



June 11th, 2018

**Notice Of Meeting**

You are invited to attend the Strategy Policy and Resources Committee Meeting to be held on **Thursday, 14th June 2018 at 5:00 pm** in **Mourne Room, Downshire Civic Centre.**

The Members of the Strategy Policy and Resources Committee are:-

Chair: Councillor M Savage

Vice Chair: Councillor W Walker

Members: Councillor R Burgess Councillor P Byrne

Councillor M Carr Councillor S Doran

Councillor C Enright Councillor T Hearty

Councillor D Hyland Councillor O McMahon

Councillor A McMurray Councillor B Ó Muirí

Councillor M Ruane Councillor G Sharvin

Councillor J Trainor

# Agenda

## 1.0 Apologies & Chairperson's Remarks

## 2.0 Declarations of Interest

## 3.0 To agree a start time for Strategy, Policy & Resources Committee Meetings from June 2018 to April 2019.

 [SPR Dates.pdf](#)

Page 1

## 4.0 Action Sheet arising from SPR Committee Meeting held on 17 May 2018

Copy to follow

 [17.5.18 SP&R Action Sheet.pdf](#)

Page 2

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### *For Discussion/Decision*

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## 5.0 Engagement of External Consultancy

 [ReportSP&Records08062018.pdf](#)

Page 6


## 6.0 Lease of Office Accommodation in Downshire Civic Centre to Youth Justice Agency (“YJA”)

 [YJAReport18062018.pdf](#)

Page 8

## 7.0 Civic Centre Regeneration Projects, Theatre, Conference & Arts Report

Elements of the report have been redacted for reasons of protecting personal data.

 [CCR - Theatre, Conference and Arts Report \(140618\) fi.pdf](#)

Page 10

 [AD FOI 1122 Business Feasibility Study\\_redacted.pdf](#)

Page 14




## 8.0 Civic Centre Regeneration (CCR) Programme Strategic Outline Case

 [CCR - SP&R Strategic Outline Case \(140618\)fi.pdf](#)


Page 41

 [CCR - SPWG Presentation \(070618\) fi.pdf](#)

Page 44





 <i>NMDC Newry City Regeneration Final Draft v1.0.pdf</i>	<i>Page 80</i>
 <i>CBRE Hotels_NMD Report_Executive Summary v02.pdf</i>	<i>Page 145</i>
 <i>2018.06.06 CBRE Office Exec Summary V02.pdf</i>	<i>Page 155</i>

## 9.0 Privacy Policy

 <i>Report SPR - GDPR Privacy Notice.pdf</i>	<i>Page 162</i>
 <i>GDPR Privacy Notice - NMDDC.pdf</i>	<i>Page 164</i>

## **Corporate Planning and Policy**



### 10.0 Performance Improvement Plan 2018-19

 <i>SPR Report - Performance Improvement Plan 2018-19.pdf</i>	<i>Page 173</i>
 <i>Appendix 1 Performance Improvement Plan 2018-19.pdf</i>	<i>Page 176</i>
 <i>Appendix 2 Our Performance Looking Back Going Forward.pdf</i>	<i>Page 208</i>
 <i>Appendix 3 Consultation and Engagement Report- Performance Improvement Objectives 2018-19.pdf</i>	<i>Page 215</i>

## **Items Restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (NI) 2014**

### 11.0 Sub-Lease to Drumanakelly Power Limited

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

 <i>SPR - Sub-Lease to Drumnakelly Power Ltd - June 2018.pdf</i>	<i>Not included</i>
 <i>Appendix 1 - Map of Drumnakelly.pdf</i>	<i>Not included</i>

### 12.0 Management Accounts

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

Copy report to follow





### 13.0 Debt Write-Off

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

 <i>SPR - Debt write off.pdf</i>	<i>Not included</i>
 <i>Appendix 1 - Legal.pdf</i>	<i>Not included</i>
 <i>Appendix 2 - Accounts Receivable.pdf</i>	<i>Not included</i>
 <i>Appendix 3 - Car Parks.pdf</i>	<i>Not included</i>

## 14.0 Easements at Annalong Marine Park

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

 <i>SPR - Easements at Annalong Marine Park - June 2018.pdf</i>	<i>Not included</i>
 <i>Map 1.pdf</i>	<i>Not included</i>
 <i>Map 2.pdf</i>	<i>Not included</i>
 <i>Map 3.pdf</i>	<i>Not included</i>



# Invitees

Cllr Terry Andrews	<a href="mailto:terry.andrews@nmandd.org">terry.andrews@nmandd.org</a>
Cllr Naomi Bailie	<a href="mailto:naomi.bailie@nmandd.org">naomi.bailie@nmandd.org</a>
Cllr Patrick Brown	<a href="mailto:patrick.brown@nmandd.org">patrick.brown@nmandd.org</a>
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Mrs Marie Ward	<a href="mailto:marie.ward@nmandd.org">marie.ward@nmandd.org</a>

**STRATEGY, POLICY AND RESOURCES COMMITTEE**  
**Times to be confirmed at first meeting of Committee**

Date	Time	Location
14 June 2018	5.00 pm	Mourne Room, Downshire Civic Centre
16 August 2018	5.00 pm	Mourne Room, Downshire Civic Centre
13 September 2018	5.00 pm	Mourne Room, Downshire Civic Centre
11 October 2018	5.00 pm	Mourne Room, Downshire Civic Centre
15 November 2018	5.00 pm	Mourne Room, Downshire Civic Centre
13 December 2018	5.00 pm	Mourne Room, Downshire Civic Centre
17 January 2019	5.00 pm	Mourne Room, Downshire Civic Centre
14 February 2019	5.00 pm	Mourne Room, Downshire Civic Centre
14 March 2019	5.00 pm	Mourne Room, Downshire Civic Centre
11 April 2019	5.00 pm	Mourne Room, Downshire Civic Centre
<b>No Meeting in May due to LG elections</b>		

**ACTION SHEET – STRATEGY, POLICY AND RESOURCES COMMITTEE MEETING (SPR) – THURSDAY 13 OCTOBER 2016 – ITEMS STILL IN PROGRESS OR ON-GOING**

ITEMS RESTRICTED IN ACCORDANCE WITH PART 1 OF SCHEDULE 6 OF THE LOCAL GOVERNMENT ACT (NI) 2015					
SPR/236/2016	Right of Way Proposal at Ballyedmond, Killowen, Rostrevor	<p>It was agreed to accept the officer's recommendations as follows:</p> <ul style="list-style-type: none"><li>• Approval of the details of the proposed Killowen Coastal Path around the Big Moat at Ballyedmond as per the presentation at the meeting, ie. the design drawings and technical specification.</li><li>• A joint application for Planning Permission will be submitted by the Ballyedmond Estate and the Council for the creation of the proposed Coastal Path as per the approved details.</li></ul>	C Mallon	<p>On-going.</p> <p><i>Ballyedmond Estates Consultants updating the Ecological Impact Assessments and collating additional information. This matter is on-going.</i></p>	N

**ACTION SHEET – STRATEGY, POLICY AND RESOURCES COMMITTEE MEETING (SPR) – THURSDAY 17 NOVEMBER 2016 – ITEMS STILL IN PROGRESS OR ON-GOING**

SPR/282/2016	Correspondence from the Department for Communities Regeneration Bill	Council to write to the Minister for Communities asking him to reconsider the decision not to progress the Regeneration Bill.	L Hannaway	To be completed once a Minister for Communities is in place.	N
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**ACTION SHEET – STRATEGY, POLICY AND RESOURCES COMMITTEE MEETING (SPR) – THURSDAY 15 MARCH 2018 – ITEMS STILL IN PROGRESS OR ON-GOING**

