongside the Cutty Sark, the SS Great Britain and the Mary Rose, and not on the outer fringes.

Mr Dallat:

Perhaps some day there might be a whiskey named after it, the same as the Cutty Sark. Is that too optimistic?

You claimed in the business case at the time that the restoration of the SS Nomadic would enhance civic pride. Has it lived up to that?

Mr A Shannon:

I suppose, like the French revolution, it is a little early to say. However, we have been pleased with the amount of public interest in the ship. In the first year that the ship was opened for viewing, we were pleasantly surprised by the number of people who came to see it. As something of interest, it is a pretty unattractive prospect from the outside, to be frank. It is interesting inside, but its exterior would not attract an audience at all.

Given the constraints, things are looking promising indeed. The ship will be part of a bigger picture, because we have the Titanic legacy, which many people feel is not being exploited fully from a tourism and civic pride perspective. Hopefully, when the signature

project is built and the pump house and the drawing offices are opened, some other ships could become a part of a very interesting tourist attraction.

Mr Dallat:

The report is depressing, but perhaps things have moved on a little since it was compiled. Is there now a greater prospect of the SS Nomadic fulfilling its potential? Will the trust, which did very little for a long time, be reinvigorated? What mechanisms are in place to ensure that a voluntary trust will work its tod off to achieve its aims and does not just absorb public money, rather than meet its targets for private donations?

Mr A Shannon:

As you hinted already, we are involved fully ourselves. We have a member of staff who attends every meeting, and Jackie's division monitors progress on a monthly basis. We were not too concerned by some of the delays, because we know that the business of getting people involved, and making applications for and receiving grants, can take a very long time. We now have promises of well over £3 million, which is well on the way to meeting the initial target of £5 million. I am very optimistic that the project will be successful and that we will meet the time targets.

Mr Dallat:

You made a great deal of reference to sufficient progress being made before you will move to the next stage. Is that on an even keel now? Are we sure that sufficient progress has been made at each stage to deliver the project in its entirety?

Mr A Shannon:

We believe so. Some of the missed targets that are quoted were not our targets; they were the trust's targets. Those people give their time voluntarily. We have a high degree of confidence that the project will be delivered.

Mr Johnson:

To be fair to the trust, it managed to secure the Hamilton dock as the base for the work. Moreover, it has been refurbished to allow work to begin on the Nomadic. That is a significant achievement. The fact that the trust managed to place the ship on the core collection of the National Historic Ships register is a huge bonus. Ships on that collection have benefited from Heritage Lottery funding over the years, and the conservation management plan will underpin the application to the Heritage Lottery Fund. The trust has taken a long-term view by ensuring that a good sum of money is in the pot before earnest

restoration begins. It is taking every step along the way to ensure that that is delivered.

Mr Dallat:

Finally, given that public money has been invested to regenerate that area of Belfast, and given that a great deal of investment still needs to take place before it begins to attract the desired number of visitors, is the Nomadic, by itself, a sufficient honeypot to achieve the increase in business that justifies the public investment?

Mr A Shannon:

Not by itself, no: it must be part of a bigger enterprise. At least it is making a valuable contribution.

Mr Dallat:

Are you confident that the other players are committed and are playing their part in painting the overall picture?

Mr A Shannon:

We hope so. As you know, the Executive are dealing with a paper on the signature project, and the developer is proceeding with the Titanic Quarter. We are in discussions with others about the desirability of a maritime heritage strategy, into which the Nomadic would fit. Whether or not we receive UK heritage money will be a good test of whether it buys into that proposition. We are optimistic.

Mr Dallat:

On that optimistic note, I will conclude.

Ms Purvis:

You said earlier that the Minister at the time had given approval to purchase the ship but not to restore it; is that right?

Mr A Shannon:

Public money would not pay for the actual capital —

Ms Purvis:

Departmental money would not pay for the restoration?

Mr A Shannon:

Yes, that is correct.

Ms Purvis:

Given that the ship was listed as a departmental asset and that the risk was transferred to the trust to restore that asset, how confident are you that the restoration project will be completed in time for the centenary celebrations in 2012?

Mr A Shannon:

Given that the trust has been promised more than the £3 million, we are confident that stage one of the restoration is pretty much guaranteed. Stage one will involve putting the superstructure back on again. I understand that stage two will involve fitting out the first part of the inside, and stage three will be further developments. We are optimistic that stage one will be achieved, and we are pretty hopeful that stage two will be well under way by the time of the centenary. The plan is that the ship will be open to the public at that point. The work might not be finished, but it will be open.

The Chairperson:

You said that you paid €1 more than the asking price at the auction. How many other bidders were at the auction?

Mr A Shannon:

We were the only bidder.

