



February 8th, 2016

Notice Of Meeting

You are invited to attend the Enterprise, Regeneration and Tourism Committee meeting to be held on **Monday, 8th February 2016** at **6:00 pm** in the **Boardroom, Monaghan Row, Newry.**

Chair: Cllr D Curran

Vice: Cllr R Mulgrew

Members:	Cllr T Andrews	Cllr R Burgess
	Cllr W Clarke	Cllr G Donnelly
	Cllr S Ennis	Cllr G Hanna
	Cllr V Harte	Cllr H Harvey
	Cllr T Hearty	Cllr D McAteer
	Cllr M Ruane	Cllr G Stokes
	Cllr B Quinn	

Agenda

- 1) **Apologies and Chairmans remarks.**
- 2) **Declarations of Interest.**
- 2) (a) **Action Sheet arising from Minutes of Enterprise Regeneration & Tourism Committee Meeting held on Monday 11 January 2016. (Copy enclosed)**

[Action Sheet.pdf](#)

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Enterprise, Employment and Regeneration Items

- 3) **Kilkeel Harbour Developments - Business Plan and Economic Appraisal. (Copy enclosed)**

[Options for Development Projects at Kilkeel Harbour.pdf](#)

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[Killkeel Economic Appraisal January 2016.pdf](#)

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- 4) **Newry Chamber Business Lunch with VIP from OFMDFM. (Copy enclosed)**

[Newry Chamber Business Lunch.pdf](#)

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- 5) **Department of Finance & Personnel - Review of Non-Domestic Rates Consultation. (Copy enclosed)**

[Report on DFPNI Non Domestic Rates Consultation.pdf](#)

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Enterprise Employment and Regeneration - For noting

- 6) **Procurement Seminars. (Copy enclosed)**

[Procurement Workshops.pdf](#)

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7) Tourism Strategy Task and Finish Project Board Meeting - 13 January 2016. (Copy enclosed)

Tourism Strategy Task and Finish.pdf

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8) Slieve Gullion DEA Councillors Meeting - 25 January 2016. (Copy enclosed)

Report Slieve Gullion DEA Cllrs meeting 25.1.16.pdf

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9) Tourism Strategy Update. (Copy circulated)

Report Tourism Strategy update.pdf

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10) Update re: Music Festival 2016. (Copy circulated)

Report Rhythm Junction Music collaborative Feb 2016.pdf

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10) (a) EU Bathing Water Designation Lecale. (Copy to follow)

Beach Operator and EU Bathing Waters Designation.pdf

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Items to be considered with press and public excluded

11) Expression of Interest for Overflow Car Park at Slieve Gullion. (Copy enclosed)

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - Information relating to the financial or business affairs of any particular person (including the Council holding that information).

Slieve Gullion - Overflow car park.pdf

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END

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ACTION SHEET – ENTERPRISE REGENERATION & TOURISM COMMITTEE – MONDAY 11 JANUARY 2016

1

AGENDA ITEM	SUBJECT	DECISION	FOR COMPLETION BY DIRECTOR – including actions taken/date completed or progress to date if not yet completed
ERT/168/2016	Holiday World 2016 (Belfast & Dublin)	To note apologies from Councillor Curran, which were passed on by Councillor Andrews, as he would be unable to attend the Holiday Word events being held in both Dublin and Belfast in January 2016.	Noted
ERT/169/2016	Clanrye Positive Directions Programme – ESF Match Funding	To approve the approach for match funding in kind for Clanrye Positive Directions Programme, as outlined in Report dated 21 December 2015 from Mr J McGilly, Assistant Director of Enterprise Regeneration & Tourism, subject to (CETS) Clanrye Employment & Training Services completing all necessary claims and accepting any risks associated if claims are disallowed.	Ongoing meetings with Clanrye regarding paperworks for claims
ERT/170/2016	Consultation: DARD Investment Proposals re: European Maritime & Fisheries Fund 2014 – 2020	To approve the response in relation to the Consultation on the DARD Investment Proposals regarding European Maritime and Fisheries Fund 2014 – 2020, as contained in Report dated 11 January 2016 from Mr Kevin McGarry, Programme Manager	Response forwarded to the Department of Agriculture and Rural Development

AGENDA ITEM	SUBJECT	DECISION	FOR COMPLETION BY DIRECTOR – including actions taken/date completed or progress to date if not yet completed
ERT/171/2016	Newry Cathedral Corridor Public Realm Scheme	<p>(a) Newry City Centre Management Partnership (NCCMP) to continue to try and source the names of 3 affected businesses that would be prepared to site on the Committee.</p> <p>(b) Seek Transport NI to attend future meeting of the Task & Finish Steering Committee to present the proposed carriageway resurfacing programme.</p> <p>(c) Council Officials to continue to follow up on a proposed entrance archway to Margaret Street East.</p> <p>(d) Key Partnership working to continue in terms of ensuring that the “Hill Street Open for Business” message is continually circulated.</p> <p>(e) Further meetings of the Task & Finish Steering Committee to be held throughout the works, with Officials to now bring forward initial proposals for a Hill Street Revitalisation Scheme (Phase II)</p>	<p>a. NCCMP have now approached 3 Reps(22.01.16)</p> <p>b. actioned on 22.01.16 (TNI will be in attendance at next T&F committee meeting in mid Feb 2016)</p> <p>c. Still being considered at T&F committee level</p> <p>d. On-going throughout the Scheme</p> <p>e. Next mtg of T&F committee to be held on 16/02/16 when Revitalisation will be further discussed</p>

AGENDA ITEM	SUBJECT	DECISION	FOR COMPLETION BY DIRECTOR – including actions taken/date completed or progress to date if not yet completed
ERT/172/2016	Linkages Revitalisation	<p>(a) The Task & Finish Steering Committee approve the finalised Newry Linkages Revitalisation Scheme Action Plan, which is now approved by DSD for funding.</p> <p>(b) Additional elements discussed at the Meeting particularly in regards to a proposed Water Fountain, should also be included in the lower priorities for the Plan, in case additional monies are obtained.</p> <p>(c) Officials should be co-ordinating in regards to the follow-up washing of recently completed Public Realm Scheme Pathways.</p>	<p>a. Now being actioned</p> <p>b. Additional elements included in overall plan</p> <p>c. Council Depts now cooperating on this issue</p>
ERT/173/2016	Fisheries Bill	A Consultation regarding the Fisheries Bill would be better placed being carried out with the Fisheries Local Action Group, this should be distributed to the relevant organisations for consideration, as per recommendation contained in Report dated 11 January 2016 from Mr K McGarry, Programmes Manager	Documentation circulated to members of the Fisheries Local Action Group.

AGENDA ITEM	SUBJECT	DECISION	FOR COMPLETION BY DIRECTOR – including actions taken/date completed or progress to date if not yet completed
ERT/174/2016	Shop Mobility	<p>(a) The Council, in the first instance, consider a potential location for any additional Shop Mobility service provision and once established, Shop Mobility NI have agreed to assist in the process of meeting with the Department for Regional Development and assessing the potential of the location, as recommended in Report dated 11 January 2016 from Mr M Patterson, Enterprise Development Officer</p> <p>(b) Investigations to identify suitable Shop Mobility locations will include considering Kilkeel and Warrenpoint, and other locations in the District will be included in due course.</p> <p>(c) Council Officers arrange to have an evaluation carried on the Shop Mobility Scheme in the Newcastle Centre.</p>	Project on-going

AGENDA ITEM	SUBJECT	DECISION	FOR COMPLETION BY DIRECTOR – including actions taken/date completed or progress to date if not yet completed
ERT/175/2016	(GATE) Growth for Adventure Tourism Entrepreneurs Project	Newry Mourne & Down District Council become a partner in the Growth for Adventure Tourism Entrepreneurs (GATE) Project and investigate and apply for potential funding sources, as per recommendation contained in Report dated 11 January 2016 from Mr M Patterson, Enterprise Development Officer	Application submitted to the Northern Periphery Programme
ERT/176/2016	Game of Thrones – Tourist Ireland – Great Campaign	<p>(a) Approval to process with the implementation of the Game of Thrones Tourism Ireland Great Campaign</p> <p>(b) Approval to use Tourism Ireland's Design and Media buying agencies to assist in the delivery of the campaign.</p> <p>(c) Approval to use the services of Jason Powell Marketing to assist in the trade development of Game of Thrones Experiences.</p>	Project on-going

AGENDA ITEM	SUBJECT	DECISION	FOR COMPLETION BY DIRECTOR – including actions taken/date completed or progress to date if not yet completed
ERT/177/2016	Policy & Procedures Access to the Countryside in Newry Mourne & Down District Council	<p>To note a policy document was currently being prepared on Access to the Countryside in the Newry Mourne & Down District Council area, as outlined in Report dated 21 December 2015 from Ms C Murphy and Ms Heather Wilson, Countryside/Rights of Way Officer.</p> <p>The policy document will be a framework for merging the differing policies within the legacy Councils and ensuring the Council's compliance with the implementation of the Access to the Countryside (NI) Order 1983.</p> <p>When the policy document is completed it will be brought to the Enterprise Regeneration & Tourism Committee for consideration in due course.</p>	Work on going to complete the policy including seeking legal advice.
ERT/179/2016	Sign re: Ulster Piping Championships	To contact the organisers of the Ulster Piping Championships which were held in Kilbroney Park, Rostrevor in August 2015, requesting that the yellow AA road sign for this event located in advance of the roundabout at Greenbank Newry, be removed as the event is over	Sign has been removed

Agenda Item:	[This is the number the item will be given]
Report to:	Enterprise Regeneration and Tourism Committee
Subject:	Business Plan and Appraisal of Options for Development Projects at Kilkeel Harbour
Date:	2 nd February 2016
Reporting Officer:	Marie Ward, Director Enterprise, Regeneration and Tourism
Contact Officer:	Jonathan McGilly, Assistant Director, Enterprise, Employment & Regeneration

Decisions Required

To agree in principle to recommendations in this report and give approval for Kilkeel Strategic Partnership to work up a timeline and structure for moving project to next stage.

1.0	<p>Purpose and Background</p> <p>NMDDC agreed to part fund the development of a business plan and economic appraisal of options for economic development projects at Kilkeel Harbour. This was also funded by Invest NI and led by Strategic Investment Board on behalf of Kilkeel Strategic Partnership. The Business Plan identified a range of projects and opportunities around the following areas:</p> <ul style="list-style-type: none"> i. additional pelagic fishing & processing ii. additional nephrops fishing iii. Opportunity to attract new boats for landing and maintenance iv. Opportunities for Kilkeel Marine Engineering Sector v. Workspace vi. Marina provision vii. Development of seasource service viii. Training facilities ix. Biomass & aquaculture x. Development of Hotel & Tourism
	<p>Key Issue</p> <p>The appraisal then looked at the viability of these options against risk and likelihood of securing funding, etc. The appraisal concluded with a ranking of the preferred options:</p> <ul style="list-style-type: none"> 1. Synchro-lift and decommissioning 2. Dry dock and additional slips 3. External harbour 4. Dry dock, slips & external harbour 5. Dry dock, slips, external harbour and marina <p>The preferred option is 4. at a cost of £34m with options 2,3 and 5 also being feasible. The remaining projects identified may be possible to develop at a future stage but as it stands they need to be developed further to enable a full appraisal to be completed.</p>
3.0	<p>Recommendations</p> <p>To agree in principle to the report funded options and request Kilkeel Strategic Partnership report back to Council when a project timeline and implementation plan is in place to identify how the Group will lobby for these projects and secure necessary</p>

	funding
4.0	Resource Implications In order to move the preferred option forward substantial funding will be required to do all necessary design work and technical studies. At this point Council is not being asked to contribute and has no budget set aside for coming financial year. This will need to be revisited when KSP has developed and agreed a road map for the project
5.0	Appendices Economic Appraisal



ECONOMIC APPRAIAL OF OPTIONS FOR THE DEVELOPMENT OF KILKEEL HARBOUR

January 2016

Draft for Discussion by Steering Group

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1. INTRODUCTION

This Report provides an economic appraisal of a range of proposals for the development of Kilkeel Harbour.

Kilkeel is an important fishery harbour on the coast of County Down. However, physical and infrastructure constraints are limiting the development of the fishing industry in Kilkeel and other economic development opportunities. This appraisal considers the costs and the associated benefits of a range of options for the development of Kilkeel Harbour. It concludes that there are potentially significant net economic benefits to Northern Ireland as a whole from some of the proposals, but that those benefits are subject to considerable uncertainties and risks.

The Report was prepared by the Strategic Investment Board (SIB) on behalf of an *ad hoc* Steering Group consisting of those Northern Ireland Departments most closely concerned with the fishing industry and with local economic development¹, Newry, Mourne and Down District Council and the Kilkeel Strategic Partnership, a grouping of economic and social interests in Kilkeel. The Report is prepared to the standards set out in the '*Northern Ireland Guide to Expenditure Appraisal and Evaluation*' (NIGEAE) published by the Department of Finance and Personnel (DFP), which is available from the DFP website at <https://www.dfpni.gov.uk/articles/introduction-northern-ireland-guide-expenditure-appraisal-and-evaluation-nigeae>.

The appraisal is, in turn, based on a Feasibility Study and Business Plan for the Economic Development of Kilkeel which was prepared by SIB for the Kilkeel Strategic Partnership (KSP). The final version of the Feasibility Study and Business Plan was considered and approved by the Steering Group at its meeting 23 February 2016.

The cost of preparing the Feasibility Study and Business Plan and this appraisal was met by Invest Northern Ireland, Newry, Mourne and Down District Council and Kilkeel Strategic Partnership. KSP's contributions to the cost of the studies were met from its own resources, by a contribution from the South East Area European Fisheries Fund and by private contributions.

¹ The Department of Agriculture and Rural Development (DARD), Invest NI, on its own behalf and on behalf of the Department of Enterprise, Trade and Investment (DETI) and the Department of the Environment (DOE).

This appraisal report draws heavily on the evidence based provided by the Feasibility Study and Business Plan, as well as on other materials.

The structure of the rest of this Report follows the 10 Step Guidance provided by the Department of Finance and Personnel and is as follows;

- **Section 2** considers the strategic context providing details of the social and economic position of Kilkeel and the constraints and opportunities which it faces and identifying the policies of Northern Ireland Departments and of Newry, Mourne and Down District Council which are relevant to the proposed developments at Kilkeel
- **Section 3** considers the justification for the potential use of public funds to invest in Kilkeel and identifies the objectives and constraints which apply to the proposed developments
- **Section 4** identifies and describes a long list and then a short list of options to be considered, identifies the monetary and non-monetary characteristics of each short-listed option and assesses the uncertainties and risks associated with each option and how those uncertainties can be reduced and the risks mitigated
- **Section 5** considers how the proposed developments might be progressed, the possible arrangements for their management and how benefits and costs might be realized, monitored and evaluated, and
- **Section 6** assesses the balance of advantage between the options and presents the results and conclusions of the appraisal.

2 THE STRATEGIC CONTEXT

This Section sets out the strategic context of the proposed developments by providing

- an overview of the economic and social context in Kilkeel and describing how the proposed developments might contribute to the development of the town and of the Northern Ireland economy. This is a short review of the key issues with much more detail being provided in the Feasibility Study and Business Plan, and
- a brief analysis of the policies of Northern Ireland Departments and of Newry, Mourne and Down District Council which are relevant to the proposed developments.

2.1 KILKEEL

Kilkeel is a market town, administrative centre and fishing port located on the southern shore of County Down.

Kilkeel is classified as a small town by the Northern Ireland Statistics and Research Agency (i.e. with population between 4,500 and 10,000 people). On Census day 2011, there were 6,656 people living in Kilkeel.

Of the **2,969** people in the Kilkeel South Ward:

- **62.32%** were economically active, **37.68%** were economically inactive;
- **53.30%** were in paid employment; and
- **6.50%** were unemployed.

Of the **2,687** people in the Kilkeel Central Ward:

- **65.94%** were economically active, **34.06%** were economically inactive;
- **59.03%** were in paid employment; and
- **4.87%** were unemployed.

Kilkeel is a locally significant employment and service centre. BE Aerospace is a key employer with approximately 800 staff and significant further employment in its local supply chain.

The fishing industry has historically been and remains the major industry in Kilkeel, with Kilkeel Harbour the home port for the largest fishing fleet in Northern Ireland.

2.1.1 FISHING IN KILKEEL

Fishing in Northern Ireland is estimated to support over 1,300 jobs in total with a further 620 jobs in the fish processing sector.

In terms of ports, the boats which constitute the sea fishing industry in Northern Ireland are mainly located in the 3 Co Down fishing villages of

- Kilkeel
- Portavogie, and

- Ardglass .

The Marine Management Organisation (MMO) collects data on the value and volume of all landings in UK fishery ports.

Table 1 shows the value of landings in 2013 in Northern Ireland fishery harbours.

**Table 1: Total Value of Landings at Northern Ireland Fishery Ports
2013**

Fishery Harbour	Value of Landings £m	% of Northern Ireland Total
Kilkeel	7.66	32.9
Ardglass	6.93	29.8
Portavogie	5.55	23.8
Others	2.27	9.7
Total	23.27	100

The MMO data divides landings into 3 types of fish

- **Dermal**, including haddock, monkfish and cod, which accounted for landings of £1.35 million in 2013
- **Pelagic**, comprising of herrings and mackerel, which accounted for landings of £3.32 million in 2013, and
- **Shellfish**, consisting of nephrops (also known as langoustines or Dublin Bay Prawns), scallops and crabs. Shellfish accounted for £18.70 million of landings in 2013 or 80% by value of the total landings in Northern Ireland fishery harbours.

While Table 1 relates to the value of landings at Northern Ireland ports, there are significant landings of fish by Northern Ireland vessels at ports outside Northern Ireland. It is difficult to estimate the value of landings by Northern Ireland vessels at external ports but fishing industry sources suggest that the value of such landings might be as much as £25 million per annum. If these figures are accurate, it means that the value of fish landed by Northern Ireland vessels at ports outside Northern Ireland is greater than the total value of fish landed at Northern Ireland ports.

Kilkeel is particularly specialised in the handling and processing of shellfish, particularly nephrops.

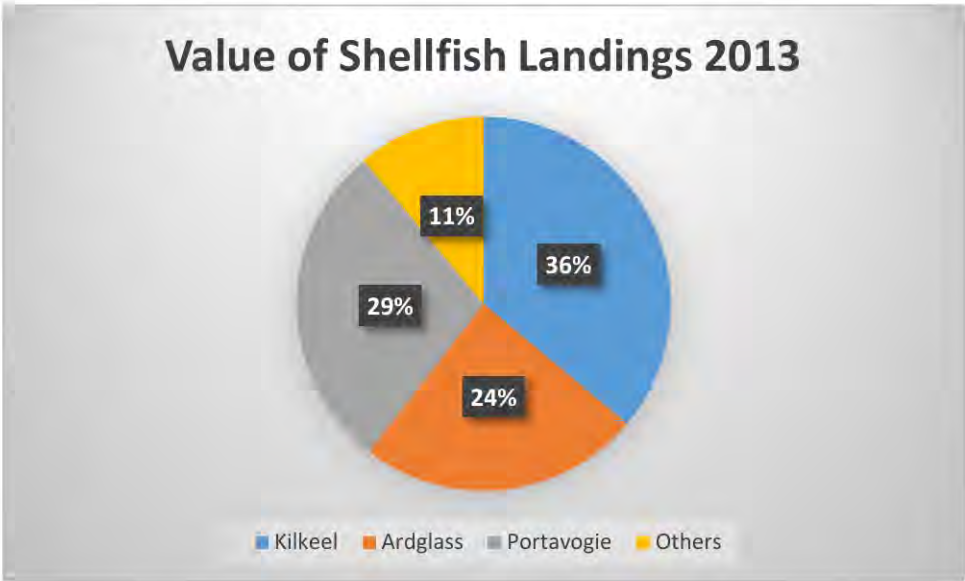
Table 2 shows the value of landings of shellfish in Northern Ireland fishery ports in 2013.