SPR/041/2018	Proposed Leasing of Newry Sports Centre Car Park to Southern Regional College	It was agreed to approve the recommendations contained in paragraph 3.1 of the Officer's Report and seek a rental valuation from Land and Property Services for the former Newry Sports Centre car park and then to proceed in line with the recommended way forward in relation to short-term use	K Scullion	Agenda Item	Y
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**ACTION SHEET – STRATEGY, POLICY AND RESOURCES COMMITTEE MEETING (SPR) – THURSDAY 12 APRIL 2018 – ITEMS STILL IN PROGRESS OR ON-GOING.**

SPR/060/2018	Disposal of Land where Departmental Approval is required	It was agreed to note the content of the Officer's Report relating to disposal of Council land when, under legislation, Departmental approval is required and to invite Departmental representatives to meet with Council to discuss the matter.	L Moore	An invitation has been extended to the Department to meet with the Council. A response is awaited.	N
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**ACTION SHEET – STRATEGY, POLICY AND RESOURCES COMMITTEE MEETING (SPR) – THURSDAY 17 MAY 2018**

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
SPR/064/2018	"Out of Sight, Out of Mind" Traveller Accommodation in Northern Ireland	It was agreed to approve the NIHRC Traveller accommodation report and recommendations, and that Newry, Mourne and Down Traveller Forum hold a meeting with officers from Planning, Licensing, Neighbourhood Services and Corporate Policy to agree Council's approach to addressing the recommendations identified by the Northern Ireland Human Rights Commission.	R Mackin		Y
SPR/065/2018	A Guide to the Rural Needs Act (NI) 2016 for Public Authorities (Revised) April 2018	It was agreed to note the report on the Department of Agriculture, Environment and Rural Affairs revised guidance document on the Rural Needs Act (Northern Ireland) 2016.	R Mackin		Y
SPR/066/2018	NAC 2018 Payment	It was agreed to note the contents of the report regarding NAC annual payment.	L Hananway		Y
SPR/067/2018	Lease of Office Accommodation in Downshire Civic Centre to Probation Board for Northern Ireland (PBNI)	It was agreed that Council enter into a 5 year lease for the accommodation set out at paragraph 1.0 with PBNI at a yearly rental of £3,250	A Robb		Y



## ITEMS RESTRICTED IN ACCORDANCE WITH PART 1 OF SCHEDULE 6 OF THE LOCAL GOVERNMENT ACT (NI) 2015

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
SPR/068/2018	Deed of Charge – Tecomaught GAC	It was agreed to note the contents of the officer's report and approve the recommendation in para. 3.1 to release the expired Deed of Charge held in respect of Tecomaught GAC lands, which was registered on 16 February 1998.	L Moore		Y
SPR/069/2018	Deed of Charge – Loughinisland GAC	It was agreed to note the contents of the officer's report and approve the recommendation in para. 3.1 to release two Deeds of Charge held in respect of lands at Loughinisland GAC, with the charges not being released before 24 May 2018. Charges were registered on 23 June 1995 and 23 May 2008.	L Moore		Y
SPR/070/2018	Deed of Charge – St Patrick's GAC, Saul	It was agreed to note the contents of the officer's report and approve the recommendations in para. 3.1 to release the Deed of Charge registered on 20 October 2010 in respect of lands at St. Patrick's GAC, Saul and also agree to the appointment of a new named Trustee.	L Moore		Y
SPR/071/2018	Grant of Lease to NIE for Substation – Down Leisure Centre	It was agreed to note the contents of the officer's report and approve the recommendation in para. 3.1 to lease an area of land adjacent to Down Leisure Centre to NIE to site a sub-station for the benefit of the new Down Leisure Centre, on the terms outlined in para. 2.3.	L Moore		Y
SPR/072/2018	Regional Review of Council Chief Executives' Pay and Conditions	It was agreed to nominate Councillor Pete Byrne as the Council's nominee to participate in a regional review of Chief Executive's pay and conditions of service.	D Carville		Y
SPR/073/2018	Newry DEA Assets	It was agreed to note the contents of the officer's report and approve the recommendation in para. 3.1 relating to the	C Mallon		Y

		disposal of assets through the D1 Public Trawl process, which are those assets determined by the Strategic Projects Working Group at meetings on 24 April and 14 May 2018 as surplus.			
SPR/074/2018	Action Sheet arising from Strategic Projects Working Group held on 14 May 2018	The action sheet was noted.	D Carville		Y
SPR/075/2018	Action Sheet arising from Efficiency Working Group Meeting held on 8 May 2018	The action sheet was noted.	D Carville		Y
SPR/076/2018	NMDDC V Hamill	It was agreed to note the contents of the officer's report and approve the recommendation in para. 3.1 relating to the settlement of the matter as per the Heads of Agreement provided, to include the Council bearing its own costs in the matter.	C Murphy		Y

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Date of Meeting:</b>	14 June 2018
<b>Subject:</b>	Engagement of External Consultancy
<b>Reporting Officer:</b>	Alison Robb, Assistant Director of Corporate Services (Administration)
<b>Contact Officer:</b>	Alison Robb, Assistant Director of Corporate Services (Administration)

<b>Decision required:</b>	
Endorsement of recommendation at 3.0 below.	
<b>1.0</b>	<b>Purpose and Background:</b>
1.1	Council does not have uniform practices in place in relation to the creation, maintenance and upkeep and retention and disposal of files.
1.2	There is some policy provision eg a Retention and Disposal Schedule but because of the pressures on the Compliance Section, due to the volume of requests for information requiring to be processed, little progress has been achieved in this area.
1.3	Following reorganisation there has been a merger of a number of different systems and practices causing fragmentation, and record keeping is not integrated into a larger information environment.
<b>2.0</b>	<b>Key issues:</b>
2.1	The risk to Council in the failure to develop and implement a corporate records management strategy. The consequences could include failure to meet legislative requirements, reputational damage, risk of legal challenge, security breaches or loss of information and failure to create appropriate records to be able to retrieve information as needed.
2.2	In order to ensure compliance with the GDPR Council must ensure it has robust and secure filing and record-keeping practices in place.
2.3	There is lack of preparedness for a move in the future to EDM.
2.4	Due to lack of resource and the need to transform this area there is a need for external expertise and skills to support a transformation. It is proposed to seek specialist support from a qualified records professional with experience of implementing records management within a Local Government environment, including supporting large cultural information management transformation programmes. There will also be a requirement for the provision of coaching and mentoring services to ensure the transition is seamless for business as usual.



2.5	This consultancy has not been budgeted for in the current financial year but there is money available in the Corporate Services budget to cover the cost.
2.6	This matter was considered at the Senior Management Team Meeting on 5 June 2018 where it was agreed to endorse the recommendation at 3.0 below.
<b>3.0</b>	<b>Recommendation:</b>
3.1	Council procure consultancy support to assist in an information management transformation programme.
<b>4.0</b>	<b>Resource implications</b>
4.1	Estimated cost - £30,000 – to be met out of existing Corporate Services budget.
<b>5.0</b>	<b>Equality and good relations implications:</b>
5.1	None identified.
<b>6.0</b>	<b>Appendices</b>
6.1	None.