The Chairperson:

You were the only bidder but you paid €1 more. I am trying to work out how that is value for money. You were the only bidder, yet you opened at higher than the asking price? I have seen programmes about auction houses, and people usually open with a bid well under the asking price and work their way up. Would that not have been a sensible approach?

Mr Johnson:

It was made clear that, if it did not make its reserve price, the vessel would be withdrawn from the sale. The reserve price was, therefore, the guide. I will have to track down the records to confirm whether we opened the bidding at the reserve price. In order to get over the reserve price and acquire her, that was our final bid.

The Chairperson:

The Committee would like more detail on that, because it is crucial to the report. I find it hard to believe that anyone would start bidding at the reserve price, never mind at €1 over that, regardless of the type of auction. The Committee's remit is to scrutinise and to ensure that the Departments receive value for money. We hope that the project provides value for money, but that remains to be seen. Someone from your Department went to the auction, at which there were no other bidders. Given the absence of other bidders, would it not have been much more sensible to wait and subsequently try to enter into negotiations with the seller to determine whether the ship could have been purchased at a reduced price? It had been up for auction before and had not been sold. Could you not have stalled to ensure that you achieved the best deal?

Mr Johnson:

The key point is that there had been two previous auctions. The authorities had made it clear that they wanted the ship removed from Le Havre harbour and that, if the reserve price were not met, it would simply be removed.

The Chairperson:

Did any discussions take place with the seller before the auction or in the period between the two previous auctions?

Mr Johnson:

My understanding is that the ship was an asset acquired by the court as part of someone's estate. Therefore, no such negotiation was available to us.

The Chairperson:

I still find it hard to understand, and, therefore, some additional information would be useful to the Committee. If, for example, the ship had not sold, negotiations could have taken place with the sellers. If they had been intending to scrap the ship, but you were prepared to pay them even €1 more than they would have received for doing so, that may have resulted in a better deal for taxpayers here.

Mr Beggs:

My greater concern is about the process of repairing the ship and returning it to display order. You told the Committee that that is a staged process. It is critical to get the ship to a stage at which it is open for viewing by the paying public who will then be contributing. Until that stage is achieved, money is simply being poured in. How can we be confident that the

process will reach that stage? Has the investment to date been prioritised to that end, or is any of the investment in, for example, the superstructure, going towards making the ship seaworthy? Presumably, the ship must be situated where it can be visited by the paying public who will contribute to the running costs.

Mr A Shannon:

That is where the management plan comes in. When we see that plan in January, it will set out, as I understand it, the stages of the process to be followed. Once the trust has accepted that, our task will be to monitor its performance against that plan. The plan aims to have the ship ready for the public by April 2011.

The Chairperson:

During the Tall Ships event, the public were able to view and go on board the Nomadic. Approximately 500,000 people visited the Tall Ships, and the event was a great success for the city. However, only 1,600 people visited the Nomadic. Given the number of people who were in the vicinity, is that a good result? I hope that the Nomadic is a success story of the future. Given the footfall in that area, is it good enough that only 1,600 people were sufficiently interested to visit the ship?

Mr A Shannon:

We have just received a report on the event.

Mr Johnson:

The Nomadic was not on the same site as the Tall Ships. It was a fair walk from that venue to the Hamilton dock. I surmise that the long walk put people off going to the dock to see it. Extensive marketing was not carried out; only limited marketing was done to associate it with the Tall Ships event. It was disappointing that more people did not turn out to see it. Two or three successful meetings and performances took place on the ship, and those were reasonably well attended.

Mr A Shannon:

It was not as well marketed as it might have been. It did not make its way into the main Tall Ships advertising material, and it was pretty inaccessible. One had to go out of one's way to get to it. I am not sure that that is a fair measure of its likely popularity.

Mr Beggs:

Free bus transportation was put on around Belfast to manage the traffic attending the Tall

Ships event. Could that have been co-ordinated to include the venue where the SS Nomadic was? Could the Department have contributed such ideas to try to help market the situation and generate the public's interest in it, which is needed in order to retain it?

Mr A Shannon:

My understanding is that it was only when it was established that the ship could be moved across the river from the other side and put in the Hamilton dock that it was certain that it could be opened. That only happened a few days before the Tall Ships event started. There was insufficient certainty about whether it could be opened to include it in the original material.

The Chairperson:

I thank Jackie and Alan for answering our questions. I have no doubt that much work is to be done on the project, especially considering some of the questions that Dawn asked regarding the upcoming centenary of the sinking of the Titanic. The Nomadic Charitable Trust has much work to do, and we will probably put that in our report. We have sought further clarification from the Department, particularly on the issue to do with the auction.