Table 2: Value of Shellfish Landings at Northern Ireland Fishery Ports 2013

Fishery Harbour	Value of Landings £m	% of Northern Ireland Total
Kilkeel	6.71	35.9
Ardglass	4.53	24.2
Portavogie	5.29	28.3
Others	2.06	11.0
Total	18.70	100

Chart 1 shows the same data graphically.

Chart 1: % Share of Value of Shellfish Landings in Northern Ireland Fishery Ports 2013



Kilkeel (and the other County Down fishery harbours) are important landing points for nephrops in a UK context.

Table 3 shows the landings by weight (live weight tonnes) of nephrops in the main UK ports in 2013.

Table 3: Nephrop Landings in Main UK Ports 2013 (Tonnes)

Fishery Harbour	Nephrop Landings
Fraserburgh	2760
Kilkeel	2646
Portavogie	2208
Ardglass	2151
North Shields	1851
Mallaig	1800
Campbeltown	1465
Troon	1392
Stornoway	978
Peterhead	901

In addition to its importance in landing shellfish, Kilkeel is the centre for their processing in Northern Ireland, with Ardglass being relatively focused on dermal and pelagic fish processing. Five of the six seafood processing businesses located around the harbour in Kilkeel are specialised in processing nephrops. This is in large part a function of the constraints on the harbour, which is not equipped to handle the larger pelagic fishing vessels. Relieving the constraints on the harbour at Kilkeel is a major focus of the proposed developments.

2.1.2 KILKEEL HARBOUR

Kilkeel Harbour is owned and operated by the Northern Ireland Fishery Harbour Authority (NIFHA), a non-Departmental public body sponsored and funded by the Department of Agriculture and Rural Development (DARD). While NIFHA has invested in Kilkeel harbour, using funds from DARD and EU fishery funds as well as income from its commercial activities, NIFHA's functions are limited to fishery harbour development – it does not have a wider developmental function.

Despite the investment which has taken place, Kilkeel Harbour's configuration imposes a number of constraints on the development of the harbour and of the associated commercial activities.

Those constraints include;

- Kilkeel Harbour is a man made harbour dredged to at least 1.5 meters with a narrow entrance channel dredged to 1.0 meters. The small artificial harbour extends 600 metres inland from its pierheads. The entrance to the inner harbour is via a 13m wide channel and the main harbour entrance is only half as wide again. This makes it a very sheltered harbour but the entrance is virtually inaccessible when the wind is in the East through to South above Force 5. There is also a problem in that the channel running in to the harbour entrance is liable to silting.
- Outside the harbour entrance is a moving sandbar that has reduced depths to 1.2 metres LWS. During a southwest gale a sand bank builds outside the entrance to Kilkeel reducing the depth to a metre or less..
- The harbour depth and the quaysides available are not sufficient for larger vessels, such as those which handle pelagic fish
- Kilkeel is a busy fishing port that services 100 fishing vessels, Kilkeel is not set up for leisure vessels but leisure craft are permitted to use the harbour provided berthing space is available.
- The available space for fishing related industries (fish processing and boat maintenance, repair and servicing) around the harbour is very limited because of the steep sides to the harbour, and
- The 3 slipways which are used for boat maintenance and repair (including a significant share of trade from outside Northern Ireland) are not covered and are almost always fully booked limiting the ability of the engineering and service businesses around the harbour to seek out and exploit wider market opportunities.

2.1.3 SEAFOOD PROCESSING

Kilkeel is relatively specialised in the landing and processing of nephrops, while Ardglass is focused on pelagic landings and processing. As part of the preparation of the Feasibility Study and Business Plan confidential consultations were held with 8 seafood processing business in Kilkeel and Ardglass resulting in an estimate of the turnover of these businesses of £38.5 million in 2015. However, the current degree of specialisation in nephrops in Kilkeel is partly due to the inability of the harbour to handle the larger pelagic vessels.

Three large pelagic vessels (The Voyager, the Stephanie-M and the Hivalah)² are owned by Kilkeel fishermen and largely crewed by Kilkeel crews but are unable to use Kilkeel Harbour as they require a berth length of 90m and a minimum high tide water depth of 10m. These vessels currently land at Ardglass, Bangor, Warrenpoint or a range of ports outside Northern Ireland, including Scotland, the Republic of Ireland, Denmark and Norway. Together these 3 vessels landed 47,500 tonnes of pelagic fish in 2013, much of it landed and processed outside Northern Ireland due to the constraints on the fishery harbours.

Invest Northern Ireland (INI) has noted that the quotas for the Pelagic Sector are fully utilised in Northern Ireland each year and has queried whether the owners of the pelagic vessels would have a sufficient incentive to land catches at Kilkeel because the market price for fish normally determines where catches are landed. However, discussions with fishing interests have suggested that there is considerable potential to divert pelagic landings from Northern Ireland owned vessels from elsewhere in the UK, the Republic of Ireland, the EU and outside the EU (Norway) to Kilkeel and that such a diversion (or displacement) would be associated with additional investment and employment in the processing sector.³ The question of the willingness of vessel owners to land at an improved Kilkeel Harbour is, essentially, a commercial issue for the vessels' owners but before an infrastructural investment could proceed a firm and quantified commitment to land a specified amount of pelagic fish at Kilkeel would be required.

In relation to nephrops, Invest Northern Ireland has noted that Northern Ireland quotas are fully utilised each year and that the increasing size and sophistication of boats may have implications for nephrop processing at Kilkeel as larger boats are likely to land their catches less frequently resulting in a more sporadic supply of raw materials for processing.

2.1.4 MARINE ENGINEERING

Kilkeel has established itself as a centre of marine excellence in engineering and ship repairs (unrivalled in NI) with over a dozen key suppliers. The sector is currently operating from Kilkeel harbour and using the 3 slipways with these operating at capacity, generally booked out one year in advance.

On average, 55% of the engineering / boat repair services are delivered to vessel owners originating from outside of Northern Ireland (ROI and GB).

² It is understood that the he Stephanie-M has recently been replaced by a larger vessel and that the Hivala has recently been sold and will, in due course, be replaced by a larger vessel. A replacement for the Voyager is currently under construction in Denmark. The replacement vessel has a length of 86.4 metres and is to be delivered in August 2017.

³ It should be noted that the guidance provided by the Department of Finance and Personnel in the NIGEAE is that economic appraisals should be concerned primarily with displacement within Northern Ireland and not at the UK level. The analysis above suggests that some of the diverted catch would be additional to the UK as a whole (through diversion from the Republic of Ireland and other EU and EU-extra countries) and a smaller proportion would be additional to the EU as a whole.

There is a particular opportunity to provide at Kilkeel the only Northern Ireland facility for decommissioning fishing and leisure vessels in an environmentally sound manner.

The harbour, slipway and available land constraints limit the ability of these companies to service wider markets from which they have active demand.

2.1.5 OFFSHORE SERVICES

Kilkeel is already serving as a base for the provision of guard boat services i.e. boats to use as security to assist the offshore sector. These are provided through a company called Sea Source Offshore Ltd ("Seasource"). However, the turnover that could be generated by this business could be significantly enhanced if Kilkeel was to become a recognised O&M Port for the industry.

As an offshore services company Seasource have been able to provide over the last three years an average of 1000 guard/survey vessel days per annum, utilising approx. 8 boats. Each boat has a crew of 4. It has achieved a turnover in the last two years of £1.7m (with 95% going back to members) and is forecasting £3m next year.

Seasource has indicated that the demands of this sector are continually increasing and with this does the opportunity. In looking forward and assessing the future vessel requirements, it seems that clients want a more multifunctional and flexible vessel.

The critical factors for success in this sector include:

- 24/7 access harbour access
- Provision of larger guard/survey vessels, both in length and draft
- Quayside crane facilities for mobilising and demobilising vessels
- Berth for decommissioning vessels or debris from the seabed
 - Ready availability of slipways to allow for:
 - Installation or removal of survey equipment
 - Emergency repairs to vessels
 - Emergency response to vessel breakdown
- Quayside area for storage of survey equipment
- Bunkering facilities for larger vessels
- Approved area for crew inductions.

2.1.6 OTHER OPPORTUNITIES

In addition to the opportunities listed above, the Feasibility Study and Business Plan identifies potential opportunities in Kilkeel in tourism (including provision of a hotel and a leisure marina), in training (for the fishing industry, for the offshore sector and more generally), in aquaculture and in biomass energy production. However, these opportunities were, in general terms, assessed as longer term and less well developed than those detailed above and the focus of the Feasibility Study and Business Plan and of this appraisal is on the more well-established opportunities in fishing, seafood processing, marine engineering and the provision of offshore services.

2.2 THE POLICY CONTEXT

This Section provides a short overview of the key Northern Ireland Departmental and local authority policies which are relevant to the proposed developments at Killkeel. In accordance with DPF guidance in the NIGEAE, this is a succinct summary of the policy context.

2.2.1 PROGRAMME FOR GOVERNMENT

The Programme for Government (PFG) sets the strategic context for both the Budget and the Investment Strategy for Northern Ireland. It identifies the actions the Executive will take to deliver “a vibrant economy which can transform society while dealing with the deprivation and poverty which has affected some communities for generations”.

A key priority includes ‘Growing a sustainable economy and investing in the future’, which aims to achieve long term economic growth by improving competitiveness and building a larger and more export-driven private sector. The need to rebuild the economy in the wake of the global economic downturn and rebalance it to improve the wealth and living standards of everyone has been identified as central to the delivery of this priority. A key principle in the rebalancing and rebuilding of the economy is balanced sub regional growth.

2.2.2 INVESTMENT STRATEGY FOR NORTHERN IRELAND 2011-2021

Under the “Productive” theme the Investment Strategy for Northern Ireland notes that “by providing financial support, suitable infrastructure and advice we can assist indigenous businesses to make further investments – increasing innovation R & D and capability development - and also encourage new Foreign Direct Investment by overseas-owned companies”.

2.2.3 NORTHERN IRELAND EXECUTIVE ECONOMIC STRATEGY

The Northern Ireland Executive’s Economic Strategy highlights the importance of developing a modern and sustainable economic infrastructure that supports economic growth. In support of delivering on economic growth the Executive has developed five strategic rebalancing themes one of which is “Developing our Economic Infrastructure”. Paragraph 5.65 states “we need a modern and sustainable economic infrastructure to support economic growth”. Paragraph 5.66 notes, “the positive relationship between a modern and sustainable economic infrastructure and economic growth has been well established” and “modern economic infrastructure is necessary to ensure that the benefits of economic growth are accessible to all”.

2.2.4 DETI AND INVEST NI CORPORATE PLANS (2011-2014)

DETI, in its Corporate Plan 2011-2014, and in working to rebalance the NI economy during the current budget period, and beyond, has set itself goals under Rebuilding and Rebalancing, including to 2030. These include to significantly increase the value of exports / external sales.

In its Corporate Plan 2011-2014, Invest NI notes that its focus will be on the key drivers of economic growth, which will help deliver the Executive's agenda of supporting the private sector to grow, creating jobs in our community and increasing wealth in our society. The Plan notes:

- *Invest NI's closest working relationships will be with those entrepreneurs and businesses with the greatest potential to improve productivity.*
- *Much of our activity will concentrate on building those sectors where Northern Ireland has existing capability, such as food and renewable and sustainable development and emerging opportunities identified by MATRIX.*
- *We will also build the sectors and collaborative networks, which will drive long-term productivity growth by maximising market opportunities and exploiting technology opportunities.*

DETI is also responsible for tourism. Tourism Northern Ireland has set ambitious headline targets to be achieved by 2020, including to increase visitors from 3.2m to 4.5m, to progressively accelerate spend by visitors over the 10 year period, and to target specific markets and segments. With a working harbour acknowledged as being a tourism attraction, the project will support the DETI objectives to double visitor revenue from £520m to £1.6bn by 2020.

2.2.5 DARD STRATEGIC AND CORPORATE PLANS (2012-2020 AND 2014-2016)

DARD's vision in its Strategic Plan 2012 - 2020 is for *"A thriving and sustainable rural economy, community and environment to promote social and economic equality"*. In April 2013, the Northern Ireland Agri-Food Strategy Board published the *"Going for Growth Strategy"* (Agri-Food Strategy Board, 2013). The Strategy sets challenging targets that reflect the industry's ambition for increased sales, as well as job creation and overall contribution prosperity and contains a number of recommendations aimed at accelerating the growth of fishing and aquaculture. The report noted that the value of fish landed in NI by local vessels in 2010 was just over £20m, with an estimated £10m in aquaculture production. Processing had a turnover of £67.3m in 2010.

The sector has a very long tradition in Northern Ireland and has proven to be robust and resilient in the face of challenge. However, the trend in sea fishing over the last 10 years has been one of significant restructuring, with a critical issue being uncertainty of supply of fish and other seafood. It provides excellent quality products that are high in protein and have growth potential.

Reform of the Common Fisheries Policy (CFP) will have a significant impact on the sector. The reform package includes measures to protect endangered stocks and end discards. The sector is well placed to take advantage of the increasing global demand for food, particularly proteins. Opportunities exist both in closer to home markets and in the US, Middle and Far East. Factors which might influence growth in the next five to 10 years include security of supply to enable businesses to plan ahead; adding value to and improving the profitability of the local product, and

reducing an over-reliance on a single species (i.e. prawn); and the absence of a readily recognisable brand for consumers.

Fish and aquaculture' targets for 2020 (which incorporates commercial fishing, processing and ancillary services as well as aquaculture) include growing turnover by 34% to £90million and employment by 9% to 600 FTEs (Agri-Food Strategy Board, 2013).

2.2.6 DEPARTMENT OF THE ENVIRONMENT STRATEGIC AND CORPORATE PLANS (2012- 2015)

DOE's mission is: *"To protect and improve the environment, promote well being and support a sustainable economy and strong, effective local government."* In carrying out its role, main functions include the Protection, conservation and promotion of the natural environment and built heritage.

2.2.7 NEWRY, MOURNE AND DOWN DISTRICT COUNCIL CORPORATE PLAN

The Council launched its Corporate Plan in 2015. The Council's mission is *"to lead and serve a District that is prosperous, healthy, as well as sustainable from an economic, environmental and social perspective"*. This will be achieved by focusing on eight core areas (the Council's strategic objectives) by 2019, including the following:

- *Becoming one of the premier tourism destinations on the island of Ireland;*
- *Attracting investment and supporting the creation of new jobs;*
- *Protecting our natural and built environment; and*
- *Leading the regeneration of our urban and rural areas.*

3. OBJECTIVE & CONSTRAINTS

This Section first considers the need for public sector intervention to deliver the projected benefits of the proposed developments. It then sets out a statement of the objectives to be pursued by such interventions and the constraints which would apply to such intervention.

3.1 THE NEED FOR INTERVENTION

In general terms the justification of public intervention in the market must be the realisation of economic and/or social benefits which would not be realised in the absence of such intervention.

In the current case, if the intervention took the form of the allocation of public funds to finance development of Kilkeel Harbour to remove the constraints identified in Section 2, the immediate return would be economic in nature in terms of additional sales and incomes (GVA) in the fishing industry, in fish processing and also in marine engineering and in the provision of offshore services. In turn that additional turnover would be likely to generate both further capital investment in plant and machinery and additional income from employment. The additional incomes would generate social benefits in terms of new jobs and household incomes in a relatively remote and disadvantaged rural area where alternative employment opportunities are limited. The social benefits would be reinforced to the extent that the new investment reduced the vulnerability of employment and incomes in the South Down area to job losses in the fishing industry or other sources of employment.

The rationale for public sector intervention in Kilkeel arises because there are a variety of public and private sector interests involved in the development of the harbour and of the associated industries and no one of those interests would be able to capture the benefits of the proposed investment. In that situation and in the absence of public sector intervention no individual economic entity is likely to be able to sustain the required investment individually and the projected benefits of the investment will go unrealised.

In the current situation, however, it is not the case that the use of public funds is the only form of public intervention possible. There are at least 4 possible broad scenarios

1. The public sector provides the funding, the private sector receives the benefits and the public sector gets no financial or commercial return
2. The public sector provides the funding and sets up public sector enterprises to take over the private businesses and to receive the financial or commercial returns
3. The public sector and the private sector collaborate to develop some form of structure which shares the costs of the investment and/or the returns so that the investment can proceed on a joint basis, and
4. The private sector undertakes the investment and gets all the returns.

However, not all of these broad scenarios are credible. In particular Scenarios 1 and 2 are ruled out by existing public policies and Scenario 4 is ruled out by the operation of the market which would not permit a single private sector investor to gain sufficient of the return to justify on commercial grounds the required investment.

For these reasons the intervention of the public sector to provide a public/private collaborative structure would appear to be the only way to realise the potential value of the proposed investment. It should be noted, however, that the value of the public sector intervention has two distinct components

- The value of the public sector convening and organising the public/private partnership to realise the potential benefits, and
- The value of public financial support to the project, if any.

Later sections of this appraisal consider in detail how appropriate public/private partnership structures might be established and delivered.

3.2 OBJECTIVES

DFP guidance is that the objectives of an appraisal should be specified in SMART terms, i.e., in Specific, Measurable, Achievable, Relevant and Time-bounded terms.

In the case of the proposed developments in Kilkeel Harbour, however, we are dealing with a set of alternative investments which are still conceptual in nature and the key issue to be determined by the appraisal is not whether to proceed with a particular investment or set of investments, but instead whether to commit further resources to investigating the potential costs and benefits of potential investments, including means of reducing the uncertainties and mitigating the risks associated with those investments.

For this reason, this appraisal can be thought of as having the following **intermediate objective**

- **To identify whether there is sufficient potential net economic benefit in particular investment options to justify commitment of additional resources to investigating their potential costs and benefits and how their associated uncertainties can be reduced and their risks mitigated.**

To do so, however, requires an understanding of the nature and potential scale of the costs and benefits of each investment and the associated uncertainties and risks. The Feasibility Study and Business Plan carried out a broad assessment of a number of options and provides the best currently available evidence base for those options. So, to inform the decision about the intermediate objective of whether to invest further resources in investigating the options, it is also necessary to make the best possible assessment on the available evidence of the **ultimate objective** which is

- **To contribute to the economic development of County Down and of Northern Ireland as a whole by investments which will increase Gross Value Added (GVA) in the fishing industry, in fish processing, in marine**

engineering , in offshore services and other sectors, taking into account wider impacts on other fishery ports in Northern Ireland.

3.3 CONSTRAINTS

The proposed investments are subject to a number of constraints including

- The physical nature and location of Kilkeel Harbour and the coastal and tidal conditions affecting the Harbour
- The scale of the fishing industry in Northern Ireland and the constraints which it faces due to the limitation of fish stocks in adjacent marine areas and
- Policy limitations such as the provisions of the Common Fisheries Policy on discarded fish
- Infrastructure constraints affecting Kilkeel, for example, there are limitations on both the road infrastructure and the energy infrastructure at Kilkeel which might limit the nature of the investments sustainable in the area
- Environmental constraints and the need to recognise and conserve the nature of the terrestrial, coastal and marine environment around Kilkeel , and
- Financial constraints reflecting the limitation on public funds available and the need to ensure value for money in the application of those funds.

However, while these constraints need to be taken into account in designing and assessing investment options they do not appear to rule out development of the Harbour and may act more to determine the form and associated costs of particular options rather than to exclude them from consideration.

4. ANALYSIS OF OPTIONS

This Section sets out first a long list and then a short list of options for investment in Kilkeel Harbour. It considers the monetary costs and benefits of the short listed options and their non-monetary characteristics. It assesses the uncertainties and risks associated with each of the short listed options and how they can be reduced or mitigated.

4.1 LONG LIST OF OPTIONS

Table 4 sets out the long-list of options that has been identified to achieve the Project objectives along with details of the options that have been shortlisted for detailed consideration and the rationale for not short listing the remaining options. The detailed evidence base for the decisions to shortlist or not to shortlist options is provided in the Feasibility Study and Business Plan.