<b>Report To:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	Lease of Office Accommodation in Downshire Civic Centre to Youth Justice Agency ("YJA")
<b>Date of Meeting:</b>	14 June 2018
<b>Reporting Officer:</b>	Alison Robb, Assistant Director Corporate Services (Administration)
<b>Contact Officers:</b>	Conor Mallon, Assistant Director Estates and Project Management Alison Robb, Assistant Director Corporate Services (Administration)

<b>Decision Required:</b>	As per recommendation 3.0 below.
<b>1.0</b>	<b>Purpose and Background:</b>
1.1	Council has received a request from the YJA to lease approximately 80m <sup>2</sup> of office accommodation on the ground floor of Downshire Civic Centre for a 5 year period.
1.2	This accommodation was previously occupied by Fisheries Division as a tenant of Council before its recent move to Rathkeltair House, Downpatrick.
<b>2.0</b>	<b>Key Issues:</b>
2.1	The office accommodation is available for rental and Council's Estates Department has no objection to the request.
2.2	Based on a current m <sup>2</sup> rate for comparable office accommodation it is estimated that a sub-lease to the YJA will generate approximately £15,000 per annum of rental income to Council.
<b>3.0</b>	<b>Recommendation:</b>
3.1	Council agree to enter into a 5 year sub-lease for the accommodation set out at 1.0 above with the YJA at a yearly rental to be confirmed by LPS and subject to completion of all necessary legal formalities.
<b>4.0</b>	<b>Resource Implications:</b>
4.1	Financial – Income – estimated £15,000 per annum. Legal/Administrative Costs – minimal. Valuation Fee – LPS Fee to be shared by both parties.

<b>5.0</b>	<b>Equality and Good Relations Implications</b>
	None Identified.
<b>6.0</b>	<b>Appendices</b>
	None.

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Date of Meeting:</b>	14 <sup>th</sup> June 2018
<b>Subject:</b>	Civic Centre Regeneration Project Theatre, Conference and Arts Report
<b>Reporting Officer</b>	Marie Ward Director, Enterprise Employment and Regeneration
<b>Contact Officer</b>	Adrian Grimshaw Project Director

### Decisions required:

To note the contents of the enclosed Charcoalblue LLP report titled Business Feasibility Study 17111 – Newry Mourne & Down dated October 2017, and noted key issues and recommendations as they relate to the City Centre Regeneration project.

To note the continuing development of Councils arts and cultural strategy as approved by the ERT Committee, including vision and targets for growth, support and delivery, and potential alternate operational delivery models, benefits and associated risks.

To note the installation of a box office system (and website) for the Arts and Culture venues as approved by SPR Committee.

To acknowledge the displacement of function and long term viability of the existing Newry theatre and arts provision in the event of a new Theatre/ Conferencing facility being provided, and to seek approval for the inclusion of an augmented Theatre/ Conferencing facility located adjacent to and strengthening the Town Hall and Sean Hollywood Arts Centre's as part of the developing Strategic Outline Case for the CCR project.

<b>1.0</b>	<b>Purpose and Background:</b>
1.1	<p>The Council Corporate Plan 2015-2019 set out as one of the key actions the establishment of a new Civic Centre for Newry to help attain a number of strategic objectives.</p> <p>In addition to the Civic Centre facility, the project brief now extends to provision of an enhanced theatre/ conferencing centre, and potential further investments related to a new hotel or additional office accommodation.</p> <p>As part of this wider delivery brief, and recognising the need for development of the arts &amp; cultural strategy throughout the council area, including an independent and specialist assessment of existing provision, the Council engaged Charcoalblue LLP in 2017.</p> <p>The Charcoalblue LLP brief was to provide analysis, professional comment and forecasts with relation to the market potential for a new theatre and conferencing</p>

	<p>centre facility, including viability of and potential alternate operating models, and an outline specification and estimation of likely potential costs for a new theatre/ conferencing facility.</p> <p>The report prepared by Charcoalblue LLP should be acknowledged as one of the initial steps taken towards the overall development and improvement of the arts and cultural offering throughout the Council area.</p>
<b>2.0</b>	<b>Key issues:</b>
2.1	<p>The Charcoalblue LLP report responds to the Council brief in three key stages;</p> <ul style="list-style-type: none"> <li>a) Stage 1. Market, Strategic, Business Analysis &amp; Assessment</li> <li>b) Stage 2. Outline Venue Business Model</li> <li>c) Stage 3. Venue Specification &amp; Estimated Costing.</li> </ul> <p>Charcoalblue LLP utilised existing work prepared by Deloitte and Audience Northern Ireland as a starting point, and built upon this work through further investigation, analysis and discussion with Council officers and stakeholders.</p> <p>The reports conclusions as they relate to the City Centre Regeneration project are summarised below, with arising recommendations set out in section 3.0.</p> <p>The report concludes that;</p> <ul style="list-style-type: none"> <li>d) there is a good level of small-scale theatre and arts provision within the council district reliant on local amateur and semi-professional groups;</li> <li>e) delivery of cultural services is fragmented, with existing assets and venues being underutilised;</li> <li>f) there is strong awareness of value of the arts, but lack of artistic vision/ planning, resourcing, marketing and promotional activity;</li> <li>g) there is a high level of support within the community for arts, and potential to significantly expand on offer;</li> <li>h) there is great potential for Newry to strengthen and grow the arts offer within both the City and also wider council area;</li> <li>i) there is a requirement for Newry to build upon repeat custom;</li> <li>j) the existing facilities suffer from lack of basic functional requirements that contribute and dissuade audiences and promoters;</li> <li>k) the likely scale and capacity of a main venue will ideally be around the 500-750 capacity, supported by second smaller venue and accompanying multi functioning support spaces;</li> <li>l) the estimated cost for a new build would be approximately £13 million;</li> <li>m) the delivery of a new venue would most likely displace or create substantial risk to the existing Town Hall;</li> <li>n) the most suitable route to be explored would be the extension and renovation of the existing Town Hall and Sean Hollywood Arts Centre;</li> <li>o) the estimated cost for renovation and extension of existing facilities in the region of £5.51million (excluding Conference space);</li> </ul>

	<ul style="list-style-type: none"> <li>p) the venue should be located centrally to drive the night time economy, and promote accessibility for a range of transport links;</li> <li>q) the venue must be able to accommodate the circulation, loading and ancillary requirements of the full range of audience capacities across multiple performance ranges and function spaces;</li> <li>r) the venue should incorporate provision for daytime informal meeting, café culture and social areas;</li> <li>s) the venue should incorporate various technical requirements, staff and performer accommodation to allow for a wide range of programme use;</li> <li>t) there is only a small existing market within Newry for conferencing and larger-scale private or public events and functions, limited due to lack of suitable facilities;</li> <li>u) the proposed model would seek to introduce suitable accommodation focussing upon trade shows, public events, private events, dining events, conference and symposium;</li> <li>v) that an Outline Business Case should be prepared, either for just Newry venues, or all NMD cultural and arts operations that explores potential delivery models and provides financial forecast for benefits and associated risks. Furthermore, and proposed as part of this business case development, undertake a design feasibility study with a specialist theatre consultant and quantity surveyor to fully explore and develop the option of extension and renovation to the existing spaces to provide an accurate project budget.</li> </ul>
<b>3.0</b>	<b>Recommendations:</b>
3.1	<p>To note the continuing development of Councils arts and cultural strategy as approved by the ERT Committee, including vision and targets for growth, support and delivery, and potential alternate operational delivery models, benefits and associated risks.</p> <p>To note the installation of a box office system (and website) for the Arts and Culture venues as approved by SPR Committee.</p> <p>To acknowledge the displacement of function and long term viability of the existing Newry theatre and arts provision in the event of a new Theatre/ Conferencing facility being provided, and to seek approval for the inclusion of an augmented Theatre/ Conferencing facility located adjacent to and strengthening the Town Hall and Sean Hollywood Arts Centre's as part of the developing Strategic Outline Case for the CCR project.</p>
<b>4.0</b>	<b>Resource implications</b>
4.1	None currently anticipated.
<b>5.0</b>	<b>Equality and good relations implications:</b>
5.1	The Council will have due regard to the need to promote equality of opportunity

	between the nine equality categories. Council will also seek to promote Good Relations between people of different Religious Belief, Political opinion and Ethnic Origin.
<b>6.0</b>	<b>Appendices</b>
	Appendix A - Charcoalblue LLP report titled Business Feasibility Study 17111 – Newry Mourne & Down dated October 2017.