Table 4: Long List of Options and Rationale for Short Listing

Option Description	Rationale for Shortlisting or Not Shortlisting	Shortlisted?
A) Do Nothing: no intervention from government. Leave development to market	Shortlisted as a comparator in accordance with NIGEAE guidelines	Yes
B) Synchro-lift and repair/decommissioning facility: Provide equipment to allow boats to be lifted from water to harbour freeing up slips and creating capacity as well as a concrete area beside the harbour for decommissioning and repair services	This option is considered to represent the minimum works necessary to increase the capacity of the engineering / boat repair services from the harbour	Yes
C) Dry-dock / additional slips: Develop additional infrastructure facilities at the harbour to enable a wider range of marine engineering services to be offered from the harbour.	This option represents the works necessary to fully maximise the engineering / boat repair services but will not enhance seafood processing services. Further details below.	Yes
D) Jetty facility: Construct a jetty from which to land pelagic fish. Would involve a jetty structure out to a depth to enable pelagic vessels to land catch via pumping facilities from ship to shore	Whilst this is considered the minimum works necessary to enable the landing of pelagic fish, it is not considered feasible, as it will not be attractive to major pelagic vessels. Therefore it has been discounted.	No
E) Breakwater: Construct a facility to reduce the impact of the tidal waves on the harbour increasing safety and making Kilkeel a more attractive harbour for fishing vessels.	Whilst this may increase safety for vessels, re it is expensive and there is no significant benefit to the capacity of the harbour or to any of the five key sectors. This proposal was considered in 2008 and rejected on economic grounds. Therefore it has been discounted.	No
F) External Harbour: Develop northern and	Extending the harbour to ensure larger	Yes

	southern harbour piers to create a larger harbour to ensure that a pelagic vessel the size of the Voyager can access the harbour, land its catch and use the harbour as a base during the time not at sea. This would also facilitate new slips to be developed at relatively low cost and possible the development of Kilkeel as O&M Port for the offshore renewable energy sector (due to the ability to accommodate larger vessels)	boats can access will mean that pelagic fish could be landed at Kilkeel which has the potential to significantly increase the processing industry in the region as currently vessels such as the Voyager (which is a Kilkeel based vessel) cannot use the harbour.	
G)	Develop Industrial units for lease: Develop industrial units on site either acquired or reclaimed from the sea for leasing to industrial tenants.	The implementation of this option is dependent on land being reclaimed which will require the development of an additional harbour wall – therefore will only be possible following initial investment through option (F) above. However, there is little evidence of demand for industrial units in Kilkeel to justify expenditure. The previous Toughglass facility is vacant and could be considered as a possible solution. Conversely, the existing public sector funded industrial units have been fully utilised for some time and there is no start up space for companies. Therefore, this should be considered as a “second phase” project in the development of Kilkeel following the development of the harbour.	No – but it may be appropriate for a later stage of development
H)	Training Centre: develop a training facility for the fishing industry, the maritime engineering industry and/or the offshore renewable	A report investigating training potential in the area shows no evidence of the need for material infrastructure to facilitate training services in Kilkeel. However, as demand for training will rise with a growth in the economic activity of seafood processing and engineering in Kilkeel, this should be considered as a “second phase” project in the development of Kilkeel following the development of the harbour.	No – but it may be appropriate for a later stage of development
I)	Aquaculture: Development of a research centre in aquaculture. This will build on the study currently underway for ANIFPO into opportunities for aquaculture businesses, such as seaweed gathering and processing.	Again to implement this option requires the development Option (F) above. It will also require an academic partner and with no significant locational advantage there is little current interest. Therefore, it could at best be considered as a “later phase” project in the development of Kilkeel following the development of the harbour.	No
J)	Biomass Power Station Development: Development of a biomass power station on the reclaimed land adjacent to the harbour. This can provide cheap power and heat to	Opportunity lies in the proximity of new industrial land to the harbour so demand would be present only if option (F). Also changes in the NIROC subsidy availability	No

businesses in Killkeel as well as generating income	means that profitability is limited. Feedstock would have to be either fish waste (recent study identified technical and market constraints on using fish waste in biomass energy production) or wood (very expensive in current market) and there is no viable grid connection in Killkeel. Therefore, this option does not present a value for money opportunity.	
K) Tourism including a hotel development: Development of the tourism sector in this Area of Outstanding Natural Beauty including through a private sector driven hotel development, linked to the Mourne experience.	This option would be private sector driven and is likely to be facilitated on the development of the Harbour/marina at Killkeel. No private sector operator has been identified for a hotel development. Therefore, it could be considered as a "second phase" project in the development of Killkeel following the development of the harbour.	No

4.2 SHORT LIST OF OPTIONS

Table 5 summarises the implications of the analysis in Table 4 by listing the Options shortlisted for detailed consideration.

Table 5: Options Shortlisted for Detailed Consideration

Option	Description of Option
1.	Do Nothing
2.	Synchro-lift and decommissioning facilities only
3.	Dry Dock and Additional Slips
4.	Development of an External Harbour
5.	Dry Dock, Slips and External Harbour
6.	Dry Dock, Slips, External Harbour and Marina

In Table 5 the options emerging from Table 4 have been included (Options 1 - 4) and two additional options have been included

- Option 5, which combines the elements of Options 3 and 4, and
 - Option 6, which adds to the creation of a tourist marina to Option 5.
- Although the preliminary review suggested that a marina would not be an economic proposition, local interest in the marina suggested that it would be useful to test the marina proposal in the economic appraisal.

Section 4.3 describes each of the short listed options in some detail. Further detail is available in the Feasibility Study and Business Plan.

4.2 DESCRIPTION OF SHORT LISTED OPTIONS

Option 1 – Do Nothing: Leave the economic development of Kilkeel entirely to market forces so that investment will be derived only from private businesses currently operating from Kilkeel. No public investment in the harbour will occur under this option. This option will act as a benchmark against which to assess the value for money of the other options.

Option 2 – Synchrolift and Decommissioning Facility Only: Upgrade the current harbour infrastructure to increase the capacity for engineering, boat repair and boat building facilities for vessels under 100 tonnes in weight. To include:

- Implementation of a synchrolift for 100 tonne vessels up to 15m in length along with a travel hoist and rail system for side slipping (to facilitate multiple vessels being out of the water at one time); and
- Development two new hard-standing areas on the current harbour land for ship repairs, and decommissioning services including:
 - One area for small vessels to accommodate 30-40 vessels of less than 15m in length and 6m beam height.
 - One area for larger vessels- to accommodate 5-10 vessels allowing a 4m strip between vessels for working space (2m per vessel)

This option represents the minimum works necessary to increase the capacity at Killkeel for offering marine engineering services.

Option 3 – Dry-Dock and Additional Slips: Upgrade the harbour so that larger vessels (up to 600 tonnes) can be accommodated for engineering works / repair and decommissioning services at Killkeel. This will involve:

- Development of a new slipway, approximately 40m wide at the harbour, and
- Development of a dry dock facility, approximately 60m long x 30m wide.

The above will enable all boats up to 600 tonnes in weight to be serviced at Killkeel and so there will be no requirement for a sychrolift, rails etc. as in Option 2 above.

Option 4 – Development of an External Harbour: This option involves the development of facilities at Killkeel Harbour to allow larger vessels to berth, lie and land pelagic catch at Killkeel Harbour. The designs will be development to meet the specifications of a vessel the size of the Voyager (as the largest of the Killkeel fleet) being as follows:

- Water depth of 8.5m when fully laden
- Required berth length of 90m
- Navigable access to berths with 10m water depth at high tide
- Berthing pockets to provide 10m water depth at low tide
- Fishing duration of 6 months of the year and tie-up for the other 6 months but that only one large vessel will be landing at any one time (the design will assume large boats can lie along each other at end of the fishing season)
- Quay of length approx. 250m (to permit other vessels to berth at the same time as larger fishing vessels)
- Outer harbour wall to be designed to minimise overtopping and provide sheltered berthing facility (design wave height of 3.8m)

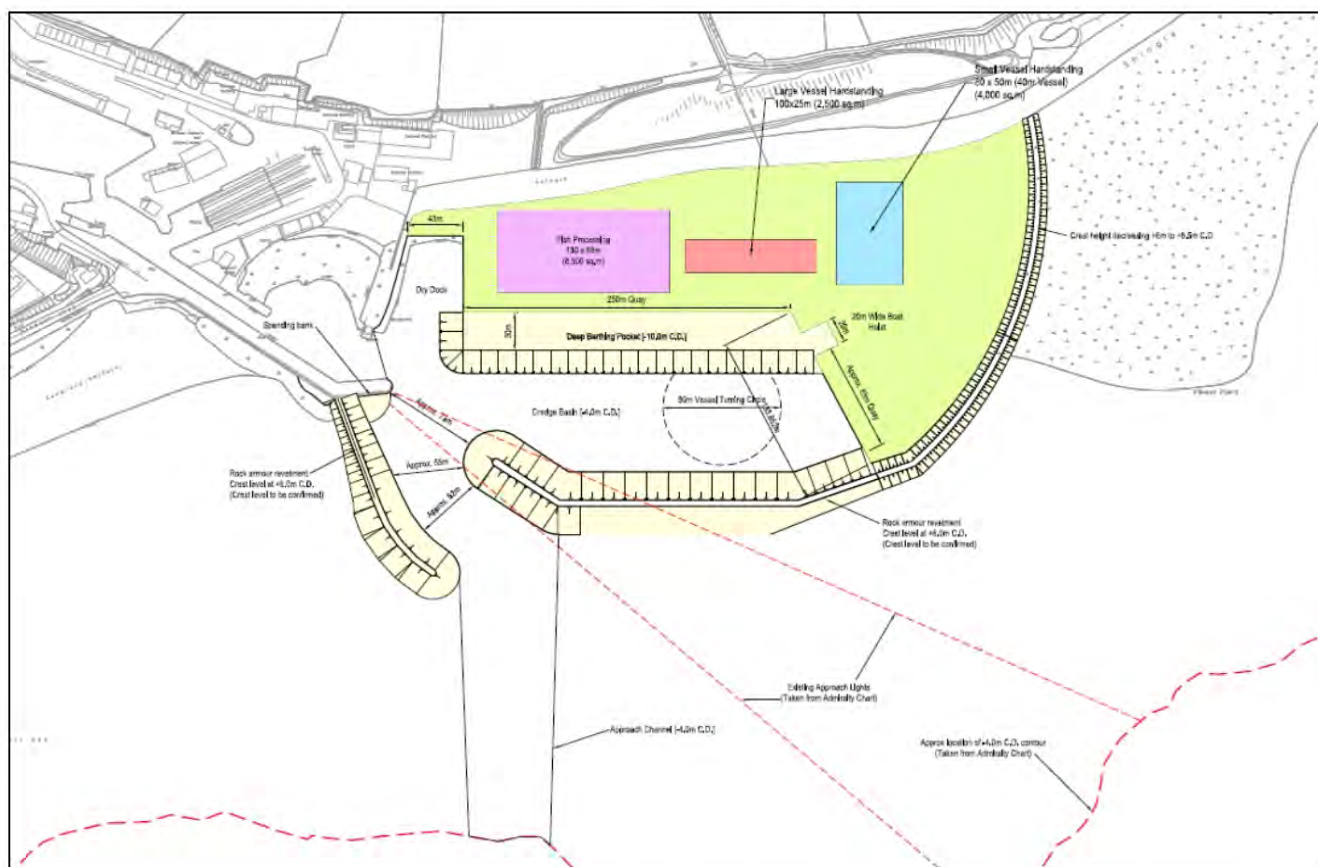
In addition, larger fishing vessels the size of the Voyager can pump fish approx. 300m on the flat, therefore, the designs will assume that a fish processing factory will be required located close to quayside. Whilst it is assumed the facility itself will be developed by the private processing sector, two areas will be developed on the quayside.

- An area of 14,000 sqm for a processing facility and
- An area of 10,000sqm for a frozen storage facility.

Option 5 Develop Dry-dock, slips and external harbour (excluding Marina): This option combines Options 3 and 4 above and so involves the development of both the fishing related and engineering related infrastructure at the harbour. Whilst this will involve additional capital expenditure, there is the potential for efficiency savings to be achieved by developing both of the key services from the harbour within a single project.

In the course of preparing the Feasibility Study and Business Plan a firm of consulting engineers (RPS) was engaged to provide indicative designs for Option 5 and Option 6 and indicative costings for all of the short listed options. The design which the engineers have proposed for Option 5 is shown in Exhibit 1.

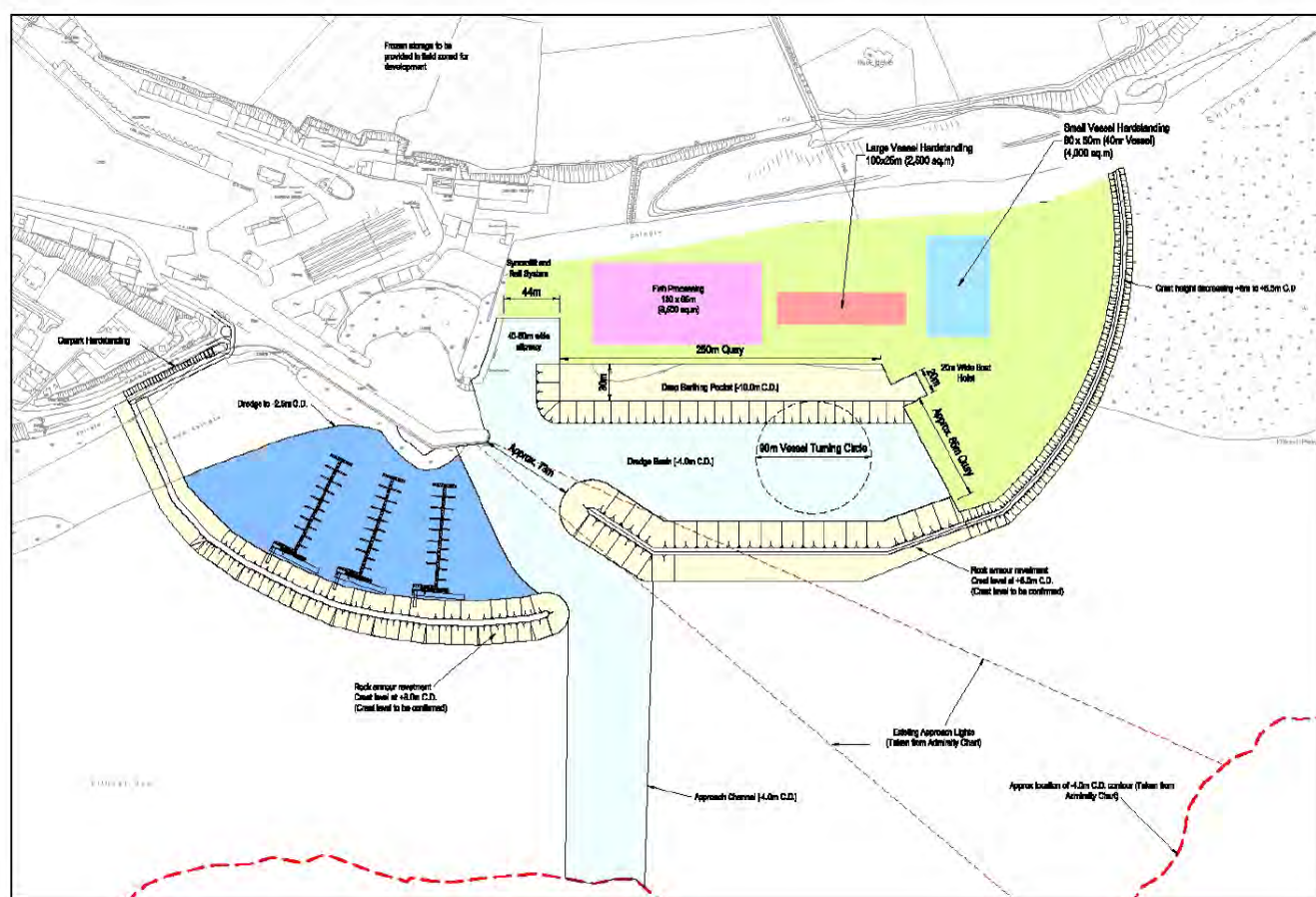
Exhibit 1: Indicative Design for Option 5



Option 6: Develop External harbour, dry-dock, slips and Marina: This option reflects Option 5 above with the exception that the costs and benefit of developing a marina for leisure vessels will be developed. This will include pontoons and the protection structures required to provide sheltered berthing environment (this option will only be possible if an external harbour is developed and so is an extension of Option 5).

The engineer's indicative design of Option 6 is shown in Exhibit 2.

Exhibit 2: Indicative Design for Option 6



The key difference in the designs for Option 5 and Option 6 is that the extension to the southern harbour wall will be significantly greater to accommodate a marina at the Harbour. This difference is reflected in the capital costs provided by RPS for each design. Whilst no separate designs have been undertaken for Options 2 to 4, the nature of these options are included in the two designs above i.e. both include the extension to the harbour (option 4) and the infrastructure necessary to increase the engineering services capacity (options 2 and 3). Therefore, the costs of Options 2 to 4 can be derived from the costs developed for each of the above designs.

4.4 MONETARY COSTS OF OPTIONS

Table 6 shows the composition of the cost of each of the short listed options.

Table 6: Cost of Short listed options £'000

Cost Category	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Reclamation	0	0	106	2,429	2,518	2,582
Quay Structures	0	0	0	7,923	7,923	7,923
Breakwater around reclamation and harbour	0	0	587	7,598	7,598	5,475
Breakwater at existing pier and marina	0	0	989	989	989	2,706
Dredging	0	0	209	2,276	450	450
Hardstanding areas	0	450	450	0	0	650
Marina infrastructure	0	0	0	0	0	185
Hardstanding for car parking	0	0	0	0	0	0
Spending bank	0	0	148	148	148	5,513
Risk contingency	0	90	498	4,273	4,380	0
Synchrolift & rail	0	1,000	0	0	0	0
Slips and dry dock	0	0	3,278	0	3,278	3,278
Total Capital Cost excluding Optimism Bias Adjustment	0	1,540	6,265	25,635	29,559	36,358

The Feasibility Study and Business Plan adjusted these cost estimates for Optimism Bias in relation to both capital cost and project duration, applying the procedures set out in the detailed guidance in NIGEAE. The resulting Optimism Bias Adjustment factors are set out in Table 7.

Table 7: Optimism Bias Adjustment Factors for Each Option

Optimism Bias Adjustment Factor %	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Capital Expenditure	0%	5%	5%	15%	15%	15%
Duration	0%	2%	2%	7%	7%	7%

Operational costs were also calculated for each option. The main operational costs were maintenance of the quay wall, maintenance dredging, maintenance of quay furniture and maintenance of equipment. Opinions differed about the likely level of these cost with NIFHA estimating the annual maintenance cost at up to 15% of capital costs whereas the consulting engineers felt that a well designed development could have maintenance costs as low as 5% of capital costs per annum. To cover the range of possibilities the Feasibility Study and Business Plan calculated operating costs at each of 5%, 10% and 15% of capital costs.

4.5 MONETARY BENEFITS OF OPTIONS

The Feasibility Study and Business Plan then estimated the additional Gross Value Added (GVA) arising from each option.

Gross Value Added ("GVA") is defined by the Department for Finance and Personnel as:

*"The difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used"*⁴

GVA measures the contribution to the economy of a given sector, industry or project. As such, when considering whether to support a project, public authorities are expected to consider the GVA that will arise as a result of its implementation in order to determine whether value can be achieved from the expenditure required. If a project results in a positive GVA after all costs and expenditure has been deducted, it will add value to the economy.

The GVA for each of the key services has been calculated within a financial model, which uses a three step process to determine the total GVA for each option under consideration:

1. **Forecast Turnover:** The annual increase in turnover for businesses operating in each of the five Harbour Services is forecast based on either:
 - Historic financial performance from the existing businesses currently based at the harbour; or
 - Estimates based on evidence from elsewhere.

The increased turnover is forecast over the appraisal period of 30 years. This takes into consideration the timescales for development and the future growth potential based on historic data provided through consultation
2. **Deduct Displacement:** The value of this additional income that is deemed to be derived from other areas of Northern Ireland is deducted from the total additional turnover as it is deemed displacement to determine the "Additional" turnover derived from each option.
3. **Calculate GVA:** A standard turnover to GVA ratio derived from government data specific to each of the Harbour Services is applied to the Additional GVA to determine an estimate of the GVA. This ratio has been based on historic data gathered over a number of years and so represents the best estimate as to the impact that an increase in turnover will achieve in terms of GVA for each sector.

⁴ <http://www.dfpni.gov.uk/eag-glossary>

The GVA has been calculated for each of the five Harbour Services in six options under consideration. The detailed methodology of estimation is set out in the Feasibility Study and Business Plan and is applied to the following sectors/areas of benefit

- Fish processing
- Engineering and boat repairs
- Decommissioning services
- Offshore support services
- Additional income to NIFHA as the harbour operator, and
- Marina services.

In estimating the net effect on GVA for each of the sectors/areas of benefits meetings were held and surveys administered with individual businesses in each area. In undertaking consultation meetings and responding to survey companies were assured that individual company results would not be disclosed. However, the interviews and surveys were very valuable in providing the Feasibility Study and Business Plan with a firm basis for projecting the GVA changes associated with each of the options.

4.6 NET PRESENT VALUE OF OPTIONS

In accordance with the requirements of NIGEAE, the Net Present Cost (NPC) or Net Present Value (NPV) of each option to the public purse has been calculated. NPC / NPV is the sum of the discounted income and cost cash flows to an appropriate base date. For the purposes of this appraisal a base date of 1 April 2015 has been assumed and the forecast cash flows have been discounted at a rate of 3.5% in accordance with NIGEAE guidance over a 25-year evaluation period.

The headline results regarding the total NPC/NPV of each income / cost category are shown in the Table8 and the detailed annual cash flows underpinning these calculations have been provided in Appendix 5 of the Feasibility Study and Business Plan (this is a confidential document as it contains trading information of individual respondent businesses).

Table 8, which is extracted from the Feasibility Study and Business Plan, shows the results of the NPV analysis of the options.

Table 8: Summary of NPV Results

NPV Analysis	Option 1: Do nothing	Option 2: Syncrolift and Decom facility	Option 3: Dry dock / additional slips	Option 4: External harbour only	Option 5: External harbour and slips/DD	Option 6: Harbour, Marina & slips / DD
Sources of GVA	NPV (£'K)	NPV (£'K)	NPV (£'K)	NPV (£'K)	NPV (£'K)	NPV (£'K)
Nephrop Processing	-	-	-	6,490	6,490	6,490
Pelagic Processing	-	-	-	107,809	107,809	107,809
Engineering derived from dry-dock / slips	-	2,493	11,079	-	11,079	11,079
Engineering derived from slip covers	-	-	4,616	-	4,616	4,616
Berthing dues	-	-	-	6	6	6
Seafood landing dues	-	-	-	7,781	7,781	7,781
Ice sales	-	-	-	-	-	-
Slipway / drydock rental	-	-	795	-	795	795
Offshore support services	-	-	-	7,997	7,997	7,997
Decommissioning services	-	-	-	-	-	-
Marina lease	-	-	-	-	-	378
Total NPV of GVA	-	2,493	16,490	130,084	146,574	146,952
Expenditure Requirement	NPC (£'K)	NPC (£'K)	NPC (£'K)	NPC (£'K)	NPC (£'K)	NPC (£'K)
Development costs	-	1,510	6,144	27,840	32,055	39,357
Operating and maintenance costs	-	1,530	6,226	55,805	64,348	79,150
Total NPC of capex & running costs	-	3,040	12,371	83,645	96,404	118,508
Overall Net Present Value (Cost)	-	(547)	4,120	46,439	50,171	28,445

Key points to note from the results above are:

- Each of the options 3, 4, 5 and 6 achieve positive net present values meaning that they represent value for money (in monetary terms) to the NI Economy under the assumptions used in the forecasts.
- Option 5 (Dry-dock, slips and external harbour – excluding the Marina) is the preferred option in financial terms as it forecasts the greatest net present value at £50.2m. This is only £3.8m greater than Option 4 External Harbour Only) indicating that, whilst the benefits of developing facilities for engineering works exceeds the costs, this is a small percentage of the benefit from the external harbour. This is due to the significant value added from the processing of the additional pelagic catch facilitated by the ability to land this catch at Kilkeel. This represents £107.8 of the total £146.6 GVA generated by Option 5 (74%).
- The cost of extending the southern harbour wall to accommodate the marina and the cost of the marina itself exceeds the financial benefit forecast by the marina. The NPV of Option 6 is £21.7m less than Option 5 indicating that the addition of the marina does not represent value for money (in monetary terms) under the current design.

4.7 SENSITIVITY ANALYSIS

NIGEAE guidance stipulates that the sensitivity of the results of an appraisal of options must be tested and interpreted with regard to changes in assumptions. The results of the NPC/NPV analysis in the table above demonstrates that there a significant difference in the NPCs of the options.

The areas of the greatest uncertainty with regards to the assumptions underpinning the cash flow forecasts are:

- **Commitment of pelagic vessels to land at Kilkeel:** At present there is no obligation for the any of the three large Kilkeel based pelagic vessels to land at Kilkeel. The GVA forecast from the processing of the fish landed by these vessels is a significant portion of the overall benefit of the project. Therefore, any reduction in the value forecast is likely to have a material impact on the results of the financial appraisal.
- **Future works at Ardglass:** If Ardglass harbour is developed there is less incentive for pelagic landing at Kilkeel
- **Impact of increased prices on demand for boat repair services:** If the cost of slipway rentals increases to fund the harbour development the price for engineering works will increase which may reduce the potential demand⁵
- **Competition for Offshore services:** Kilkeel will be competing against other harbours for Offshore O&M contracts as demand increases
- **Accuracy of Operational costs:** Significant uncertainty exists around the operational costs estimates. NIFHA have estimated the costs could be between 10-15% of capex. RPS have indicated this is greater than would be expected but cannot provide an accurate rate without detailed analysis.

Given the uncertainty over the basis for the assumptions and the impact of these assumptions, the sensitivity analysis has focussed on the above areas. Table 9 below, which is extracted from the Feasibility Study and Business Plan, shows the impact on the NPC/NPV results under the following scenarios are applied to the financial model (when each is run separately to each other).

Table 9: Results of Sensitivity Analysis

⁵ In relation to this sensitivity test, Sea Source has noted that slipway costs in competing ports outside Northern Ireland are considerably more expensive than those currently in place in Kilkeel and that, in its view, the availability of skilled labour and access to slipways are more important competitive factors than the cost of slip rental.

Sensitivity Analysis	Option 1: Do nothing	Option 2: Syncrolift and Decom facility	Option 3: Dry dock / additional slips	Option 4: External harbour only	Option 5: External harbour and slips/DD	Option 6: Harbour, Marina & slips / DD
	NPC (£'K)	NPC (£'K)	NPC (£'K)	NPC (£'K)	NPC (£'K)	NPC (£'K)
Base Case	-	(547)	4,120	46,439	50,171	28,445
Sens 1: Voyager lands 5% of annual catch rather than 33%	-	(547)	4,120	(30,879)	(27,147)	(48,873)
Sens 2: Voyager lands 15% of annual catch rather than 33%	-	(547)	4,120	(3,266)	466	(21,260)
Sens 3: Stefanie M and Havilah catch are not additional due to Ardglass	-	(547)	4,120	22,415	26,147	4,421
Sens 4: Additional demand for engineering services 20%	-	(2,711)	(6,187)	46,439	39,864	18,138
Sens 5 - All operational costs 15% of Capex	-	(3,608)	(8,333)	18,536	17,997	(11,130)

The results of the sensitivity analysis show that:

- The financial viability of the harbour development is heavily dependent on the commitment of the Voyager to land its catch at the harbour.
- At least **15%** of the annual pelagic catch needs to be processed in Kilkeel to ensure the gross value added is sufficient to justify the expenditure on the full harbour
- If Ardglass harbour is developed to allow the Stefanie M and Havilah vessels access to land, the additional value of Option 5 development is reduced by **48%**.
- If the additional demand for engineering services falls to only 20% of the current activity, Option 4 becomes the preferred option i.e. the expenditure on the additional slips / dry-dock becomes financially unviable.
- The outcomes are very sensitive to movements in O&M. If the operational expenditure increases to **15%** of capex, the value of Option 5 falls by **65%**. Therefore, it is imperative that accurate data is sought to establish the ongoing cost of running the harbour in any further work.

4.8 RISKS

Any project is subject to a number of uncertainties and risks. The sensitivity analysis has explored the implications of some of the uncertainties in a monetary sense. It is also necessary to consider the wider risks. Table 10 identifies some of the key risks associated with the proposals, assesses their likelihood and potential impact and suggests how they might be mitigated.

Table 10: Preliminary Risk Assessment

Risk Factor	Details	Assessment of Impact & Likelihood	How the Risk might be Mitigated?
Pelagic fishing - landings	There is a risk that investment is made in Kilkeel Harbour and the NI pelagic fleet and particularly the Voyager, does not land or does not make sufficient landings to make the project viable	High	Contractual obligation to be entered into with owner of Voyager to land a minimum level of total annual landings in Kilkeel, subject to negotiations
Pelagic fishing - processing	There is a risk that investment is made in Kilkeel Harbour and there is no investment made in pelagic processing	High	Contractual obligation to be entered into with owner of Voyager to invest in a pelagic processing plant
Nephrops - impact of potential discards ban	There is a risk to the fishing sector generally in NI regarding the EU legislation to ban discards	High	DARD to advise any further assessment
Engineering and Technical Service/Ancillary sector	There is a risk that investment is made in Kilkeel Harbour and there is no additional demand for these services	Low	The Sector continues to provide quality workmanship, whilst NIFHA ensures that fees are competitive
Marina	There is a risk that investment is made in a marina at Kilkeel Harbour and there is insufficient demand to make the project viable	High	Further assessment of demand
Displacement	There is a risk that investment in Kilkeel Harbour will result in the displacement of pelagic fish landings and processing in Ardglass and other NI ports/harbours	Low/Medium	The NI large pelagic fleet can no longer land in Ardglass. Landings in Belfast, Bangor and Warrenpoint are not feasible or not efficient.
Funding	There is a risk that investment is made in Kilkeel Harbour and the NI pelagic fleet and particularly the Voyager, does not land or does not make sufficient landings to make the project viable	High	Consideration of a phased approach and identification of a number of streams of funding.

This is a very preliminary assessment of the risks associated with the proposed developments. A much more detailed risk assessment procedure will be required if the project proceeds for further consideration. Nevertheless, the assessment has shown that the core risks relate to the pelagic fishing fleet and processing of the pelagic catch in Northern Ireland. If the owners of the 3 large vessels, and in particular of the Voyager, are willing to land an adequate share of their total catch in Kilkeel there is a significant economic benefit. However, if market conditions and proximity to the pelagic fishing grounds provide an incentive for the owners to land their catch outside Northern Ireland, as they often do at present, much of the economic benefit disappears. A decision to proceed with further investigations of the potential development of Kilkeel Harbour will require a process of engagement with the owners of the 3 boats to determine whether they are willing and able to enter into a contractual arrangement which will require them

- to land a defined share of their total catch at Kilkeel, and
- to invest in the development of pelagic fish processing plant at Kilkeel.

4.9 NON MONETARY ASSESSMENT OF OPTIONS

NIGEAE guidance requires appraisals to make an assessment of the non-monetary characteristics of the options considered. It is normally the case that a number of

criteria are considered and options are scored against those criteria, which may or may not received different '*weights*' reflecting their relative importance.

In the case of the Killkeel proposals, however, it seems appropriate to use a single criterion, the degree to which the option contributes to the ultimate objective identified in Section 3.2, i.e., the degree to which each option contributes to the economic development of County Down and of Northern Ireland as a whole by investments which will increase Gross Value Added (GVA) in the fishing industry, in fish processing, in marine engineering, in offshore services and other sectors, taking into account wider impacts on other fishery ports in Northern Ireland.

Table 11 assesses each of the options against that single criterion and provides a single score for each option on a scale of 0 (low) to 10 (high).

Table 11: Non-Monetary Assessment of Options

Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Do Nothing	Synchro-Lift & Decommissioning	Dry Dock & Additional Slips	External Harbour	Dry Dock, Slips & External Harbour	Dry Dock, Slips, External Harbour & Marina
No Contribution to objective	Minor contribution to objective, focused only on marine engineering sector	More significant contribution to marine engineering sector but no wider contribution to objective	Significant contribution to objective by bringing pelagic vessels to Killkeel	Combines features of Options 3 and 4, likely to be some additional synergy	Adds a tourism dimension, which – if successful – has potential to spread economic benefits more widely
0	1	3	6	9	10

5. DELIVERY OF THE OPTIONS

This Section is concerned with how the identified options might be delivered. It considers their affordability, their management and the arrangements for ensuring that their anticipated benefits are realised, monitored and evaluated.

5.1 AFFORDABILITY

Table 12 shows the anticipated funding requirement for each option.

Table 12: Funding Requirement for Each Option

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Funding Requirement £m	0	1.617	6.578	29.480	33.993	41.812

Table 12 is based on the capital costs of each option as presented in Table 6, plus the Optimism Bias Adjustment for each option presented in Table 7.

No budgetary provision exists for such investments of public funds.

In addition, it is not clear which Department or public agency would undertake this investment, except in the case of Options 2 and 3 which might be argued to fall within a wide interpretation of the role of NIFHA.

Section 3.1 argued that some form of public/private partnership would be required to carry forward investment at Kilkeel. That opens up the possibility of private funding contributing to the funding requirement. However, at this point in time it is not possible to project a split between public and private contributions to the funding requirement.

Even with a private sector contribution – if it can be achieved, – the public sector contribution is likely to need to come from a number of Departments (DARD, INI/DETI and the DoE and possibly the Council) reflecting the range of Departmental responsibilities. A partnership structure for the delivery of the options would, therefore, need to involve a partnership between Departments as well as a partnership between the public sector as a whole and private sector interests.

5.2 MANAGEMENT OF DELIVERY

Kilkeel Harbour is owned and operated by NIFHA. NIFHA's remit is on the development of fishery ports. It does not have wider functions. NIFHA does not have the vires to draw a commercial loan for the development of any of the three harbours under its control. This limits the extent to which the potential commercial viability of the harbour can be achieved.

However, while NIFHA is suited to its current tasks, a wider coalition of public and private interests would be needed to carry forward the more complex options, such as options 4 and 5. This would, in effect, constitute a public/private partnership. There are many examples of such public private partnership across the UK and Ireland and internationally. The Feasibility Study and Business Plan quotes a number of case studies of such arrangements including the Great Yarmouth Outer Harbour, which included local authority, development agency and EU partners and private sector investors.

Broadly, such public/private partnerships can be created by either

- The creation of a special purpose organisation to carry forward the partnership, or
- The establishment of a procurement agreement to carry forward the partnership.

A special purpose organisation could be established through primary legislation in the Northern Ireland Assembly with its form broadly being that of an urban regeneration corporation (such as Ilex and the Laganside Corporation) or might be formed under the Companies Act to take the form of an urban development company, of which there are many examples in England. The main difference between an urban regeneration corporation (URC) and an urban development company (UDC) is the extent of statutory oversight by Government Departments. However, under either structure the contributions of the public and private sector partners would be defined by an agreement, which would also specify how each would receive a return on their contributions, the scale of such a return and provide for what happens to the assets of the organisation when its role comes to an end.

Much the same arrangements could be made through a **procurement agreement**. The main difference is that Government – as the purchaser of a service – would take the lead in the development of the agreement and would then open up the opportunity to provide the service to potential providers across Europe and internationally.

Either a special purpose organisation or a procurement agreement would contain provisions to ensure that local views are important in determining the priorities for the organisation and ensure that all the partners and local people benefit from the investment undertaken, as well as the investors.

In either case, there may well be a need for primary legislation in the Assembly to change the powers of NIFHA, to transfer certain of its functions to a new organisation and to enable NIFHA to lease, sell or donate the harbour assets to another organisation.

5.3 MONITORING AND EVALUATION

If either a special purpose organisation or a procurement agreement is put in place to deliver the proposed developments at Kilkeel Harbour, the governing agreements will include provision for monitoring and evaluation of the outcomes of the arrangements as well as for the oversight of their corporate governance.

It would be premature to specify a detailed monitoring and evaluation framework at this time but among the indicators which might be monitored and reported on in an overall evaluation framework are the following

- Value of capital investment in Kilkeel Harbour, and its share between public and private sector and between Northern Ireland and external investment
- Turnover of the marine engineering sector in Kilkeel and % of sales outside Northern Ireland
- Number of vessels decommissioned
- Turnover of offshore service providers in Kilkeel
- Volume and value of pelagic fish landings at Kilkeel (and other Northern Ireland harbours)
- Turnover of pelagic fish processors
- Employment in fishing and fish processing in Kilkeel and other Northern Ireland fishery towns)

In a wider evaluation framework it would also be possible to assess the effect of the developments on wider confidence and investment in the town and the surrounding area, for example as reflected in private investment in hotels and other developments.

6. RESULTS OF THE APPRAISAL

This appraisal is concerned with investment in the infrastructure of Kilkeel Harbour to generate wider economic benefits. Public sector intervention is required to realise those wider economic benefits because there is a variety of public and private interests involved in the development of the Harbour and the associated industries and no one of those interests is in a position to capture sufficient of the benefits of the proposed investments to justify undertaking that investment alone. The nature of the public sector intervention is likely to consist of both the commitment of public funds to the development of the harbour and action to create a public private partnership structure to carry the investment forward.

The appraisal has two sets of objectives

- An intermediate objective of identifying whether there is sufficient potential net economic benefit in particular investment options to justify commitment of additional resources to investigating their potential costs and benefits and how their associated uncertainties can be reduced and their risks mitigated, and
- An ultimate objective of contributing to the economic development of County Down and of Northern Ireland as a whole by investments which will increase Gross Value Added (GVA) in the fishing industry, in fish processing, in marine engineering, in offshore services and other sectors, taking into account wider impacts on other fishery ports in Northern Ireland.

The appraisal has considered a number of options for investment to relieve the constraints which currently apply to Kilkeel Harbour and which currently constrain economic opportunities in fishing, fish processing, marine engineering and offshore services.

The 6 short listed options are summarised in Table 13 which list the options, their Optimism Bias Adjusted Capital cost, their Net Present Value or Net Present Cost and their score on the non monetary criteria.

Table 13: Summary of Short Listed Options

Option	Description	Capital Cost after OBA £m	NPV @ 3.5% Discount Rate	Non Monetary Score
1.	Do Nothing	0	0	0
2.	Synchro Lift & Decommissioning	1.617	-0.547	1
3.	Dry Dock & Additional Slips	6.578	4.120	3
4.	External Harbour	29.480	46.439	6
5.	Dry Dock, Slips & External Harbour	33.993	50.171	9
6.	Dry Dock, Slips, External Harbour & Marina	41.812	28.445	10

With the exception of Option 2, all of the 'do something' options have a positive NPV. The largest positive NPV relates to Option 5 which provides both the proposed external harbour and investment in the proposed dry dock and the additional slipways. In the case of Option 6, which adds the leisure marina to the investments involved in Option 5, the NPV is considerably reduced because the revenues associated with the operation of the marina are not sufficient to justify the associated additional capital cost.

While Options 3 – 6 have positive NPVs on the base assumptions, each of them is subject to considerable uncertainties and carries risks. Key uncertainties relate to

- the willingness of the owners of the 3 large pelagic fishing vessels to land sufficient of their catch at Kilkeel to generate the additional GVA in the fish processing sector,
- the level of operational costs which a new port would incur (estimates range from 5% to 15% of capital costs annually)
- the impact of future works at Ardglass, and
- the impact of charging higher prices for marine engineering services if they have to carry higher charges for improved marine engineering facilities.