# REPORT

## BUSINESS FEASIBILITY STUDY

17111-Newry Mourne & Down

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CONTENTS

EXECUTIVE SUMMARY ..... 2

STAGE ONE – MARKET, STRATEGIC AND BUSINESS ANALYSIS ..... 4

LOCAL STRATEGIC CONTEXT ..... 4

MARKET ANALYSIS ..... 8

EXISTING PROVISION ..... 9

STAGE ONE CONCLUSIONS ..... 11

STAGE TWO – OUTLINE VENUE BUSINESS AND DELIVERY MODELS ..... 13

OPERATING MODEL ..... 13

FUTURE GROWTH ..... 14

DELIVERY MODELS ..... 15

STAGE THREE – VENUE SPECIFICATION, OPTIONS AND COST ESTIMATES ..... 17

OUTLINE VENUE SPECIFICATION ..... 17

OPTION #1 NEW BUILD ..... 19

OPTION #2 EXTENSION & RENOVATION ..... 20

CONCLUSIONS AND RECOMMENDATIONS ..... 21

ARTS PROVISION ..... 21

PROJECT DEVELOPMENT & DELIVERY ..... 21

EXECUTIVE SUMMARY

The report documentation enclosed is written in response to the brief for a feasibility study to be undertaken on behalf of Newry Mourne and Down District Council to provide analysis, professional comment and forecasts with relation to the market potential for a new theatre and conference centre facility, including viability and potential operating model, an outline specification and estimation on likely potential costs. The report utilises the large amount of work undertaken through previous studies undertaken by Deolite's and Audience Northern Ireland to inform the starting point for the feasibility study.

All figures in the report are estimations and approximations only that should be used to advise on the feasibility of any potential development of a new theatre / conference centre facility and should not be used as formal valuations for accounts, lending or any other purposes. It should be noted that the report has been prepared prior to the announcement of agreement of any specific policies regarding Brexit or border control agreements that may be put in place and cannot be quantified at this stage, with the exception of raising it as a substantial risk if the outcome of the process places severe restrictions on the free movement of travel, goods and services across the border.

Throughout the report we have utilised information and data on comparable venues to provide benchmarking potential models and best practices.

The report is split into 3 primary stages, to meet the requirements of the feasibility study brief as follows:

STAGE ONE - MARKET, STRATEGIC, BUSINESS ANALYSIS AND ASSESSMENT

This initial stage provides a collated and comprehensive overview of current provision of cultural activity and venues within the district, including an overview of the strategic context of recent years, market position of Newry within the wider cultural ecology of Northern Ireland, including a summary of recent financial performance.

This is utilised to create an assessment of both current provision in addition to utilising external datasets to evidence the likely potential avenues and capacity for a new larger venue and type of provision against existing and future demand.



In order to understand the existing provision a series of visits to existing venues and meetings were held with key stakeholders including:

- Briefing meeting with Liam Hemmaway, Ch of Executive of NM&DC;
- Director of Enterprise, Regeneration and Tourism and the Assistant Director of Tourism, Culture and Events;
- Down Arts Centre (meeting with Arts Officer and Down Museum Officer)
- Sean Hollywood Arts Centre (meeting with [REDACTED])
- Newry Town Hall
- Local promoters Michael McGill Entertainment's

The analysis shows that there is a good level of small scale theatre and arts provision within the district, mainly reliant on local amateur and semi-professional groups for provision of shows and events. However, the delivery of cultural services is largely fragmented (partly due to the previous separate formation of the council prior to the creation of a super council) and suffers from a lack of suitable cohesive working, joined up marketing and public relations, often diluting the brand and strength of the venues and unique cultural offers through a blurred council brand. There is strong awareness of the value of the arts and cultural provision by the council, evident from the presence of the arts and culture in the regeneration and investment strategies, and a drive to resolve and improve the current offer.

The assessment of both the potential existing audience capacity and the likely level of growth when compared to bondmarked venues (in comparable geographic and economic areas) showed that there is a high level of support will in the community for arts, and potential to significantly expand the programme on offer.

STAGE TWO – OUTLINE VENUE BUSINESS MODEL

This stage of the report provides a summary on the potential operational model that could be targeted. This includes an increased programme of professional shows and events that focusses on managing risk by utilising regular live music and comedy performances (as lower risk) to support increased audiences, with a slower and more gradual introduction of a more diverse range of other genres including a wider range of theatre and drama, variety and also smaller conference and trade / public events.

Stage two also provides consideration around the potential delivery models that could be used to provide the management, implementation and delivery of the increased programme. This includes consideration around non-profit vehicles, arms-length operation and public-private models.

The report outlines the need for further exploration and full financial forecasting for these delivery models in order to provide a suitable set of information to be presented for recommendation and decision making, once an over-arching arts and culture strategy has been created.

STAGE THREE – VENUE SPECIFICATION & ESTIMATED COSTING

This final stage utilises the outlined operational model to inform an overview specification of the likely requirements for the building.

This shows that the likely scale and capacity of a main venue will ideally be around the 500-750 capacity (dependent on format and nature of event), supported by a second smaller venue (same capacity as the Sean Hollywood theatre currently) in addition to further multi-functional support spaces that can cater for meetings, smaller events, conference break-out spaces and arts activities (such as rehearsals and readings).

The area schedule indicates that for a new build an estimated gross internal area of approximately 3,284m<sup>2</sup> would be required, and based on average industry rates for performance venues this would equate to a construction cost of approximately £13 million.

Alternatively a second option of renovating and extending the two existing venues was developed, as the capacity of the existing venues (and the lack of proposed alternative uses for the grade 1 listed Town Hall) matches the likely scale of operation that could be achieved, that would seek to address and solve the circulation and access issues, as well as providing further supporting accommodation to enhance and match the requirements of an expanded artistic programme mixed with encouraging greater commercial use of the space for conferences, events and functions.

The estimated construction cost for this option is in the region of £5.51 million.

CONCLUSIONS AND RECOMMENDATIONS

Finally, a summary series of conclusions and recommendations are provided suggesting a strategy for developing the proposed vision and moving forward. The study has shown that there is a potential market for an expanded performance art offer within both Newry city in addition to the wider Newry, Mourne & Down district. The market is in its relative infancy with the primary provision of performances being supplied from the amateur and local dramatics organisations.

The existing provision of professional shows is limited both in nature and quantity, providing a relatively small programme of performances and so the evolution of the programme to increase the range and quantity of

activities and performances provided would need to be suitably resourced and developed – particularly with regards to the marketing and sales element.

The report findings demonstrate that the delivery of a new venue would most likely displace or create substantial risk to the existing Town Hall. Without a suitable clear alternative use for the Town Hall and given its listed status, we would therefore recommend that the most suitable route to be explored would be the extension and renovation of the existing facilities (Newry Town Hall and the Sean Hollywood Arts Centre) to create one larger arts facility that solves the access, operational and circulation problems of the existing venues.