Sensitivity analysis suggests that Options 4 and 5 are relatively robust in relation to changed assumptions relating to these and other variations in the assumptions used. However, these – and other issues – will require to be resolved before a decision is taken on whether or not to invest in the Harbour.

There is currently no budgetary provision for investment on the scales proposed at Kilkeel Harbour.

In addition, it is not clear which Department or public agency would undertake this investment. Some form of public/private partnership would be required to carry forward investment at Kilkeel. That opens up the possibility of private funding contributing to the funding requirement. However, at this point in time it is not possible to project a split between public and private contributions to the funding requirement.

Even with a private sector contribution – if it can be achieved, – the public sector contribution is likely to need to come from a number of Departments (DARD, INI/DETI and the DoE and possibly the Council) reflecting the range of Departmental responsibilities. A partnership structure for the delivery of the options would, therefore, need to involve a partnership between Departments as well as a partnership between the public sector as a whole and private sector interests.

A public private partnership might be put in place by the creation of a special purpose organisation (comparable to an urban regeneration corporation or an urban development company), which might require primary legislation in the Assembly or through a procurement agreement. Primary legislation may also be needed to change the powers of NIFHA to accommodate the development of Kilkeel Harbour. Whatever form of public private partnership is put in place, the agreement will provide for a robust framework for monitoring and evaluating the progress of the partnership.

Option 5, the development of the external harbour and of the dry dock and additional slipways, offers the most substantial economic benefits and is the option which is most robust to changed assumptions. Option 5 is the preferred option of this appraisal. The estimated capital cost of Option 5 is £33.993 million.

Options 4 (external harbour only) and 6 (the addition of the marina to Option 5) also have substantial positive Net Present Values and should be kept under review as consideration of the investment options continues. In particular, while the analysis suggests that investment in the marina would not be a good use of public funds, the possibility of incorporating provision for a marina in the wider development plans should be kept in consideration in drawing up wider development plans for Kilkeel harbour.

The conclusion of this appraisal is that, subject to the identified risks and uncertainties, the potential economic return to Northern Ireland of investment in Kilkeel Harbour is substantial and sufficient to justify to justify commitment of additional resources to investigating their potential costs and benefits and how their associated uncertainties can be reduced and their risks mitigated.

Agenda Item:	[This is the number the item will be given]
Report to:	Enterprise Regeneration and Tourism Committee
Subject:	Newry Chamber Business Lunch - OFMDFM
Date:	2 nd February 2016
Reporting Officer:	Marie Ward, Director Enterprise, Regeneration and Tourism
Contact Officer:	Jonathan McGilly, Assistant Director, Enterprise, Employment & Regeneration

Decisions Required

To note/agree the contents of the report and approve recommendations at Section 3

1.0	Purpose and Background Newry Chamber are hosting a Business Lunch on 24 th February 12:00 – 2:00pm in the Canal Court Hotel with a guest speaker from OFMDFM. The Chamber is seeking to gain Central Government Support to maximise the full potential of the Greater Newry area. The Chamber aims to showcase the regions assets and talents such as entrepreneurial talent, educated and skilled workforce and a proud vibrant business community.
	Key Issue The Chamber is inviting business community and local decision makers to attend to networking and present the greater Newry area needs for the future to ensure the Regions voice is heard by key decision makers in Central Government. The event will cost £20 per attendee.
3.0	Recommendations NMDDC's ERT Committee members agree to attend this event.
4.0	Resource Implications £20 per attendee
5.0	Appendices N/A

News

**Cross Border Business
Support Expo - 2016**
27 January 2016
[more info](#)



Why Join?



**Member
Directories**

Newry Chamber Business Lunch with VIP from OFMDFM



Date :
22 January 2016

Details :
Newry Chamber of Commerce is inviting all businesses in the Greater Newry area to join with them for an historic business lunch with a keynote guest speaker from the Office of First and Deputy First Minister on Wednesday 24 February in the Canal Court Hotel Newry from 12noon - 2pm.

President Michael McKeown, Newry Chamber said, "we are absolutely delighted to be hosting this influential decision maker from the Northern Ireland Executive in NewryCity. Newry is a significant economic driver for this region; it has a proud and vibrant business community, an educated and skilled workforce and an abundance of entrepreneurial ambition but it requires the support of central Government to fully maximise its true potential. Hosting events like this is an important aspect of the Chamber's lobbying activities to generate profile and showcase the very best this City and its hinterland has to offer'.

President Michael McKeown continued, "this is also an excellent networking opportunity for new and established business people in the City. We would encourage all business people in the area to come along to the Canal Court to support this event and show the strength of the business community in the greater Newry area."

Steven McDonnell, Recruitment Manager, Servisource, stated, 'we are delighted to support Newry Chamber in hosting this important event. As an organisation operating in this cross border region we recognise the importance of events like this in promoting this region as a key place to work and do business'.

A limited number of tickets are still available for this event priced at £20 each for Newry Chamber members and £30 each for non- members. For more details or to book a place at the lunch please contact Newry Chamber on (028) 3025 0303 or email: info@newrychamber.com



Agenda Item:	
Report to:	Enterprise Regeneration and Tourism Committee
Subject:	Review of Northern Ireland's Non-Domestic (Business) Rating System consultation
Date:	Monday 8 February 2016
Reporting Officer:	Marie Ward, Director Enterprise, Regeneration and Tourism
Contact Officer:	Martin Patterson, Enterprise Development Officer

Decisions Required

For consideration

1.0 Purpose and Background

This review of non-domestic (business) rating provides an opportunity to consider the best system for raising local revenue in Northern Ireland and to ensure that it is fit for purpose. This follows the revaluation of non-domestic rates that the Dept of Finance and Personnel (DFP) implemented from 1st April 2015. Locally, business rates account for approximately £592m towards the provision of district and regional services and it is important this revenue is raised in a way that reflects the changing patterns of business activity and conditions within the wider economy. The consultation will provide the basis for a wide ranging review of the system of business rates and will also present an opportunity to examine other possible ways to fund local services.

The Northern Ireland Local Government Association (NILGA) has drafted a response on behalf of the Councils (attached). Enterprise NI is submitting a response on behalf of the Local Enterprise Agencies and the Northern Ireland Chamber of Commerce is also submitting on behalf of its members (including Newry Chamber of Commerce and Trade.

2.0 Key Issue

It is important for Newry, Mourne and Down District Council to support the NILGA response to this consultation as the non-domestic rates process has been an issue for many years. It is a comprehensive response which addresses all of the relevant topics.

Our Council convened a number of rates workshops in September 2015 in partnership with Land and Property Services to cope with the demand from domestic and non-domestic rate payers in the district.

The main issue locally has always been the high cost of rates whether domestic or non-domestic however the Council's economic development unit has always been lobbied by a number of businesses in the District to tackle the problem of vacant and derelict properties. Our Council is working on a number of interventions to assist in identification of properties (audit), rate relief/reduction and property/business matching. This has been written into our Jobs and Growth application to Invest NI which is being

	<p>currently being considered. It is also important to communicate to the business community information on the rating system in terms of how charges are levied and what they are used for.</p> <p>DFP are content to receive additional comments to the response and if you would like to submit them please send them to martin.patterson@newryandmourne.gov.uk and I will collate them and forward them to the appropriate contact.</p>
3.0	<p>Recommendation</p> <p>Newry, Mourne and Down District Council support the Northern Ireland Local Government Association (NILGA) response to the Non – Domestic Rating Review consultation with additional comments highlighted in this report.</p>
4.0	<p>Resource Implications</p> <p>N/A</p>
5.0	<p>Appendices</p> <p>DFP Non – Domestic Rates Review Consultation Document and NILGA/Newry, Mourne and Down DC draft response to consultation.</p>



Draft NILGA response to the DFPNI Consultation on the review of the Non-Domestic Rate

NILGA Executive Committee
15th January 2016

The following paper is written in response to the DFPNI consultation on the Review of the Non-Domestic Rate. This was drafted further to a focussed policy event on 11th December 2015 and in liaison with the Association of Local Government Finance Officers. This draft will be considered by the NILGA Executive Committee, prior to submission to the Department. The official closing date for this consultation is 25th January but NILGA has negotiated an extension from the DFP who require a submission **by 1st February**.

Should comments from councils be received by NILGA prior to the 29th January, these will be factored in to the final response.

For further information or to discuss any of the issues highlighted, please contact Karen Smyth at the NILGA Offices: Email: k.smyth@nilga.org Tel: 028 9079 8972

Derek McCallan
Chief Executive

6th January 2016

Introduction

NILGA, the Northern Ireland Local Government Association, is the representative body for district councils in Northern Ireland. The membership is comprised of the 11 local authorities and the organisation is supported by all the main political parties. We consider rating reviews to be of great importance and have been working closely with the Department of Finance and Personnel for a number of years in relation to its ongoing work on rating policy.

NILGA believes that the need for transparency, simplicity and increased accountability is the key to any policy regarding rates. The public should be able to understand all charges levied upon them and know what they are used for. We particularly welcome the 'innovation lab' approach that was taken to developing this consultation, which was an extremely inclusive method for policy development.

The following comments are made, further to a policy event held by NILGA on 11th December, which was attended by over forty councillors and local government finance officers.

Comments in response to DFP Consultation Questions

1 Are there any additional criteria that should be used to judge the suitability of the system for raising revenue locally?

NILGA supports the principles outlined in the consultation document, i.e. efficiency, certainty, simplicity, flexibility, proportionality, equity/fairness, and is also keen to support the Department in its drive to develop a better rating system. It is our view that a property based tax is well-understood and should be retained in Northern Ireland, and although we are aware that other options were considered at the Innovation Lab, we understand that no viable alternative was proposed by participants.

2 Do you think that more frequent revaluations would lead to a more equitable rating system and improve the current rating system? 2a If yes, how often should revaluations occur? 2b Should the date and/or frequency of revaluations be written into legislation?

One of the major issues with the 2015 non-domestic revaluation was the length of time between revaluations, which meant that some valuation changes were more severe in impact than would have been the case if they could have been introduced over a period via intermediate revaluations. This problem would be mitigated if valuations were carried out more regularly. To provide certainty, this measure should be provided for in legislation.

NILGA would therefore propose a formal regime of revaluations, at intervals of 5 years at most, which should be instituted and underpinned by appropriate legislation.

3 Do you think that all current and/or future rate supports should adhere to clearly defined criteria? 3a What should these criteria be and what do you consider to be the most important?

The whole area of reliefs and exemptions needs to be examined in the context of the fundamental principles of equity and proportionality.

NILGA believes that all forms of business with a property (including non-domestic revenue generating items such as solar panels) should pay a proportionate element of the rate burden. The rating system needs to take into account ability to pay and also be able to respond to circumstances, such as the broader economic environment.

NILGA believes that the widening of the tax base will allow the overall tax burden to be mitigated among existing taxpayers. Steps should be taken to:

- Ensure that the collection rate is increased, along with cost savings in the collection process, more intense inspection of properties and greater use of data sharing with councils and other bodies such as utility companies, the Electoral Office and the Post Office/Royal Mail.
- Bring more bodies into the scope of the rating system (bearing in mind equity and proportionality)

- Carry out a comprehensive review of reliefs – in particular, NILGA would advocate ending full relief for the charitable sector, the 50% relief for vacant non-domestic properties and SBRR, along with a reduction in the relief for de-rated properties. The precise proportion of rates payable going forward by these bodies should be the subject of the review.
- Target future reliefs and exemptions on areas and schemes which will assist in widening the tax base and on those ratepayers whose ability to pay is less.
- It is ESSENTIAL that a set of guiding principles for reliefs is introduced, as noted in para 4.22 of the consultation document. NILGA agrees that :
 - The purpose must be clearly stated
 - Reliefs should potentially be time bound, with well-defined timescales
 - Reliefs should be targeted – for example, at specific sectors, ability to pay or economic growth
 - The need for reliefs should be regularly evaluated, including assessments of whether they are achieving their desired purpose and impact
 - An exit strategy should be prepared

4 Should industrial de-rating be retained in its current form? 4a If you disagree, what would you recommend instead and why?

In the past, and for many years, full rate relief was provided to those eligible for relief, which is essentially available to industrial/manufacturing bodies. However, prior to the recent recessionary years, a decision had been taken to gradually increase the rate burden on eligible businesses by 10% per annum until they paid full rates. This had reached a rate burden of 30% of the theoretical maximum before it was put on hold due to the recession. It remains on hold.

Legislation currently provides that councils are fully compensated by way of grant for rates lost on de-rated properties. Hence the loss to the public purse falls on central government.

It is noted that this relief is no longer available within the rest of the UK, and that the ERINI report in 2007 suggested that relief be provided at no more than 50%.

NILGA member councils are keen to retain de-rating relief in the short term due to the current difficult economic climate and within the context of wider economic policy concerns such as energy prices, the need to rebalance the public and private sector in NI, attracting inward investment, encouraging entrepreneurial activity etc.

Some members suggested that rates payments could be linked to significant profit margins of larger, very successful companies with evidence of ability to pay, although this would have implications for the principles of transparency, simplicity and may prove difficult to assess.

As the economy improves, our members believe that further incremental reduction in this relief should be considered, with eventual discontinuation. The suggestion is made that relief could then be used as an incentive for new business. Such a position would need to be carefully considered in light of the reduced manufacturing carried out in Northern Ireland in recent decades and the impact increasing rates burdens would have on eligible businesses, investment and employment.

NILGA does not believe that this is the right time to change the approach to this relief, but proposes that a review would be required further to any reduction in corporation tax. Any review should be carried out within the developing context of introduction of corporation tax, national living wage and other general employer costs.

5 Do you consider that rate relief for Sport & Recreation should be awarded as at present and maintained at the current level of 80%? 5a If you disagree, what would you recommend instead and why? 5b Should the criteria to disregard social facility apportionment be removed or reduced from the current level of 20%?

Members strongly supported the provision of sport and recreation facilities as a vital contributor to public health and well-being, and retention of the current reliefs, and expressed strong support for the distinction made between amateur and 'not for profit' sports clubs/facilities and private sector (profit making) facilities.

Given the shift towards preventative health policy and the push to encourage physical activity, removal of this relief was seen to be a retrograde step, and potentially costing the public sector more in the long run, through increased need for healthcare.

Members were also very strongly of the view that council-owned and managed facilities provided as a statutory requirement (and where the private sector has failed) should not bear any additional rates burden.

This relief is currently at the same 80% level as England & Wales, although it is noted that councils there have the opportunity to provide further relief locally in some cases.

NILGA believes that this relief should be retained at its current level, whilst acknowledging that consideration could be given to enhancing the powers of councils to grant further relief in accordance with locally set criteria. NILGA is strongly of the view that to consider this kind of extension of council powers, more information and detailed consideration will be required, as covered in our response to Q13.

NILGA notes the comments in the consultation paper that exemption can apply to some substantial social facilities if they are part of a whole complex which has a large NAV. NILGA would favour this approach being dropped so that a fair share of rates is paid from such substantial social facilities.

6 Should Freight & Transport relief be removed? 6a What would be the potential consequences of such a move?

Northern Ireland is situated on the periphery of both the UK and Europe, and hence NILGA supports the retention of this relief as the consequences of its removal could harm trade.

Officer Comment

The Council may wish for this to be considered further in light of the potential changes to Corporation Tax in Northern Ireland.

Business Feedback

Feedback from the manufacturing sector identifies industrial de rating as critical to the continued growth and development of this sector. As such it would be important to retain industrial de rating in its current form.

7 Is residential homes relief still necessary to encourage the provision of care homes by the private sector? 7a Should it be limited to organisations that can demonstrate charitable status?

NILGA notes that there have been many reports, and strong public concern in recent times, about the potential closure of publicly funded care/residential homes. NILGA therefore believes that whilst a fair and equitable rating system should see privately run homes paying some level of rates, it would be inappropriate at the present time to remove this relief in its entirety. It would also not be appropriate to limit the relief only to homes with charitable status.

8 Should empty property relief continue at 50%? 8a Should any of the current exemptions (listed in Annex F4) be removed? 8b Should there be any additional exemptions within the policy?

In NI, generally speaking, vacant non-domestic properties pay 50% rates after an introductory 3 month exemption period. In England, the position is that such properties generally pay full rates after the 3 month exemption period, whilst in Scotland the owner will pay 90% of the liability. All jurisdictions have a number of exemptions and exceptions. NILGA notes that the 2009 review of this relief suggested its retention at the 50% level in order to help property owners mitigate the impact of the recession.

NILGA is aware that there is a substantial loss of revenue to the rating system via the more generous exemption in NI, however, the context of unoccupied retail high street property in Northern Ireland indicates a need for the 50% relief.

Increasing the relief (from 50%) is unlikely to be a greater incentive to get the vacant properties re-let/occupied, but our members are of the view that the 50% relief is an incentive for the landlord to get a building back in use. It is believed that if the relief is reduced, this would be likely to provide an incentive to let property to charity shops.

There is some local government support for reducing the relief to e.g. 33%, or to stage a reduction in relief over time, but a business case and evidence base would be required to set a new level.

At the NILGA meeting on 11th December 2015, some concern was expressed in relation to who the liability falls on for the 50% paid – the landlord or the tenant as the person with rights for occupancy?

An audit of empty properties is strongly recommended to enable proactive identification of properties and the taking of appropriate action.

NILGA believes that the 3 month amnesty should continue.

Business Feedback & Officer Comment

Local business representatives are keen to see a balance between achieving a fair level of rates relief for landlords while they are not receiving rent; and providing an incentive for landlords to secure tenants for the property. Instances of a perceived lack of incentive for landlords to achieve tenant have been reported and is blamed for deterioration in the condition of some properties particularly in retail centres.

While the issue needs to be considered in more depth one potential solution is the proposed dereliction tax which could be enforced where properties have been allowed to deteriorate. This would provide a greater incentive for landlords to find tenants or at least ensure their properties are maintained to an acceptable level.

Local business representatives have suggested the introduction of rate relief for business start-ups.

9 Is there any evidence that the parameters (qualifying criteria or duration) of the empty shops rates concession should be changed? 9a If yes, to what should they be changed to?

The NILGA view is that the rationale for the current level of this relief, which is minor in cost terms, is adequately explained in the consultation paper as being able to target properties which have been vacant for a longer time and providing help for only the difficult first year of trading. Retention of this relief in its current form is therefore supported.

10 What changes (if any) should be made to the current level of 100% non-domestic charitable exemption? 10a Should a reduced exemption or cap apply to those organisations competing with commercial interests? 10b Should all charity shops pay some rates? 10c Should charities have their relief capped so that they do not take over expensive properties, simply to help the owner avoid empty property rates?

This is by far the largest area of relief and is most likely to be highly controversial too. For example, many businesses complain about charity shops, with whom they are in competition, having an advantage by not having to pay rates at all. Relief for such shops is currently around £5m per annum, based upon figures provided to NILGA by DFP. It is also noted that many charity outlets are selling new goods or services in direct competition with small businesses. Our members believe that the cumulative impact of multiple charity outlets on the high street is having a particularly damaging effect on the independent retail sector.

Members were of the view that charity shops were a 'double edged sword' on the high street, filling vacant properties but attracting rates exemptions. The view was strongly expressed that some charity shops should pay some rates, again based on ability to pay – for example some charity shops are part of large national charities, some are small independent outlets for small local charities.

Such shops are, however, only a fraction of the overall charitable sector. Official "charities" as a whole get relief of £13m out of a total of £83m for the whole sector. The biggest portion of the relief for the charitable sector goes to religious organisations (£30m out of £83m).

At the meeting on 11th December, members were of the view that a number of charities were multi-million pound operations, with large senior management salaries. NILGA believes that more exploration is required as to what is accepted as a charity – e.g. large housing associations, universities attract charitable status. 'Trading' status of charities should also be explored. The Charity Commission holds figures for charity income and this information could be used as a reliable source of information, although NILGA accepts that deciding who pays and who doesn't, could be a difficult decision to make.

NILGA believes that charities should pay some rates, based on ability to pay, in a similar manner to the system in place across the water, for example a system similar to that in England, (80% exemption) pro rata based on annual accounts.

NILGA notes the DFP consultation paper's comments regarding council leisure centres and municipal golf courses. As mentioned in the consultation paper, DFP is asked to note well the statutory obligation on councils to provide leisure facilities, which are quite distinct from private facilities.

Council-run leisure facilities operate at a substantial loss despite entry fees being charged, and any move to impose rates on such facilities would inevitably lead to this cost being directly recouped from ratepayers, either in general or by increasing charges. NILGA would hence not support any proposal to levy rates on such facilities. NILGA would also argue that municipal golf courses are a further facility provided to the public at such a substantial discount that they do not, in effect, compete with privately run courses.

Business Feedback

Local business representatives have provided a mixed response on the need for a review for charity shop exemptions. It is perceived by some that, where charity shops are in direct competition with normal retailers selling similar goods, the rates exemption provides an unfair advantage. While for others the perception is that a change to this exemption would result in the closure of these enterprises and inevitably greater levels of vacancy and dereliction. Any review of change to this exemption would require further investigation to determine the impact it would have in terms of shop closures and competition with other high street retailers who do not benefit from the exemption.

Business representatives have also indicated they would welcome rate reliefs that would encourage business start-ups.

11 What, if any, changes should be made to both the hardship relief and Rural ATM exemption?

NILGA would not support any changes to these reliefs.

Business Feedback

Feedback from local business representatives indicate that this relief continues to be vital to ensuring the availability of ATM services in rural areas and that the level of service is extremely limited even with the exemption.

12 Should the rating system be used to pursue economic development objectives or should its primary function be to simply raise revenue? If yes, what sectors should be targeted? 12a What are the disadvantages of such approach and do you feel that using the rating regime in this way would make a material difference to Northern Ireland's economic performance?

NILGA supports the targeted use of the rating system to deliver economic development objectives – both by central government and by local government (as per our response to Q13 below).

Officer Comment

This should not be considered in isolation of other taxation incentives, such as potential reductions in Corporation Tax, and other reliefs or business support grants.

Business Feedback

Some business representatives believe that closer alignment to economic strategy would be a useful tool and would like to see 'contributing to vibrant and vital city/town centres added to the list of economic priorities identified.

13 Would it be advantageous for District Councils to take on powers for granting reliefs?

13a In what areas would this be considered to be beneficial?

At the NILGA meeting on 11th December, members were asked for their views on this issue, and most requested more detail, or expressed concern in relation to the proposal. Some saw potential in an enhanced ability to address town centre/high street issues and evidence of 'doughnut' towns and cities, but noted that detailed discussions with Land and Property Services would be required. More detail would be required as to how such reliefs would operate in practice; and concern was expressed in relation to the additional burden on councils and who would pay for extended reliefs.

A need for checks and balances at council level was identified should such powers be made available, given the potential political issues involved. Concern was also expressed regarding the introduction of such inconsistency of approach across different councils, and it was noted that some councils will be

able to afford to provide greater reliefs than others, potentially exacerbating current gaps between richer and poorer councils.

14 Should District Councils have the ability to strike separate domestic and non-domestic rates?

14a What would be the advantages and disadvantages of such an approach? Should District Councils continue to be compensated in full for the elements contained within the de-rating grant?

At the present time, councils have a strict procedure to follow as regards setting their rates. A council must first set a non-domestic rate, and a fixed factor (the growth or conversion factor) must be used to then derive the domestic rate. This matter has been discussed with the Departments of Environment and Finance & Personnel on various occasions in recent years.

NILGA acknowledges that a power to strike separate domestic and non-domestic rates could help shape the future of the new council areas, particularly towns and cities, and would enable councils to tailor rates to local needs. This would, for example, enable councils to lower their non-domestic rate to act as an incentive for investment. It was noted that such a power would enable a council to set one rate across the district should it wish to do so, which was seen as positive, with consequent support for removal of the conversion factor. A choice of this nature being made available was broadly welcomed, with concern expressed by a few members who believed that central government should retain control of this area of policy.

NILGA would therefore recommend that, in future, growth/conversion factors should not be mandatory, but rather should be a guide only, thus allowing councils greater flexibility to set rates according to locally developed priorities.

There is unanimous support within local government for retention of the de-rating grant and continuation of compensation for the elements included within it. NILGA therefore strongly supports retention, particularly in view of many additional burdens passing to councils at present.

Officer Comment

This should not be considered in isolation of other taxation incentives, such as potential reductions in Corporation Tax, and other reliefs or business support grants. The Council would like to see this explored further.

In relation to the de-rating grant the Council may wish to add, that the principle should continue in that any policy decisions made by Central Government should be funded by them, and likewise for local government.

Business Feedback

This would be welcomed by local business representatives in that it would allow Councils to be more responsive to local needs as well as having greater accountability for service provision in local areas.

15 To what extent do you feel that a rate bill based on a property's NAV is a fair reflection of the occupying business' ability to pay?

15a Should local revenue be raised using an alternative method that would better reflect an 'ability to pay'?

15b What method should be used and what are the advantages and disadvantages of such an approach?

NILGA understands the concerns expressed about this matter, but believes, as expressed in the consultation paper, that it may be impractical to operate a system better reflecting 'ability to pay' on a yearly basis.

NILGA therefore largely supports the retention of the current system, as it represents a reasonable basis which aligns to the simple capital valuation of a domestic property, although we would be happy to consider practical ideas coming forward as a result of this consultation.

The occupation of a business property, as with a house, will, more often than not, correspond with ability to pay.

16 Should we consider taxing ownership instead of occupation for the Non-Domestic sector?

As outlined in the consultation paper, NILGA believes that the current basis of generally taxing occupation works well and should be retained.

17 Should a switch to capital value be considered in more detail for Non-Domestic property?

NILGA supports the retention of the current system of using NAVs rather than moving to a capital value system.

18 Do you agree with the principle of a derelict land tax? 18a What should the scope of the tax be?

18b Should it apply to all unused and derelict sites or should it be restricted to land that is zoned for a particular development.

The NILGA Planning and Regeneration Working Group has recently considered the issue of derelict land, further to the introduction of a 'levy' in the Republic of Ireland through the Irish "Urban Regeneration and Housing Act 2015". Potential lobbying activity for a similar levy in Northern Ireland was considered within the context of NILGA work related to the ongoing transfer of regeneration powers from DSD, but should DFP instead wish to further a similar approach, NILGA would strongly support further research into this issue. This is also related to work that NILGA has recently carried out at the behest of the Regional Development Committee, who carried out an Inquiry into Unadopted Roads.

19 Should public sector organisations that are funded from central government continue to pay rates?

19a What are the potential consequences of moving away from such an approach?

NILGA supports the current practice of taxing public sector properties, since, as outlined in the consultation paper, this practice provides rates income for councils. If it was to be discontinued, councils would have to be fully compensated in a similar manner to the current “de-rating” grant.

Officer Comment

Whilst the Council would wish to apply the principle of everyone should at least pay something, we would like to see this explored further to see if there is a cost benefit to such a proposal in terms of a reduction in rates collection and valuation.

20 Notwithstanding some of the fundamental policy concerns expressed above, is their support for exploring the issue of LVT in more detail?

This type of tax is used in a few jurisdictions, and NICVA recently launched a report advocating this locally. At the Innovation Lab, and also the recent IRRV Conference, it was argued that LVT was not an appropriate solution here.

NILGA believes that although the introduction of a Land Value Tax would have some merits, it is not thought to be appropriate for Northern Ireland at this time. Like IRRV, NILGA would argue that a tax on vacant land would help to widen the tax base, but that it raises the question of how to treat vacant agricultural land. We do not currently support further work being carried out on this issue.

21 Would an online sales tax benefit businesses operating within Northern Ireland? How could this be practically implemented?

NILGA would not support the introduction of an online sales tax, a local income tax or a tourist tax at this time.

Business Feedback

Local business representatives have indicated that this would be welcomed as local shop owners who have to pay rates on retail space are at a disadvantage to online sales providers who do not.

22 Should DFP pursue an assessment of other/additional systems for raising revenue within Northern Ireland? If yes, what tax should be examined in more detail? What would the potential benefits of such an approach?

NILGA would agree with the Department’s assertion that exploring any alternative form of taxation would be “extremely challenging and be unlikely to deliver significant additional benefits” at this time, however, at the NILGA event on 11th December, a suggestion was made to commission a study in

relation to raising revenue within the context of the new council 'General Power of Competence'. The Department may wish to consider this suggestion as it carries this work forward.

Collection and Administration

NILGA recognises that there is merit in retaining the centralised rate collection body as currently exists. However, NILGA notes that considerable investment is needed in order to bring systems up to date and ensure much better integration as we progress. NILGA would urge that funds for such technological investment should be prioritised.

NILGA would also advocate that Land & Property Services (LPS) needs to be more accountable to local councils for its collection performance along with the costs levied on councils for write-offs, collection and other matters.

It is in everyone's interest to ensure that collection rates are maximised and costs of collection minimised, thereby increasing net revenue raised to the benefit of all.

Members are therefore extremely keen to see development of a better partnership approach between councils and LPS, to develop better 'policing' of rates evasion, utilising the skills of building control and other council staff.

Business Feedback

Local business representatives have asserted that additional or alternative taxes should not be pursued but rather more resources should be devoted to pursuing tax / rates evaders.

Agenda Item:	[This is the number the item will be given]
Report to:	Enterprise Regeneration and Tourism Committee
Subject:	Procurement Seminars
Date:	Monday 11 January 2016
Reporting Officer:	Marie Ward, Director Enterprise, Regeneration and Tourism
Contact Officer:	Michael Forster

Decisions Required

For noting only – Update on Procurement Seminars

1.0	<p>Purpose and Background Newry, Mourne and Down District Council in conjunction with InterTradelreland have recently hosted a series of Procurement Seminars from 19 January to 28 January in Crossmaglen, Ballynahinch, Warrenpoint and Downpatrick.</p> <p>Attendance at the events was as follows: Crossmaglen (9 businesses) Ballynahinch (23 businesses) Warrenpoint (33 businesses) Downpatrick (42 businesses)</p> <p>Events were promoted via press advertisements, social media and the business network e-zine platform. Many businesses attended and found it extremely useful to engage with InterTradelreland and the Council's procurement section, who were able to explain the full procurement process and how to register for E-Hub.</p> <p>Through these seminars Economic Development have increased knowledge of business requirements in the areas above and many businesses have registered with E-Hub.</p>
2.0	<p>Key Issue - For noting only Following on from the 4 successful information seminars (above) InterTradelreland and Council are promoting further advanced procurement workshops to local businesses. This is part of the Council's and InterTradelreland's current initiative to actively encourage small businesses in the region to engage in public procurement throughout the island of Ireland.</p> <ul style="list-style-type: none"> • Go 2 Tender Lite – 18th Feb 2016 Newry (18 businesses already subscribed) www.nmdc.eventbrite.com • Go 2 Tender Full Workshop – 16th and 23rd March http://www.intertradeireland.com/newsevents/events/name-32763-en.php
3.0	<p>Recommendations For noting only This Go To Tender Lite workshop is being promoted to all attendees of previous seminars and those businesses within the Network. After the first week of procurement seminars, registrations for the Go To Tender Lite workshop reached maximum capacity. To date 18 businesses have expressed an interest. Places were limited to 12 although InterTradelreland will now run further</p>

	workshops on the same day.
4.0	<p>Resource Implications</p> <p>Resources for the next series of workshops is only Officer time as registrations and promotions are managed via Economic Development. InterTradeIreland are managing venue booking (Canal Court) and providing the procurement consultants.</p> <p>Both Events will be promoted via Network database.</p>
5.0	Appendices

Agenda Item:	Tourism Task & Finish Project Board
Report to:	Enterprise Regeneration and Tourism Committee
Subject:	Report of Tourism Strategy Task and Finish Project Board held on 13 January 2016
Date:	29 January 2016
Reporting Officer:	Marie Ward
Contact Officer:	Michelle Boyle

Decisions Required	
To note the contents of the report and recommendations	
1.0	Purpose and Background To provide an update to the Enterprise Regeneration and Tourism Committee on the Tourism Strategy Task and Finish Project Board.
2.0	Key Issue It is recognised that marketing and partnership with strategic bodies and the business community is essential to enable delivery of the Newry, Mourne and Down area as a tourism destination of choice.
3.0	Recommendations: <ol style="list-style-type: none"> 1. A paper to be brought through ERT regarding the SLA with a term of 3 years reviewed annually to be proposed 2. Year of Food and Drink theme noted
4.0	Resource Implications The contribution to the St Patrick's Centre – considered as part of the Rates Estimates
5.0	Appendices Report of Tourism Strategy Task and Finish Project Board

Enc

Report of Tourism Strategy Task and Finish Project Board held on Wednesday 13th January 2016 in the Down County Museum, Downpatrick.

Councillor T Hearty	Mrs M Ward
Councillor R Burgees	Mrs M Boyle
Councillor G Hanna	Mrs W Warburton
Councillor B Quinn	Miss C Lambert
Mr M King	

In Attendance: Mr Carson St Patricks's Centre
 Mr Campbell St Patricks's Centre

Apologies: Councillor W Clarke
 Councillor B Curran
 Mr M Mohan

Mrs Ward updated members regarding official appointment of the Consultants to undertake the Tourism Strategy and the consultants would be meeting the Tourism Task and Finish group at the next meeting

Mrs Ward advised the todays meeting was focused primarily on the St Patrick product, Council have a Service Level Agreement with St Patricks Centre and representatives from the would join the meeting later

Wilma Warburton carried out a presentation providing a summary of the Councils strategy on the St Patrick product (copy available on request).

Mr Campbell and Mr Carson joined the meeting.

Mr Campbell and Mr Carson summarised by providing background to the Centre, advising the annual cost is £300,000 - £325,000, offers a range of other products such as a café, shop selling local crafts, conference facilities, art gallery education facilities and attracts 795 coaches per year.

Discussion took place on opportunity for visiting coaches to visit the Museum and Downpatrick town centre, linkages with the local Chamber of Commerce, availability of local crafts and increased accommodation. Mr Campbell advised they actively encourage visitors to visit Down County Museum however visiting tours are very often on a tight timescale.

The St Patricks Centre representative left the meeting

Mrs Ward advised a revised Service Level Agreement proposal would be tabled at ERT with consideration of a 3 year term revised reviewed annually.

It was recommended a future meeting of the Tourism Task and Finish Committee take place in the St Patricks Centre and a tour of the key tourism destinations across the District is arranged for the ERT Committee.

Councillor Burgees asked if there had ever been a visit to the St Patricks Centre organised. Mrs Ward suggested Officials organise a tour for the ERT Committee of some of the main tourism locations in the district including the St Patricks Centre.

Mrs Boyle circulated information on the Councils theme 'Taste Junction' for Year of Food & Drink. This was noted

There being no further business the meeting concluded.

Signed: Mrs Michelle Boyle
 Tourism Development Officer

Agenda Item:	Report of meeting of Slieve Gullion DEA Councillors, Forestry Dept., Clanrye Group re Forward Planning for Slieve Gullion held on 25 January 2016 in the Hawthorne Suite, Slieve Gullion.
Report to:	Economic Regeneration and Tourism Committee
Subject:	Forward Planning Slieve Gullion
Date:	1 February 2016
Reporting Officer:	Marie Ward
Contact Officer:	Michelle Boyle

Decisions Required

- 1. Update on legal advice regarding closing of gates noted**
- 2. Officials to contact Malcolm Beattie, Forest Service regarding draft licence for Slieve Gullion**

1.0	Purpose and Background Slieve Gullion briefing meeting initiate planning for 2016 season at Slieve Gullion
2.0	Key Issues Consideration of operational arrangements for 2016 to enhance visitor experience
3.0	Recommendations As per decisions required
4.0	Resource Implications Ongoing revenue cost associated with Slieve Gullion
5.0	Appendices Report of meeting of Slieve Gullion DEA Councillors, Forestry Dept., Clanrye Group re Forward Planning for Slieve Gullion held on 25 January 2016 in the Hawthorne Suite, Slieve Gullion.

Report of forward planning meeting with Slieve Gullion area Councillors, Forest Service and Clanrye Development held on Monday 25th January 2016 in the Hawthorn Suite, Slieve Gullion Courtyard

In the chair: Councillor K Loughran

Present:	Councillor G Donnelly	Mrs M Ward
	Councillor M Larkin	Mrs M Boyle
	Councillor R Mulgrew	Mrs J McCann
	Miss C Lambert	Mr D Rice
	Mr D Jones	(Forest Service)
	Mr L Devine	(Clanrye)

Apologies: Mr M Parker

Report of last meeting dated 23rd November 2015

Mrs Boyle brought the committees attention to recommendation number 1 of the report and confirmed the matter was progressing, Council contribution confirmed and Clanrye advised upgrade will be complete for Easter.

Mrs McCann referred to recommendation number 2 of the report and advised the issue on shutting the entrance and exit gates was with the Councils legal team. It was agreed given recent burglary issues Council officials to press for a response on legal advises.

Update on expressions of interest

Mobile Vendor

Mrs Boyle advised Council have appointed 2 mobile vendors for the park, 1 hot food van and 1 ice cream van. Mrs Boyle advised that some works needed to be carried out in the car park to create a better standing room around the area allocated.

Overflow Car Park

The submission received did not meet the requirements of the brief. The matter was to be report through to ERT with recommendation to decline on this basis and to seek alternative provision as soon as possible, given the tight timescale

Operational Matters

Mrs Ward advised Council were in the process of advertising a tender for tours of Slieve Gullion. Mrs Ward went on to add that these tours were to offer Slieve Gullion as a whole package.

Mrs Boyle confirmed she had met with Forestry and agreed fencing for the forest drive, quotes currently being sought. The fencing would be similar to that of Castlewellan Forest Park

In terms of charging, update on legal advises pending. It was agreed it was important concessionary rates are offered to groups and a PR campaign implemented before charging commences

Forest Service Licences

On the basis of the global licence Council were entering into with Forest Service for Forest Estates within the District, Slieve Gullion licence is being drafted as a priority by the Departments solicitor

Mrs Boyle advised Council are entering licences with Forest Service. Mr confirmed it was a matter of urgency this was progressing as it was impacting the implementation of projects. Mrs Ward agreed to follow up chief executive of Forest Service.

Mr Rice asked how the license will affect the walled garden. Mr Devine confirmed the walled garden was under a 15 year lease with Clanyre.

Any other business

Councillor Mulgrew informed the committees that Councillor Geraldine Donnelly would be retiring at the end of the week. On behalf of the committee Councillor Mulgrew wished Councillor Donnelly all the very best in her retirement.

Mrs McCann advised initial visitor grading completed and Slieve Gullion had dropped to a 3 star. Main issues raised by Tourism NI was toilets, adequate staffing, signage and merchandising. A follow up visit is planned for April when an opportunity to address issues will have been undertaken

There being no further business the meeting concluded.