However, this needs to be undertaken in a suitable manner and alongside further development of the vision and business plan for any enhanced service to ensure the correct focus on growth is balanced against risk management. We would recommend the following next steps are undertaken:

1. An arts and culture strategy is developed for the wider ecology and parameters of NM&DC to be clearly defined, including vision and targets for growth, support and delivery.
2. An outline business plan is crafted (either for just Newry venues or all culture and arts operations within the NM&DC portfolio) that fully explores and provides financial forecasts for the benefits and risks associated with the different potential delivery models, allowing a suitable route forward to be taken through the decision-making process.
3. A design feasibility study is undertaken with a specialist theatre consultant and a quantity surveyor to fully explore and develop the option of extension and renovation to the existing spaces to provide an accurate project budget.
4. A box office system (and website) is procured for the Newry venues















# NORTHERN IRELAND ARTS INDUSTRY

When considering and assessing both the current provision of the arts in Newry and the wider district, it is important that this is set in the wider context of the Arts industry within Northern Ireland.

We have undertaken a benchmarking comparison exercise to evaluate the scale and operation of venues within NIACC against other arts sector of other existing venues within Northern Ireland to provide an overview of the scale and nature of offer available in other areas.

This comparison excludes Belfast, Dublin and other venues within the Republic of Ireland. It is intended to provide a cross sectional representation of the range of different venues within Northern Ireland to explore both operating models, programming and capacities versus population density, and is not an exhaustive list of venues. The capital city provision is set within a vastly different international market, with a drastically larger population density, level of international tourists and scale of operation, and therefore should not be directly compared.

	<b>Venue</b> The Marketplace Armagh	<b>Dist. Newry</b> 19 miles	<b>Capacity</b> Main 397	<b>Venue Type</b> Arts centre & Conference centre	<b>Programme</b> Drama, Music, Comedy, Theatre, Workshops, Visual Arts & Conferences	<b>Population</b> County 174,792 City 14,749	<b>Operator / Funder</b> Armagh City Banbridge & Craigavon
	<b>The Riverside Coleraine</b>	<b>80 miles</b>	<b>Main up to 350</b>	<b>Theatre</b>	<b>Drama, Music, Comedy, Theatre, Performing Arts, Workshops &amp; Visual Arts</b>	<b>County 247,142 City 24,630</b>	<b>Ulster University / Causeway Coast &amp; Glens Borough Council</b>
	<b>The Playhouse, Derry City</b>	<b>85 miles</b>	<b>152-176</b>	<b>Art resource centre.</b>	<b>Films, Drama, Theatre, Live music, dance and comedy Workshops &amp; Visual Arts</b>	<b>County 247,142 City 107,877</b>	<b>Charitable status (Arts Council / EU Funding / Trusts and Foundations / Council funding)</b>
	<b>The Millennium Forum, Derry City</b>	<b>85 miles</b>	<b>1000</b>	<b>Theatre &amp; conference centre.</b>	<b>Large music, Live music, Dance, comedy, Opera, Education &amp; Conferences</b>	<b>County 247,142 City 107,877</b>	<b>Charitable status (Arts Council / EU Funding / Trusts and Foundations / Council funding)</b>
	<b>Waterloo Theatre, Derry City</b>	<b>85 miles</b>	<b>372</b>	<b>Theatre &amp; conference centre</b>	<b>Live music, drama, film, spoken word and film, literary and youth festivals, conferences</b>	<b>County 247,142 City 107,877</b>	<b>Charitable status (Arts Council / EU Funding / Trusts and Foundations / Council funding)</b>
	<b>Ardscreen Theatre, Enniscillen</b>	<b>68 miles</b>	<b>290 main 40 in studio space</b>	<b>Theatre</b>	<b>Small Drama, Live Music, Comedy, dance classes, workshops</b>	<b>County 51,805 Town 13,757</b>	<b>Fermanagh &amp; Omagh District Council</b>
	<b>Sioux Arts Centre, Omagh, County Tyrone.</b>	<b>54 miles</b>	<b>384</b>	<b>Theatre</b>	<b>Children's drama, Live music, Theatre, Films, spoken word and film, literary, conferences</b>	<b>County 51,356 Town 21,297</b>	<b>Fermanagh &amp; Omagh District Council</b>
	<b>Tommy Luddy Theatre, Drogheda (ROI)</b>	<b>37 miles</b>	<b>900</b>	<b>Theatre</b>	<b>Music, Comedy, Theatre, Drama, Children's drama</b>	<b>County 122,807 Town 30,596</b>	<b>Private Company</b>

EXISTING NM&DC VENUES

Within the district, the primary performance venues are all owned and operated by NMDC and include:

1. Down Arts Centre

An arts centre situated within a conversion of the original town hall in the centre of Downpatrick, it has recently undergone a refurbishment. Facilities include a 164 seat (retractable seating) end stage theatre space, a dedicated art gallery, artists in residence workshop, and two smaller function rooms.

The Centre also provides office space and support to local arts organisations (both professional and amateur). The programme includes a range of local community acts, in addition to a limited programme of live music, theatre and comedy. The centre also offers a series of arts-based classes and workshops, as well as programming a summer season of activities in Newcastle.



Image: Down Arts Centre, Downpatrick

2. Saan Hollywood Arts Centre

An arts centre based within the centre of Newry City. Facilities include a 130-seat flexible end-on theatre space, workshop space, a dedicated visual arts gallery, rehearsal room, foyer and bar area (although there is currently no bar or catering operation in place), in addition to a roof-level arts / function space.

The centre has a programme of local amateur and semi-professional visual artists, and the performance programme is heavily dominated by local performance groups in addition to visiting professional touring shows.



Image: Saan Hollywood Arts Centre, Newry

3. Newry Town Hall

Originally built in 1893, the Town Hall sits across the canal (with the water running underneath the building) in the heart of Newry City. Having recently undergone two phases of refurbishment the building has a current capacity of between 470 – 485 seats (depending on format), with a raised end-on stage that has been further extended to include the rear miner's hall area.

Based on the first floor of the building, the town hall also still currently accommodates the town registry office (births, marriages, deaths and suffers from a lack of circulation and foyer space, in addition to having no bar or catering operation in place). The Town Hall has a sparse programme of live music, theatrical performances and some smaller functions.



Image: Newry Town Hall (during refurbishment works)



4. Warrenpoint Town Hall

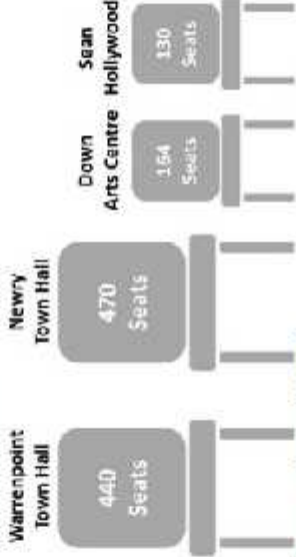
The Warrenpoint Town Hall is operated by the Newry Town Hall / Sean Hollywood Arts Centre team and includes a 360 - 440-seater theatre / hall space in addition to two meetings rooms and exhibition space. Used for both music and drama performances in addition to regular local hire for community events.



Images: Warrenpoint Town Hall, Newry

All of these venues are owned, staffed and operated by Newry, Mourne and Down Council under the Tourism, Culture and Events Directorate. Most venues have a small core staff, with shared support from central council services including marketing and finance.