Signed: Mrs Michelle Boyle
Tourism Development Officer

Agenda Item:	Tourism Strategy update
Report to:	Enterprise Regeneration and Tourism Committee
Subject:	Update regarding Tourism Strategy
Date:	February 2016
Reporting Officer:	Marie Ward
Contact Officer:	Michelle Boyle

Decisions Required	
To note and approve the project plan for the development of the Tourism Strategy development	
1.0	<p>Purpose and Background</p> <p>The Council have appointed TEAM Consulting to facilitate the Development of the Tourism Strategy for the District</p> <p>Council officials have had a Project Initiation Meeting and a summarised programme of work and scope of the project is attached</p>
2.0	<p>Key Issue</p> <p>The Strategy development will be built on the existing regional strategic plans and studies, particularly <i>the Economic Regeneration and Investment Strategy 2015-2020</i>. Council have underlined their strong desire to build upon the body of research and knowledge that already exists and to work closely with Tourism NI as a strategic partner;</p> <p>The completion of a new Tourism Strategy is very timely and will align with the new Tourism Strategy for NI</p> <p>A programme of consultation is planned which will include Council, key agencies, neighbouring Councils in NI and ROI and product and marketing workshops with the tourism sector</p>
3.0	<p>Recommendations:</p> <p>To note and approve the project plan for the development of the Tourism Strategy development</p>
4.0	<p>Resource Implications</p> <p>Provision included in the revenue budget and funding from Tourism NI</p>
5.0	<p>Appendices</p> <p>Summary Project Initiation Document for Tourism Strategy</p>



Project Inception Document: Tourism Strategy for Newry, Mourne & Down Council

January 2015

1. Introduction

The purpose of this Project Initiation Document is to confirm and, where appropriate, elaborate on the schedule, work programme and scope of the project. This document is based on our proposal dated 4th November 2015 and also takes into account the points raised during the Project Initiation Meeting held on Friday 8th January 2016.

1.1 The project team

- The Project Director is Jennifer Houiellbecq who shall have overall responsibility for the delivery and management of the contract, and will play a key role throughout the project.
- Dr Roger Carter, TEAM's Managing Director, will oversee delivery and management of the contract with Jennifer and be involved throughout the project.
- The Project Manager is Sharon Scott who will be responsible for liaising with the client on a regular basis and providing monthly progress reports.
- Tom Buncle will conduct the marketing workshop and prepare the marketing section of the Action Plan.
- Gaëlle Connolly will assist with the electronic survey.

This document outlines the steps that we will take in developing the five-year Tourism Strategy, together with the new proposed timeline.

1.2 Our understanding of your needs

In completing this project we understand the need to:

- View tourism as a key economic driver to Newry, Mourne and Down District;
- Build on the existing regional strategic plans and studies, particularly *the Economic Regeneration and Investment Strategy 2015-2020*. Council have underlined their strong desire to build upon the body of research and knowledge that already exists and to work closely with Tourism NI as a strategic partner;
- Take in to account the Council's new roles and responsibilities under the Review of Public Administration (RPA);
- Recognise the goals of becoming one of the premier tourism destinations on the island of Ireland and the destination of choice in NI – including becoming NI's premier outdoor/adventure destination, and becoming one of NI's finest events destinations;
- Align with the forthcoming NI Tourism Strategy and the Visitor Information Plan Review;
- Realise the potential of existing tourism assets such as the three AONB areas, and key strategic priority areas relating to outdoor/ adventure and events;
- Leverage market trends (such as the growth in experiential tourism), policy and policy initiatives, and funding opportunities (national and all Ireland) to appeal to a wider target market and significantly increase visitor spend from its low base. This includes maximising the partnerships with partners in the Republic of Ireland (ROI); and,
- Ensure buy-in from the drivers and icons of tourism through an engaging consultation process and the development of innovative solutions.

2. Our Programme of Work

2.1 Summary of the process

Stage 1: Research and analysis of current situation

TASK 1 PROJECT INCEPTION

- Project Initiation Meeting and initial meetings with TNI
- Initial meetings with TNI

Output: Project Initiation Document

TASKS 2 & 3 DESK RESEARCH

- Strategic context appraisal – review of relevant factors & trends, policies and strategies; analysis of industry performance and market analysis
- Development of background paper

Output: Background Paper – summary report on desk research

Stage 2: Stakeholder engagement

TASKS 4 – 10 STAKEHOLDER & COMMUNITY ENGAGEMENT

- Project website
- Visioning workshop and branding meeting
- Electronic survey
- Site visits, and interviews with key partners

Output: the workshops and internal notes on the discussions

Stage 3: Strategy development

TASKS 11 – 13 DRAFT STRATEGY FRAMEWORK

- Preparation of Draft Strategy Framework and review with TTFG
- Benchmarking and best practices review
- Completion of the draft Tourism Strategy

Output: Draft Strategy Framework

Stage 4: Action planning

TASKS 14 – 18 LEARNING JOURNEYS & ACTION PLANNING + FINAL DELIVERABLES

- The Learning Journeys
- Action planning – small group discussions and interviews
- Marketing workshop
- Development of action plan, including the marketing plan
- Development and presentation of the consolidated Tourism Strategy and Action Plan

Output: Tourism Strategy with Action Plan; Implementation Plan and conference

2.2 Amended project timeline

week commencing	4/1	11/1	18/1	25/1	1/2	8/2	15/2	22/2	29/2	7/3	14/3	21/3	28/3	4/4	11/4	18/4	25/4	2/5	9/5	16/5	23/5	30/5	6/6	13/6	20/6	27/6	4/7
STAGE 1: RESEARCH & ANALYSIS OF CURRENT SITUATION																											
Task 1 Project Inception Meeting + PID																											
Meeting with TNI (Stephen Bill)		14																									
Meeting with TNI (Laura McCorry)				29																							
Task 2. Situational Analysis, market analysis & competitor analysis																											
Task 3. Background Report																											
STAGE 2: STAKEHOLDER ENGAGEMENT																											
Task 4. Establish a project website																											
Task 5. DETI meeting on NI Strategy to be held in adjacent regions					2	11																					
TNI/DETI meeting on NI Strategy to be held in region																											
Task 6. First meeting with TTFG and All Councillors																											
Task 7. Visioning Workshop - with Strategic Tourism Advisory Forum																											
Branding meeting with TNI + NMD																											
Task 8. Electronic survey																											
Task 9. Interviews with key representatives from national agencies																											
Task 10. Select site / town / village assessments																											
NI Draft vision document DUE																											
NI Draft Strategy & Action Plan DUE																											
STAGE 3: STRATEGY DEVELOPMENT																											
Task 11. Development of draft Tourism Strategy Framework																											
Meeting with TTFG																											
Task 12. Benchmarking and Best Practice																											
Task 13. Complete the development of the draft Tourism Strategy																											
STAGE 4: ACTION PLANNING																											
Task 14. The Learning Journeys																											
Task 15. Product development workshops & action planning interviews																											
Task 16. Marketing workshop & development of marketing plan																											
Task 17. Preparation of Action Plan																											
Meeting with TTFG and all Councillors																											
Task 18. Finalisation of deliverables / final conference & presentation																											

Agenda Item:	Rhythm Junction – Music collaborative
Report to:	Enterprise, Regeneration & Tourism Committee
Subject:	Rhythm Junction – Music collaborative
Date:	8 February 2016
Reporting Officer:	Marie Ward, Director Enterprise, Regeneration and Tourism
Contact Officer:	Mark Mohan, Senior Tourism Initiatives Manager

Decisions Required

To approve in principle the proposed collaboration between council and the music/festival organisations that are Blues in the Bay, Fiddlers Green, Soma, Lur Cinn Fleadh

1.0

Purpose & Background

The tourism function of Newry Mourne & Down DC are currently working with 4 music/festival organisations across the district to help promote an extended period of Music and Cultural activities throughout the summer/autumn period, and to help develop the respective festivals as economic generators for the district. The music festivals involved in this partnership have been selected on the bases that they attract visitors from beyond the district including out of state visitors to the area. They also have a real potential to become major contributors to the tourism economy within the district. The festivals in the partnership are:

- Blues in the Bay, Warrenpoint
- Fiddlers Green, Rostrevor
- Soma, Castlewellan
- Lur Cinn Fleadh, Newry

The concept is 2 fold. In the first instance we will be working with the aforementioned festivals to develop specific aspects of each festival that will help them attract new audiences, and secondly, we will help market the respective festivals as part of a collective marketing campaign across the summer/autumn period.

2.0

Issues

The aforementioned festivals have established a solid foundation as individual events on which to develop and in some instances have been running for a long time. Eg Fiddlers Green is celebrating its 30th year in 2016.

However, in the past they have only drawn limited support from council

	and have only worked as standalone festivals. This initiative helps develop a partnership approach between them, allows them to develop and attract new audiences as individual festivals and allows them to be promoted as part of a wider music event concept that in itself promotes the district as a destination to experience quality music and cultural events.
3.0	<p>Recommendation</p> <p>It is also recommended that the committee approve in principle the proposed collaboration between council and the music/festival organisations that are Blues in the Bay, Fiddlers Green, Soma, Lur Cinn Fleadh</p>
4.0	<p>Resource Implications</p> <p>The resources required to implement this initiative are allocated in the budget estimates for 2016/17.</p>
5.0	<p>Appendices</p> <p>None</p>

Agenda Item:	[This is the number the item will be given]
Report to:	Enterprise Regeneration and Tourism Committee
Subject:	Beach Operator and EU Bathing Waters Designation
Date:	[Day & date of ERT meeting]
Reporting Officer:	Marie Ward, Director Enterprise, Regeneration and Tourism
Contact Officer:	Caroline Nolan

Decisions Required

To note/agree etc the contents of the report and approve recommendations at Section 3

1.0	<p>Purpose and Background</p> <p>Communities in Lecale working with councillors and MLAs believe that the council should seek to improve water quality and promote water based recreation at beaches in Lecale through applying for EU Bathing Water Designation.</p> <p>The council , through SLLP, commissioned a report to advise them on this and it includes the recommendations below.</p> <p>See attached Report and attached notes of a Beach Management Meeting .</p>
2.0	<p>Key Issue</p> <p>If the beaches are to be included in this round of applications the decision to proceed must be made now or await a further 6 years by which time all of the work done by the communities over the past year will have to be repeated.</p>
3.0	<p>Recommendations</p> <ol style="list-style-type: none"> 1. The Council should formally confirm its role as the Beach Operator for beaches at Kilclief, Ballyhornan and Killough so that the applications for EU Bathing Water status at these beaches may be progressed. 2. The Council is already recognised as the Beach Operator at Kilclief and Killough where it owns not only the car park and controls access, but also owns the beaches. The beach at Ballyhornan is owned by the DOE but the council effectively manages recreation at the site through provision of the car park, bins, access slip and picnic area. The DOE already maintains that Council is the beach operator for this reason. 2. Subject to the outcome of a Health and Safety Beach Assessment by the RNLI and the Council's Risk Assessment, that the Council should submit the applications for EU Bathing Water status at these three beaches.
4.0	<p>Resource Implications</p> <p>Specific costs to be advised by the Council's Management Team but they will relate to.</p> <p>:</p>

	<ol style="list-style-type: none"> 1. Installation and maintenance of panels advising of H&S issues and water quality information 2. Weekly updating of the water quality information from DOE during the summer bathing season. In Ards and North Down this is integrated with the work to empty bins at the sites. 3. Installation of about six more bins across the three sites and their inclusion in the current regime of collecting refuse at these sites. 4. Possibly a one off fee to the RNLI for the beach health and safety audit. (The RNLI have since confirmed that this service is provided free of charge)
5.0	Appendices Report from Perspectivity Notes from a meeting to take forward the Council's Beach Forum



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BEACH MANAGEMENT

MEETING 1

8th January 2016

Notes

Present: Cllr Robert Burgess; Cllr Willie Clarke; Michael Donnelly, Perspectivity; Cllr Cadogan Enright; Chris Hazzard MLA; Vincent MacDonald; Arlene Matthews SLLP; Caroline Nolan SLLP;

Apologies: Simon Boyle, Liam Dinsmore, Michael Lipsett, Kelly Rusk, Marie Ward

EU Bathing Water Status

The Group agreed that, with the support of the Senior Management Team and the ERT Committee, a motion should be brought before Council to propose that:

1. The Council should formally confirm its role as the Beach Operator for beaches at Kilclief, Ballyhornan and Killough so that the applications for EU Bathing Water status at these beaches may be progressed.

The Council is already recognised as the Beach Operator at Kilclief and Killough where it owns not only the car park and controls access, but also owns the beaches. The beach at Ballyhornan is owned by the DOE but the council effectively manages recreation at the site through provision of the car park, bins, access slip and picnic area. The DOE already maintains that Council is the beach operator for this reason.

2. Subject to the outcome of a Health and Safety Beach Assessment by the RNLI and the Council's Risk Assessment, that the Council should submit the applications for EU Bathing Water status at these three beaches.

A key benefit of having EU Bathing Water status is that it puts a requirement on central government to regularly test water quality and if required to take measures such as upgrading sewage treatment systems or addressing septic tanks or problems with agricultural run-off.

The other benefits are primarily socio-economic as part of a wider programme to promote the area for tourism and as a hub for sustainable outdoor recreation.

The additional resource implications for the council are:

1. Installation and maintenance of panels advising of H&S issues and water quality information
2. Weekly updating of the water quality information from DOE during the summer bathing season. In Ards and North Down this is integrated with the work to empty bins at the sites.



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3. Installation of about six more bins across the three sites and their inclusion in the current regime of collecting refuse at these sites.
4. Possibly a one off fee to the RNLI for the beach health and safety audit. *(The RNLI have since confirmed that this service is provided free of charge)*

In addition the beach operator is expected to lead the clean up in the event of a pollution incident (subject to major pollution incident emergency plans).

There is a real urgency in getting council approval to proceed as applications must be accepted by the DOE this Spring to make the current round of beaches for consideration or wait a further six years for consideration in the next round. Apart from any-thing else this would undermine all of the hard work done and ground swell of support within local communities to a carry this work forward.

Michael Donnelly has prepared all of the required paperwork which is only missing a confirmation from the council as follows;

1. A declaration of the beach operator
2. That the council declares that the beaches are safe to bathe in (subject to the audit and the signs being removed). This needs to be in some official form - such as a letter.
3. A description of the Council's current litter collection regime at the three sites.

Action: Cllr Enright and Cllr Clarke said they would find out information on the litter collection Regime and pass it to Perspective.

Action: Cllr Enright to ask local communities to forward photos etc to Perspective.

It would also be helpful though not essential to have images or other proof of the historical use of the sites as bathing areas.

Action: Cllr Enright to ask local residents' groups to forward these to Perspective

Action: Michael to finalise all paperwork on receipt of the above.

A pre-requisite for the Council is the carrying out of a Beach Safety audit by the RNLI which will form the basis of the Council's risk assessment. It is expected that this will allow for the replacement of current signs which give the impression that bathing is prohibited or ill advised. The sign may be required to state that there is no lifeguard on duty and point out any hazards.

Action: SLLP to progress the RNLI audit and liaise with Kelly Rusk and Simon Boyle wrt the Risk Assessment, so that it too can be used to inform the Councils' consideration of the motion.

Following submission the beaches would be assessed under the following criteria for EU Bathing water status:

1. Beach usage. When the DOE carries out its spot checks over the summer months, they must find at least 45 people in the water on one occasion or at least 100 people on the beach on two occasions.



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2. Bathing must not be prohibited.
3. Signage must be in place and maintained.
4. The beach operator must be identified.

Action: Chris Hazzard stated that he would use an AQA to seek assurance that DOE officers would carry out their spot checks at weekends and on fine days when the beaches would be used.

If the Council agrees the motion and applications are submitted then there will be a need to promote the beaches throughout the summer working closely with local communities.

Action: Caroline Nolan to provide these notes to SMT to seek their support, and for them to take forward as appropriate through the Council.

Beach Management / Beach Forum Remit

It was agreed that the form of the Beach Forum should follow its function and the needs identified and that care should be taken to minimise administration and maximise effect.

It was noted that SLLP already provides a mechanism for integrated coastal and marine management both within and without the council involving different council departments, many different agencies and NGOs and local communities and groups. It was also noted that under the new council the SLLP office operates flexibly along the whole of the Down coast as required by the Council and in liaison with the Mourne Heritage Trust.

The following activities could potentially be covered by the Beach Forum but it should prioritise and focus its activity, taking note of the Council's corporate priorities and other factors.

1. Apply for EU Bathing Water Designation for beaches already identified
2. Conduct an audit of beaches along the whole of the council's coastline to determine if other beaches should be considered for this and Green Flag designation in the future.
3. Progress Green flag Beach accreditation at appropriate beaches
4. Promote the tremendous recreation and wildlife resource that our beaches offer and getting them better used (this will be essential if Bathing Water status is to be achieved)
5. Promote understanding of the statutory obligations and implications of SAC / SPA environmental designations along the County Down Coast for the council
6. Manage the coast for wildlife and recreation linking in with related tourism initiatives
7. Engage local people in beach management, clean-ups, wildlife conservation, beach promotion and running activities. Engage with fishing community on the ongoing problem of dumping at sea.
8. Target development of the Down Coastal Walk as agreed through the Council



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9. Co-ordinate a Programme of events and activities to include beach cleans, shore walks, wildlife days, the annual Big Swim, coastal rowing etc
10. Promote Coast Watch and other regional, UK and EU data collection and monitoring initiatives
11. Set targets and secure funds for all of the above

It was noted that the Causeway Coast and Glens Heritage Trust had produced a Beach Management Strategy (attached) and that the aims listed within it could make a good basis for the work of the Forum. They are as follows:

Aim 1: Maintain / enhance the physical integrity and natural processes of the beaches

Aim 2: Maintain / enhance the conservation interest of the beaches

Aim 3: Maintain / enhance the amenity value of the beaches

Aim 4: Maintain / enhance the cleanliness and water quality of beaches

Aim 5: Promote beaches to the general public

Aim 6: Establish a management structure for the beaches

Aim 7: Ensure that sufficient resources are made available for beach management

Aim 8: Establish a cross-authority Beach Management Coordination Group

Action: It was agreed to provide these notes in the first instance to the Senior Management Team to seek their support, address any further queries and to take forward to ERT and the full Council.

The Group noted that the SLLP is convening a Coastal and Marine Litter Co-ordination Meeting on 11 February as part of its work to deliver the AONB Heritage Action Plan.

The Objectives are 1.To audit the recent and planned effort along the County Down Coast 2. Identify scope for improvements 3.. Provide a Co-ordinated Action Plan for 2016 /17 which can then be jointly promoted and maximised.

Next meeting: It was agreed to reconvene in March / April



EU Bathing Water Designation for Lecale Beaches

A report summarising work undertaken for Strangford Lough and Lecale Partnership

September 2015

Prepared by

Michael Donnelly, Perspective

Perspective
For the love of complexity



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1. Executive Summary

This report marks the conclusion of the work undertaken by Michael Donnelly of Perspectivity in assisting the process of preparing an application for EU bathing Water status for three Lecale Beaches. The brief was for one application to be prepared and for that one to be used as a template with the work to be carried out during summer bathing season, 2015. This was changed to three beaches once it was established that next year (2016) was the last chance for designation for another six years. The three beaches included are:

- Killough
- Ballyhornan
- Kilclief

Workshops, meetings, interviews, desk research, and email conversations were used to discover history, and to build the case for designation. Several documents accompany the work:

- A Perspectivity report that sets out information about criteria for designation
- Maps of Council leasehold at each beach
- A draft submission for each beach
- A draft management plan for each beach

Other files include information for Beach Operators, Beach Strategy from Causeway Coast and Glens Heritage Trust, various reports that look at water quality issues in local waters, copies of lease agreements, maps of previous ownerships and environmental designations.

Key Conclusions

- The Council can meet all four criteria for EU Bathing Water designation at each beach
- **NMD is obliged to declare willingness to undertake the role of Beach Operator on the candidate beaches.** This is of particular relevance to Ballyhornan, which is owned by NIEA. The obligations of a Beach Operator are not onerous and a guidance document is included with this report.
- Liability – while the EU Bathing Water designation will oblige Council to carry out a Water Safety Audit and provide increased signage, there is no obligation to have lifeguards on duty unless the beach is applying for Blue Flag status.
- The signage at the moment at Killough and Kilclief states that water is not suitable for bathing. These will have to be changed in the event of designation.
- There is no major resource implication for NMD in managing the beaches with EU Status (the management regime would be largely as is currently)



- The key responsibility with designation would be to erect and maintain a signage regime much like Murlough and Tyrella to inform the public of water quality at that beach
- NIEA bears responsibility for water quality monitoring under this regime
- If EU Bathing status was conferred there may be some small capital investment needed in terms of signage
- There is a possibility of entering into a partnership with local communities to assist with beach management (formalising currently informal relations on litter picking etc.) especially where they are able to apply for multi-year funding to support development work
- The 2015 application for designation will begin to be monitored in the 2016 bathing season for designation after the 2017 bathing season
- This is the last chance to gain designation until 2023
- The Green Coast Award is a worthy process to consider as a parallel or supplementary process in its own right and local communities are willing to spearhead a process to gain funding to lead it. There are potential benefits in terms of attracting capital investment and efforts for catchment management

2. Overview of Project

Introduction

The project is a partnership between local Lecale communities, Strangford Lough and Lecale Partnership, and Newry, Mourne and Down Council to apply for EU Bathing Water status for Lecale beaches. The project is the result of a campaign commenced by Councillor Cadogan Enright and six local community groups (Ardglass, Strangford, Killough, Kilclief, Ballyhornan and Coney Island) to look at the possibility of attaining EU Bathing Water designation for one or more of the local beaches. This is a designation that was earned by beach communities along the North Coast and the "Gold Coast". The designation brings with it more stringent standards of water quality management. Councillor Enright had a motion passed in Council 25th Nov 2013 committing the Council to undertake this study.

In June of this year (2015) Michael Donnelly of Perspectivity was appointed by Strangford Lough and Lecale Partnership to undertake the study, and to report back by September 2015.

Aim of the project

The aim of this particular project is to project manage an application process for EU Bathing Water status. This involves:

- Gaining an understanding of the Bathing Water application process



- Discovering what other beaches have done
- Examining other award schemes that may be relevant
- Helping the communities arrive at a choice of beach or beaches to progress to application stage
- Undertaking survey work on and about the beaches to build the evidence base for compliance with the designation criteria
- Preparing a draft submission to NIEA based on what is discovered and collated for one beach so that it could be a template for any other beach to replicate

Rationale for the project

There are three clear rationales for the project to proceed:

1. to help enhance the tourism and community amenity potential of the beaches along the Lecale coast
2. to develop and enhance a partnership approach to local asset development and management by working with key stakeholders including communities, environmental groups, public bodies, private interests, the media, and the wider public
3. to improve water quality over time by using any designation to lead an investigation and enforcement process

The Methodology

The methodology for the project has been a mixture of desk research, meeting with stakeholders, running community meetings, and liaising with council officials. The key investigations include:

- Understanding what happened on the North Down Coast and the North Antrim Coast for their designations
- Understanding the EU process as explained above
- Investigating how the proposed beach could best meet the four criteria
- Understanding Green Coast Awards as a potential parallel project

Stakeholder Engagement

Throughout this project the key stakeholders have been consulted and engaged. This includes the community groups who are directly connected to the beaches, Cllr Cadogan Enright, Strangford Lough and Lecale Partnership and various officers of Newry Mourne and Down Council. Wider public input was sought during days of action. Both this year (2015) and last (2014) a day of action was organised during the summer season. On both occasions several hundred people got involved directly with very wide coverage on local and regional media.



3. About EU Bathing Water Designation

EU Bathing Water is a designation that acknowledges that waters where people are bathing require more monitoring and clear reporting to the public. The Marine Policy Division of DOE manages the whole process in Northern Ireland. The designation first appeared in 2011 when 23 beaches were identified by NIEA and automatically designated. This included Tyrella, Cranfield, and Murlough. Of these designated beaches only Tyrella and Murlough have formal beach management plans.

A further 15 beaches were made “candidate beaches” and were monitored over two years for usage and 14 were deemed to not be sufficiently well used to qualify. This included Minerstown, Rossglass, and Ballyhornan. There appears to be a question over how and when DOE carried out the user surveys as the user numbers recorded do not at all reflect local experience of beach usage on warm days during the holidays. One beach, Nicholson’s Strand in Kilkeel, would have been designated except that no beach operator could be agreed. All of the North Down Coast beaches were designated, as were all of the North Coast beaches. The bathing waters once designated undergo a rigorous water-monitoring regime; that this year (2015) has tightened again. NIEA undertakes all testing and provides the results to the local authority to display at the beach. From this year water quality is monitored and reported to the public on a rolling four-year basis.

Designations for EU status only happen every six years. Given that the last designation was at the end of the 2011, the next designation process will be at the end of 2017 bathing season. It takes two full years to undergo the monitoring process as a candidate beach, therefore the application must be submitted at the end of the 2015 bathing season to meet the deadline for the next process.

Attaining Bathing Water Designation is predicated on meeting four criteria:

1. Provision of initial evidence of usage at the site (the selection criteria for candidate sites is >45 bathers on at least one occasion or >100 beach users on at least two occasions across a review period and the review period is normally two years);
2. Evidence that bathing is not prohibited or inadvisable for reasons of safety;
3. Provision of information about facilities at the site (e.g. signage, litter collection, site access, car parks); and
4. Confirmation from an appropriate body that they are willing to take on responsibility as the bathing water operator.



4. What has been discovered to date?

4.1 Other Beaches in Northern Ireland

North Down and Ards beaches (and Causeway Coast and Glens beaches) were put forward for designation by DOE; the Council did not have to be proactive in the process. The entry regime was lighter for them at this stage than it is for new candidates. For example at the time there were no management plans created and in most cases there remains no active management plans for currently designated beaches despite this being a requirement for new candidate beaches. In NMD Simon Boyle has prepared a beach management plan for Minerstown as part of a stipulation of the Green Coast awards. He has created similar plans for Tyrella and Murlough.

Causeway Coast and Glens Heritage Trust coordinate a beach forum, covering all beaches from Magilligan to Browns Bay at Larne – there are many organisations involved. They have produced a strategic beach strategy to help all of these beaches implement progressive action plans to enhance beach quality and management. It is also interesting to note that while the strategic vision and agenda is in place, no single beach has a comprehensive management plan – basically a legacy regime that has built up over time rather than proactively managed.

The larger beaches (Blue Flag) have lifeguards stationed there but many EU Bathing Water beaches operated by local authorities and NIEA do not have lifeguards on duty.

There is potential for Strangford and Lecale Partnership to coordinate a similar forum here in NMD for the 13 beaches along Lecale Coast

4.2 Choice of Beach

Given that the designations only come around every six years and that the key criterion is beach usage numbers, the communities all decided at a community meeting on 17th June 2015 to bring three Lecale coast beaches through the process. These are to be: Killough, Ballyhornan, Kilclief. The 13 publically used beaches in Lecale are: Kilclief, Caffery's (the main part of Kilclief Beach), Mill Quarter, Ben Dearg, Killard, Ballyhornan, St Marys Well (accessible only off Ulster Way/Lecale way), Ardglass East, Coney Island, Killough, Rosses Point Road Beach (not considered - access is overgrown and residents and visitors prefer Killough), Rossglass, Minerstown, Tyrella, Murlough.

4.3 The Engagement Process:

All of the work has been carried out in collaboration with six community groups, the Strangford Lough and Lecale Partnership and Newry, Mourne and Down Council. There have been



stakeholder meetings, direct conversations and multiple email contacts with North Down and Ards Council, Causeway Coast and Glens Heritage Trust, NIEA Quoile Countryside Park, DOE Marine Policy Division, NIEA Regional Operations, local Land Owners, National Trust, Crown Estate, LPS, Keep NI Beautiful, Lecale Conservation, and each of the communities. From the Council Alison Robb has provided map research and Simon Boyle has provided management information.

4.4 Green Coast Status:

A separate “certification” process exists that covers coastal and bathing water management. It is called Green Coast Award and is managed in Northern Ireland by Keep NI Beautiful. It is deemed to be less onerous than Blue Flag status but still confers cost and responsibilities on the beach operator. The beach operator can be a local Community Group.

The Green Coast award is geared specifically for more rural and remote beaches and is predicated on there being a strong management regime with good levels of local participation, and an on-going water monitoring regime (which would have implications for budgets). Locally Minervastown beach has achieved the status in the past. Cloughey beach (in Ards and North Down Council) has also attained the status. This latter one is pertinent as it was a community-led process.

It is also worth noting that as Green Coast status is dependent on good water quality while EU Bathing Water status isn't, it follows that EU Bathing Water status is a better legal tool to persuade bodies like NI Water to act on sewage treatment.

- The Green Coast award will only be awarded to beaches with good water quality
- The beach operator (or local community) has to pay for water monitoring (several hundred pounds per beach per year) both before the award, and subsequently – not required by the EU Bathing Water process. A quote suggests around £9000 over four years for four beaches.
- Green Coast is a good long-term management regime but not as powerful as the EU designation for forcing compliance.
- There is a potential for local groups to front a multi-year funding proposal to implement measures to attain Green Coast status. This would be best achieved as a collective across the Lecale beaches (from Minervastown round to Kilclief).



5. EU Criteria for Bathing Water Status

As listed above there are four 4 EU Criteria to meet, none of which is particularly complex, and do not require significant work by Council over and above what it is already doing on the 3 beaches.

1. Usage Numbers

The usage threshold is key to success. All the prospective Lecale beaches have demonstrated usage numbers above the threshold in 2014 and 2015. NIEA seeks evidence of usage (either 45+ bathers on one occasion or 100+ beach users on two occasions over the two years). There are two parts to this. The first is demonstrating current usage levels to gain access to being a candidate beach, then the actual NIEA monitoring that takes place over the following two bathing seasons.

To prove evidence the local communities have led a campaign to have people use the beach by setting up a Facebook site for each beach and populating them with photos, news items, details of events. In both 2014 and 2015 the Communities organised a “Big Swim” which brought several hundred people onto the beach in a coordinated photo opportunity. A bus was arranged to bring people from Newcastle (the sea swimmers) and many locals joined in. A lot of PR was generated around this years campaign with presence in all the dailies, and the local papers and love coverage on Radio Ulster.

There is a question mark over the actual process used by NIEA when they carry out their own surveys. Ostensibly they spend one hour on the beach on warm days in high season. This one-hour period (between the hours of midday and 6pm) is used to count the people using the beach and the water.

Village community groups also are proactive in running events on the beaches and this year both Ardglass and Killough have focused events from their community festivals directly on these beaches. There is a need to help the groups achieve high usage numbers next year – there are a number of opportunities including encouraging users away from Minerstown, hosting a programme of events during the summer, helping with spreading the marketing of the beaches. NI Tourism has also agreed to show these beaches on its web-sites and maps.

2. Safety Considerations

A declaration is required to state that bathing is not prohibited at each beach for reasons of safety. In time (if the designation was granted) this is likely to require a full water safety audit. There will be an extra duty of care as a result of gaining EU Bathing Water status which will need to be addressed by the safety audit. Responding to the safety audit is likely to require signage. Many beaches with EU status have done this with no large expense. The suggestion that lifeguards are required at EU Bathing Water beaches is not true and other beaches around NI that are operated by councils and NIEA do not have lifeguards on duty. There are no obvious safety concerns at any of the beaches that would prohibit bathing (apart from potential poor water quality).



3. Information about facilities

This criteria is largely about managing the beach – describing the management regime, describing what is there, who cleans it, how often, what signage is available. There is no requirement to have specific facilities at any beach but there must be a beach management plan. As part of the process a draft management plan for each beach has been created. It is noteworthy that none of the North Coast or North Down Ards beaches have individual beach management plans in place albeit that they have management regimes in place. NMD Council has a beach management plan in place for Minerstown, Tyrella and Murlough. The management regime is currently quite light and could be enhanced by creative partnerships with local communities.

4. Beach Operator

The Beach Operator duties are very straightforward:

To erect and maintain signage informing the public about the Bathing Water quality.

To take action when water quality levels are deemed unfit for bathing

NIEA provides all of the information about water quality and sets stipulations about signage quality. Newry Mourne and Down Council already have the signage in place in current Blue Flag beaches.

Another role of the beach operator is to implement a management plan for the beach (covering facility provision, litter regime and to close the beach if a pollution incident occurs).

The Council currently operates each of the three potential candidate beaches by providing and maintaining different levels of facilities. Formal management plans don't exist for them but will be created as part of this project. An audit process is mapping the current management regime and any partnership with local people (who largely take responsibility for litter picking on the beaches). An important aspect of beach operator duties is the beach ownership. Establishing beach ownership has been onerous. This has led to explorations with Crown Estate, LPS, Council archives, National Trust, NIEA and local landowners. This is what we have been able to establish:

- Kilclief – all of the beach (Mean high tide mark to mean low tide mark) is leased by council from the Crown Estate.
- **Ballyhornan – All of the beach is owned by NIEA but deemed to be operated by Council. This has to be agreed by the Council.**
- Killough – All of the eastern shore of Killough Bay, including Coney Island, is leased by Council from Crown Estate and National Trust. The village shore has one portion leased by council (the section around the pier and north of the pier). Despite considerable research there is no obvious paperwork to understand who



owns the rest of the shore or indeed who the lease is from, but it is assumed to be National Trust.

There are various Environmental Designations on Kilclief and Ballyhornan beaches (there are three separate designations on Ballyhornan Beach). It is worth noting that in terms of emergency incident planning NIEA and the Maritime Coastguard Agency have responsibility to coordinate responses so no extra responsibility on Council. While the council is deemed to be the de facto operator of these beaches there will need to be a clear statement of this as part of the application document.

7. A Summary of Each Beach

Killough

For the past number of years Killough has a strong community engagement in its development and this extends to the beach. The fact that it is a village beach means it has some extra urban issues to contend with (broken glass, dog-fouling etc.), however this also creates an opportunity for it to have easier access to facilities for visitors and an ability to run well attended events etc.

The beach falling into this process is the sand that is to the south of the pier. This part of the beach has no environmental designations while the rest of the shore, from the pier onwards is covered by Ramsar status and an ASSI designation.

Ownership

The ownership of the shore has been difficult to unravel. The shoreline was formally part of the Lord Bangor estate, which was purchased by National Trust in the 1980's. Some sections on the eastern shore (Coney Island side of the bay) were in ownership of Crown Estate. The National Trust and Crown Estate have leased all of the eastern shore to NMD (formally Down Council). One section of the western shore (around the pier and to the north of it) has been leased to the council. We were unable to find any other information or paperwork about this lease or indeed the rest of the western (village) shoreline. National Trust does not appear to have maps or paperwork but it is assumed they are the owner given that it was all in the Lord Bangor estate.

While Killough has good potential for meeting the criteria for designation it will take some effort on behalf of Council and Community to promote the beach, especially on the days when it is likely that the DOE auditors will turn up to monitor usage levels. This by itself asks the question of the



liability that the council is prepared to countenance for promoting bathing waters outside of the already designated waters at Murlough and Tyrella.

Pollution

Regarding any evidence of water quality issues, a comprehensive report has been undertaken on the waters in Killough Bay on behalf of the Food Standards Agency. It's examination was to study water quality and its impact on the breeding of shellfish in the bay. A copy of the report is included with the report. It highlights that water quality is average. It identified many potential sources of pollution from over flows, sewage outlets, septic tanks and agricultural runoff. Each of these will become material when trying to "fix" the water quality issue in the bay.

Community View on the Beach Management in Killough:

Access.

There are two paths / ramps to the beach, one is gated, the other not. The larger one feeds down off the pier and has the gate which is open most of the time but this can not be relied upon. The other smaller path leads down from the end of Quay Lane and is often covered in broken glass and litter which leads me to the next issue;

Litter.

A big problem. The afore mentioned lime kiln is an ideal place for the youth to take drugs, drink, and party, and during good weather periods they do this with every evidence of great enjoyment. There are no controls, no self-regulation, and the police are often called out. Glass bottles are frequently thrown from the kiln in every direction and broken glass still litters the beach, stones, and path. A genuine health hazard for all. Litter of all kinds also can be found in great supply.

There are no bins of any kind at the beach, quay, or ropewalk. This only encourages the 'who cares' attitude.

There are no toilets and I have seen human excrement on the rope walk path verge.

Congestion.

There is plenty of parking on Quay Lane and the carpark at the top of the lane and during the summer months the lane can become quite congested.

Seaweed collects after storms like everywhere else, but does not seem to impede those who do make use of the beach.

Kilclief

Kilclief Beach offers perhaps the best opportunity for EU Bathing Water status. It clearly meets the criteria and is a popular beach with locals and visitors. There is a sewage outlet that runs across the rocks at Kilclief point and discharges into the sea. Without monitoring it is impossible to know what impact this sewage pipe is having on water quality. Kilclief has a good Residents Association who



have completed a village plan. The beach is popular and of the three is the most likely to meet the usage criteria. On one single occasion this summer there were over 150 people on the beach and upwards of 50 bathers at any given time.

There are facilities there that require better management and access onto the beach for people of reduced mobility is an issue. The car park floods and bins are not emptied regularly enough. Some management of the weeds around the car park also seems desirable.

Community Issues

Community View on Kilclief Beach:

"The Council cuts the grass at Kilclief beach, but not the weeds and thistles. We have complained to council about the very poor access onto the beach, but no action! I have never seen the beach itself being cleaned and I don't think the locals have ever been invited to do a clean up. There is usually a problem with seaweed at the start of the summer season and also some weeds and grass growing on the sand.

We have a good car park but about one third of it floods when it rains. Cadogan (Cllr Enright) asked the council to rectify it recently and the official said he would get the gully cleaned out but Cadogan informed him the problem is that there is no gully to drain the water.

We have 2 picnic tables and 2 bins. These are new last year from the Mourne Coastal Route. Of course after a particularly busy day the bins are overflowing and we have to wait until Council decides to empty them. There doesn't seem to be a policy on dealing with this promptly.

We have no public toilets on site, the nearest are in Strangford, almost 3 miles away."

Ownership

The beach has no issues of ownership and the relationship with Crown Estate is clear.

Ballyhornan

Ballyhornan is perhaps the most complex case of the three. The beach is popular. There is an apparent issue with trawlermen's waste washing up – gloves, plastics, nets etc. Local people regularly litter pick on the beach. The council maintains the car park, slipway, and the green in front of the beach.

Ownership

In the past there have been legal disputes about ownership.

NIEA produced documents that demonstrate that they own the entirety of the beach, it was vested in the 1980's. It used to belong to the Baron de Ros estate and apparently ownership had become complicated when the Barony was left vacant for a time early last century. Local farmers retain rights of access to the beach to collect seaweed and sand.



Given that NIEA own the beach but clearly do not operate it, there is a question of who will take responsibility as Beach Operator. NIEA indicated that in the past there were discussions about passing ownership of the beach to the Council but it didn't proceed.

The Community Viewpoint – Ballyhornan

Ballyhornan Beach would definitely need more litter boxes. The fishermen should be more considerate when they throw blankets, plastic containers, gloves, and food packets overboard.

I have been involved in beach clean ups before and find people can be thoughtless about litter.

Modern toilets at the car park would be essential. Various groups use the beach as outings and with some being disabled the toilets would be good.

Local people are looking for jobs and middle age people looking for part time work. Looking after the toilets and car park would put people in work ,congestion of seaweed would be a problem after a storm. I would be available to organise a beach clean up or help in a way but lifting heavy objects would be out as I have arthritis.

There are three environmental designations on the beach.

Minerstown

It is worth mentioning Minerstown beach. Minerstown as been used as an overflow for Tyrella. However it has become clear that it is an ecologically sensitive beach. The by-laws passed by the Council demand more restrictions on its usage. The beach has been undergoing water quality monitoring as part of the Green Coast Award and this year failed to pass the necessary water quality standards. This opens questions for the Council.

1. Why is it failing water quality standards and will the same issues be present in beaches further along the coast?
2. Is there a possibility of "pushing" potential beach users further round the coast to other beaches such as Killough, Ballyhornan, and Kilclief?
3. What are the lessons learned from the Green Coast process and how can it be enhanced by more involvement of local communities who are able to access external monies for development?

6 What is Left to Do?

1. Gain declaration from Council regarding Beach Operator status for each beach
2. Adopt the beach management plans to formalise them
3. Submit application to become candidate beach to:

Marine Policy Team, DOE, 2nd Floor, Millennium House, 17-25 Great Victoria Street,
Malone Lower, Belfast, BT2 7BN





Contact:

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