SEATING RATIOS



Source: audience's NI report

When comparing the existing venues capacity to those of other example venues within Northern Ireland, a seat ratio provides an exploration of the potential market capacity for programmes based on the size of the venue. A seat ratio to both town / city population and to county ratio provides three key insights to support the assessment of venue market potential. Firstly, it provides an outline gauge of the market size available to the venue relative to its capacity, to indicate whether the capacity is too high for the population (shown by a very low ratio). Secondly, whether the venue will be reliant on a wider primary catchment zone than normal (so if the town / city ratio is low but the county ratio is high (then the venue will rely on pulling audiences from a wider geographic area), and Thirdly an outline expectation on repeat custom (a low ratio will indicate whether a high level of repeat custom will be required). This information can be used to benchmark and compare to other nearby venues and also fed in to an assessment alongside market analysis, audience behaviours and competition to inform the suitability of a venue capacity or any potential market saturation issues. The existing venues have ratios as follows:

Venue	Town / City ratio	County ratio
Warrenpoint Town Hall	1 seat: 17 persons	1 seat: 400
Newry Town Hall	1 seat: 57 persons	1 seat: 375
Down Arts Centre	1 seat: 55 persons	1 seat: 1075
Sean Hollywood Arts Centre	1 seat: 207 persons	1 seat: 1356

When compared to the ratios shown for the cross section of venues across Northern Ireland it provides an assessment of the potential market elasticity for additional growth in the capacity of Newry venues.

The Marketplace Armagh	1 seat: 37 persons	1 seat: 439
Riverside Theatre, Coleraine	1 seat: 70 persons	1 seat: 706
The Playhouse, Derry	1 seat: 490 persons	1 seat: 1123

Millennium Forum, Derry	1 seat: 107 persons	1 seat: 247
Waterside Theatre, Derry	1 seat: 289 persons	1 seat: 664
Ardsweeney Theatre, Enniskillen	1 seat: 47 persons	1 seat: 213
Strule Arts Centre, Omagh	1 seat: 55 persons	1 seat: 133

From this comparison Newry is showing as having a low seat-city population ratio and a medium county ratio. This indicates that there will be a requirement to build on repeat custom, drawing audiences in from the surrounding areas of Newry, in addition to a saturation point if the number of available seats rises with a new venue in the centre of Newry.

CLIENT AND STAKEHOLDER BRIEFINGS

Following initial briefing sessions with both Marie Ward (Director of Enterprise, Regeneration and Tourism) and Andy Patterson (Assistant Director of Tourism, Culture and Events), a series of visits to existing venues and meetings were held with key stakeholders, including:

- Briefing meeting with Liam Hannaway, Chief Executive of NMSDC, Director of Enterprise, Regeneration and Tourism and the Assistant Director of Tourism, Culture and Events)
- Down Arts Centre (meeting with Arts Officer and Down Museum Officer)
- Sean Hollywood Arts Centre (meeting with [redacted])
- Newry Town Hall
- Local promoters Michael Magill Entertainment

These aimed to provide information and greater understanding on the following key areas:

- Existing provision of venues and scale of operations
- Existing programmes of live performances
- Marketing and Audience development strategies
- Artistic and Cultural strategy and individual venue business plans
- Growth strategies and previous learnings

The findings from these meetings and visits are captured in the following sections of this report.



MARKET ANALYSIS

The following section draws on both the considerable in-depth information provided in the Audiences Northern Ireland report, in addition to supporting information from the site visits and initial stakeholder briefings. This is focussed in providing insight into the likely potential for future growth and evolution of the existing arts offer, and is provided in summary form.

AUDIENCE DEMOGRAPHICS

Currently only the Down Arts Centre utilises a box office ticketing system, meaning that there is only incredibly limited data from which to evaluate and profile the audiences fully within the Newry Area. The Audiences NI report previously created evaluates the Down Arts Centre audience but is unable to fully profile other areas of the district due to the lack of data.



Age



Family composition



Employment rate



Income level



Housing ownership levels

**Key NMDC Characteristics**

NMDC has a lower median age of 36 (vs 37 in NI), with nearly a quarter of residents (22%) aged 15 years and younger

Nearly half of all residents (45%) are married, and there is a higher presence of children in households (33% vs 24% in NI), especially with children aged 14

More working age residents are considered full-time (72% vs 68% in NI), and there is a higher rate of self-employment (11% vs 9% in NI)

Income levels are slightly greater than average, with full-time median wages at €25,410 compared to €23,607 in NI

Home ownership levels are high, with 65% of households owning their home outright (vs 52% in NI)

The population density and general affluence levels and make up of age groups and family composition is generally in line with comparative Northern Ireland Statistics. This builds confidence in being able to benchmark and utilise performance of other venues in Northern Ireland to indicate potential options for Newry.

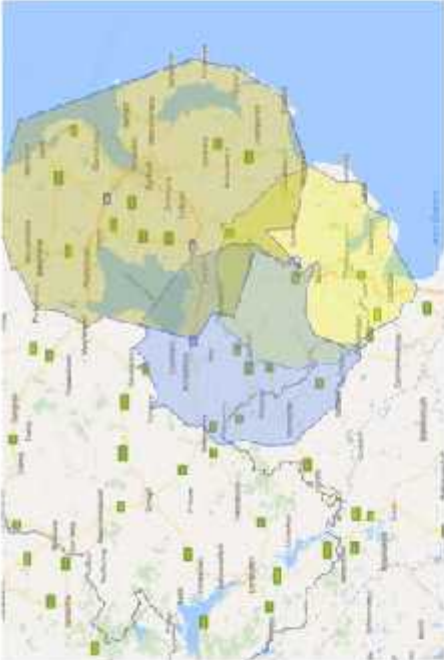
	NMDC			NI		
	No.	%	No.	%		
Male	66,833	49.5%	902,711	49.0%		
Female	68,570	50.5%	947,747	51.0%		
0-15 years	39,602	23%	303,703	21%		
16-59 years	55,053	33%	583,615	32%		
60-64 years	55,557	32%	588,184	32%		
65+ years	29,141	14%	265,915	16%		
Median age	36			37		
Total Population	132,403			1,840,066		
Population Change % (2001-2016)	12.7%			7.0%		
Household	63,931			703,275		

Source: 11111 Newry Mounse & Down  
Title: Business Feasibility Study  
Data type: interview

CATCHMENT AREA - NEWRY

The map below demonstrates the potential likely core catchment area for Newry in addition to showing the larger primary catchment area for Belfast as well as Armagh. These are based on 30-minute average drive time distances, in order to demonstrate the potential overlap and competition between venues. Again, without further box office customer data it is not possible to provide accurate mapping of the existing catchment area for Newry.

The overlap shows the potential competition in primary catchment areas for similar programmes of live performances. This needs to be carefully considered alongside developing a greater understanding of existing audiences and catchment areas in order to facilitate both targeted marketing, as well as to inform programming of shows and events that are sensitive to the potential overlap.



MARKET COMPETITION – NEWRY AND SURROUNDING AREAS

Whitist Belfast presents a substantial draw within the core catchment area of Newry, this is likely to be more focussed on more infrequent visits to larger-scale productions, rather than more regular visits for smaller live music, comedy and theatre performances. The competition from both Armagh and the Down Arts Centre and Newcastle offer (from NM&DC venues) is a more immediate potential conflict, and must be considered with sensitive and suitable programming that avoids close scheduling of similar events.

The audience data from Down Arts Centre analysed in the Audiences Northern Ireland report shows that there is already a small audience based in and to the east of Newry that travel to Down Arts Centre for certain performances and events, however the current public perception is that Newry residents are more likely to travel to Dublin or Drogheda for performances and concerts – however this is not verified by data.

In addition, for the conferencing, fundations and events market, within the Newry the Canal Court Hotel offers up to 10 function rooms ranging in size, with the largest hosting 300 delegates in theatre style and up to 220 for cabaret / dining style. Bellini's also offers two adjoining suites that can be opened up together accommodating up to 450 guests for dinners and formal events. The Newry conference and banqueting centre and also Ballyboi Hotel also have a large number of smaller spaces as well as main venues that have capacity for up to 150 guests. The Dromedary, The Whistledown Hotel, Flagstaff Lodge and other more remote hotel and conferencing offers are also in close proximity to Newry.



## EXISTING PROVISION

There is a lively and active theatre and performance arts ecology within both Newry and the wider NM&DC area. However, this is not as developed compared to the wider Northern Ireland cultural ecology, primarily due to a lack of artistic vision and suitable business plan for the existing venues within Newry. The venues have not suitably engaged and facilitated audience and artist (both professional and amateur) development meaning that the level of activity and offer within the area has relied on limited capacity and demand primarily being generated by local performance groups.

There are some basic functional requirements that are not being provided within the Newry venues, that are actively contributing to dissuading acts, audiences and promoters from attending and utilising these spaces. The existing venues in asset terms are being largely underutilised with many of the spaces within Newry (Town Hall and Sean Hollywood Arts Centre) being empty for over 50% of the year in recent years.

### PROGRAMME- THEATRE & LIVE ARTS

The Programme of theatre and live arts in Newry is heavily reliant on the local dramatics organisations (the majority of which are amateur or volunteer based) to provide the bulk of the programme. The professional drama is predominantly small-scale touring product that plays at multiple venues within both the NM&DC area and also nearby competing venues (often only a few days apart as seen in the table: Autumn 2017 programme).

Live music is presented both from the Newry chamber music society, presenting a range of classical music performances, in addition to occasional professional promoters hiring the Town Hall. There are also a number of festivals and competitions held through the year focusing on Irish Dance, music and Spoken word and Drama.

The programme in Newry also currently contains some comedy nights, spoken word lectures and Psychic Medium evenings.

### PROVISION – CONFERENCE & EVENTS

Within Newry city, there are very few large venues that are utilised for conferences, symposia, trade shows and public fairs (such as wedding venues) with the exception of the Central Court Hotel and Bull Inn. There are multiple other facilities offering the meeting and conference spaces catering up to 150 people. The majority of recent conferences and room hires held

The marketing of the Sean Hollywood Arts Centre and Town Hall is reactive in its nature and undertaken in a fashion similar to that of a hall or civic space for hire.

The venues have a distinct lack of brand and personality, with limited information both online and in hard space advertising this is providing a limited reach and impact to audiences.

### OPERATIONS & STAFFING

Both Newry Town Hall and the Sean Hollywood Arts Centre are owned and operated by NM&DC alongside the other cultural provision in the district including Down Arts Centre, the museums and other town halls.

The Arts Centre and Town Hall are run by a small core team of staff with 2x Arts Officer roles who undertake general building management and programming, 1x full-time theatre technician, 1x casual technician (for when there are simultaneous events running or holiday cover), 2x full-time cleaners (key holders / cleaning) and 1x administrator post (currently under a job share).

When the venues are hired by local groups they undertake their own box office and stewarding / ushering, but the overall responsibility for evacuation of the premises remains with a caretaker and the technician. The arts officers tend to work office hours.

The buildings are open to the public during restricted hours (indeed the latest post on the Sean Hollywood Arts Centre Facebook Page was a comment from a customer who tried to visit on 10<sup>th</sup> September at 15:07pm but the building was shut – and no public reply or comment has been made by the building to minimize the negative impact of the comments being made).

### BOX OFFICE AND SALES

With the exception of Down Arts Centre, there is no electronic box office ticketing software used at any of the NM&DC venues. This provides substantial restrictions to both income streams (with no online sales provision on this is a massive lost opportunity) in addition to having no ability to capture customer data, sales patterns, demographics and behaviours / preferences. The staff believe that the majority of sales are undertaken over the phone, although with no data this is hard to quantify.

In Newry venues are undertaken by local companies or branches and are of a smaller nature. A couple of larger Irish companies (including the stockbrokers DAVV) have hired venues for private events in Newry but this is rare.

Newry is home to a number of large companies both home-grown and international spanning both the digital and manufacturing sectors. However, the growing trend is showing a decline in the size of larger industry conferences and symposiums with the average size of a conference in the UK in 2016 at 258 delegates (source: Amex Global events study), more companies are preferring to use technology to provide cheaper solutions including webinars, hang-outs and VOIP / Video conferencing facilities.

### MARKETING & PUBLIC RELATIONS

The existing venues in NM&DC rely primarily on a combined seasonal brochure that is printed and distributed 3x per annum. This brochure encompasses all of the council-operated venues, art exhibitions and museums in one brochure, that is presented in a strong functional style that is more informational than sales driven.

Only one of the theatres (Down Arts Centre) has its own website, with all others relying on listings on the primary council website and with the exception of Down Arts Centre has a limited social media presence with Newry having little or no engagement.

The marketing and public relations for the venues is undertaken through the council's central marketing department, and within Newry the Sean Hollywood arts centre and Town Hall have a combined marketing budget of £20,150 (2016/17) including the seasonal brochure. When compared to the total income generated through room hire and shows from the two venues in the same year £57,360 this gives a return on investment of £2.84 from the marketing budget which is substantially lower than would be expected (UK average we would expect to see around £5 – £9 ROI per £1 spent on marketing and publicity).

There is limited or no outdoor advertising (with the exception of some shop windows) and the advertising of shows is restricted to internal pin board poster sales and flyers.





VENUE ASSETS & UTILISATION

The Town Hall built in 1893 (currently under refurbishment) seats approximately 470 seats although this is believed to be inaccurate as part of the current refurbishment works. This is split across a stalls level and a single small balcony / circle level. There is disabled lift access to the stalls, and two primary stair cores serving both the stalls and circle level. There is no dedicated bar / catering facility, and the venue has many venues of this civic formal design do suffer from limited circulation and foyer space, with audience loading causing congestion and often results in queuing outside. This is also worsened by there being no provision of a box office system as many tickets then have to be collected in person in the entrance hall.

The building is centrally located, over the canal with the water flowing under the town hall itself, however due to both the limited external advertising space and the rather solid and formal brick construction style of architecture, the Town Hall feels closed and uninviting, a disclol building marooned in the centre of the city.

The Arts Centre situated next door, is partly purpose-built and with a much more modern styled entrance, although this is tucked round the side of the Town Hall meaning that it is again hidden and uninviting. There is a central stair and lift circulation core immediately off the front door with limited circulation space, however this feeds up to the higher floors of the building including the foyer / bar space. There is a purpose-built bar / kitchen area with serving hatch within the foyer space on the first floor, however this is not in operation so neither the Arts Centre or Town Hall offer any food or drink provision, forcing users out into nearby pubs and cafes.

The arts centre has five spaces that are available for hire and use including the theatre, a rehearsal space, meeting room, arts space and art gallery.

Both of the venues have a programme of events that is predominantly composed of local groups and private hires. The hire of spaces in both buildings is undertaken on a three-tier system of either a commercial rate, local groups rate or a charity rate, with the lowest going down to only £6 per hour in the arts centre.

The booking and management of the spaces is undertaken using +2 Glascions leisure management software which is primarily designed for leisure and sports facilities.

The venues run a limited programme with over half the year having limited or no bookings of events.

ECONOMIC PERFORMANCE

Both the town hall and arts centre are fully subsidised by NM&DC with no external project or Arts Council funding. Over the last 3 years the total operational subsidy (after the offset of income) for the two venues has been:

	2016/17	2015/16	2014/15
Newry Town Hall	£113,894	£167,120	£219,901
Sean Hollywood Arts Centre	£341,543	£313,508	£323,175
Total Operational Subsidy	£455,437	£480,628	£543,076

The income generated has been:

	2016/17	2015/16	2014/15
Newry Town Hall	£18,900	£18,900	£19,680
Sean Hollywood Arts Centre	£18,460	£38,460	£37,294

Staffing costs are the highest contributor to overheads, accounting for over 50% of the operational subsidy costs.

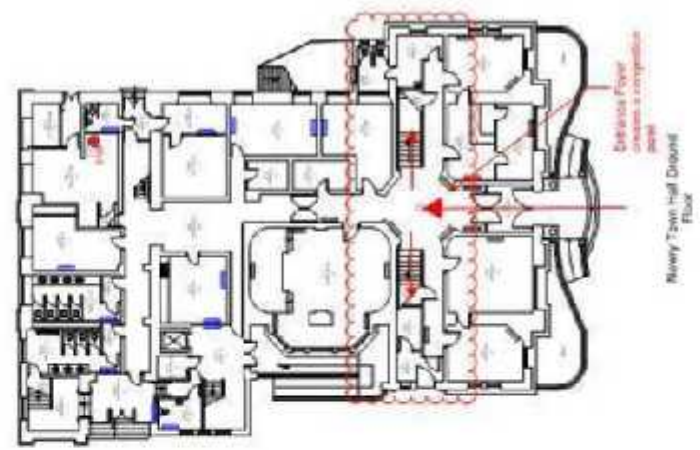
The total income is generating around 11% (2016/17 budget) of the total expenditure of the two venues.

This generating a cost per head to the tax payer of £2.58 for both venues across the district population of 215,831 if the total cost is just divided by the quantity of Newry City residents.

By comparison, below are a contrasting series of local authority performance venues of a similar nature shown with their size and annual subsidy levels. These venues are operating at only a slightly higher level of subsidy than the Town Hall and arts centre, with a substantially larger programme of events and performances. The lower subsidy is achieved through larger levels of income generation that offsets the substantially larger overheads and operational expenditure. This is also shown (for comparison) with the Arts Council Northern Ireland results for 2016/16.

Challinham Town Hall – 920 seats 138 performances / 172 hires Subsidy £514,719 per annum	Middlebrough Town Hall – 1,259 seats 187 performances, 48 hires Subsidy £570,206 per annum
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ACE NI AVERAGE (All Venues) total Subsidy = £255,385 (including all Arts Council, Local Authority and other public subsidy across 109 organisations)





STAGE ONE CONCLUSIONS

From the stage one review of the existing market and provision of theatre activity within both Newry city and the wider NI&DC district, the following assessment of market provision, potential capacity and growth options has been undertaken:

EXISTING PROVISION

Within the district area there is a good general spread of arts centres, annual events and cultural offering. However, there are three primary restrictions that are affecting the current performance and output of the existing provision within the council's area:

- 1. Lack of Artistic Vision / Business plan / Team plan for venues
- 2. Resourcing and Support
- 3. Marketing and promotional activity

Artistic Vision / Business plan – both the Town Hall and Swan Hollywood Arts centre have no artistic policy (or similar agenda set out through an arts and culture policy) in place that sets out their purpose and function, development and growth targeted through a business plan or targets for increased delivery and sustainability. This resonates through an infrequent and slightly random programme of events, dominated by the use of the spaces in a dry hire fashion – treating both the theatre spaces in a village hall for hire style. However, it should be noted that there is strong support for arts and culture within the higher level corporate strategies and plans within the council that should drive the need to develop those plans.

Resourcing and Support – both the staffing structure and the provision of box office and tailored marketing is massively missing (in proportion to the lack of programme). The lack of suitable box office ticketing software is providing a poor customer service and putting the venues at a significant disadvantage compared to even the Down Arts Centre.

the building in a civic manner, rather than as an arts venue or theatre. Whilst the support for the venues from the council is clear (especially demonstrated by the refurbishment works happening in the Town Hall currently) this needs to be matched by a suitable staffing structure that will enable a larger and denser programme of performances and events to be undertaken.

Marketing and Promotional activity - The events and programme of activities are marketed in a very limited manner, with the core activity of the season brochure, lacking in impact, venue branding and messaging. Even

In comparing to Down Arts Centre there is a greater sense of engagement and awareness through social media, a venue website and engagement through the town of Downpatrick.

MARKET POTENTIAL – THEATRE AND LIVE ARTS

In conjunction with the Audiences NI report, and following the comparison of the existing local provision against the wider Northern Ireland offer, it is clear there is potential for an expanded offer of professional and local theatre and performances art within Newry and the wider district.

The programme of performances and live arts within Newry needs to be massively expanded to match those seen in other areas of Northern Ireland. This predominantly needs to be balanced against two simultaneous exercises:

- 1. Audience Development – given the limited nature of offer currently available, and the public perception of the venues, an immediate increase in a professional programme would need to be accompanied by the implementation of a strategy that sets out the channels and methods by which audiences will be encouraged to re-engage and support the growth of the venues. This is only possible through ensuring all elements of the service and customer experience are able to support and meet expectations, including customer experience (from initial point of contact through marketing, to ticket purchase and customer experience of the venue)

- 2. Risk Management – the current revenue generation of the Arts Centre and Town Hall is incredibly low, and any increase to the programme of events needs to be carefully managed to ensure the correct balance of different genres is undertaken in ratio with the financial risk. Many venues will seek to build audiences through more populist programme strands, focussing on comedy and live music with drama and theatre working on a longer time-frame for development.

When comparing the seat ratios and population density to those of other venues in Northern Ireland, the existing potential market has the capacity to expand further, with a strong focus being on raising the level of engagement and repeat custom from the primary catchment areas.

MARKET POTENTIAL – CONFERENCE AND TRADE

There are very limited facilities within Newry and the surrounding area that can accommodate larger conferences, symposium style events, trade

shows or public fairs (such as wedding fairs). The existing venues predominantly cater to smaller functions and events. There is not likely to be an available market for large scale conferences and events due to the proximity of Belfast and Dublin, however there is capacity for events between the 250-500 seat scale.

There is potential for development in a range of the different market sectors of the conference and trade show market, but these are likely to be limited to:

- 1. Trade shows and public fairs / events – such as wedding fairs, industry specialist events and public buy and sell events.
- 2. Private events & Functions – catering to the larger end of the market, with capacity to support dining events (such as weddings, award ceremonies etc) that cater for between 250-500 guests. These are likely to be infrequent.
- 3. Conferences and symposium – this is potentially the hardest market, with strong competition from the Canal Court Hotel and will be limited to occasional use only.

RISKS AND CONSIDERATIONS

Following the above a SWOT analysis has been undertaken to explore the potential risks and considerations around the development of an on-located or new facility for theatre, live performance and conferencing within Newry city centre. This aims to determine the recommended parameters to inform the brief and outline specification for a venue.

Any proposed development of either a new venue, or enhancement of the existing provision needs to consider these findings and a fully developed business plan that seeks to mitigate these risks and that sets out a suitable strategy for the growth and renovation of the current arts provision in Newry needs to be developed to ensure this is carefully managed for the most economically advantageous outcomes balanced with cultural value.

There is a strong existing provision of venues and we would therefore recommend that consideration must be given to the option of evolving the existing venues (given the close proximity between the Arts centre and Town Hall) to solve the identified physical restrictions and meet the potential operational mode that could be sustained by the Market.

Should a new venue be pursued, it is likely that the existing venues would not be able to survive without substantial impact or displacement occurring, and this must be considered with regards to potential alternative uses for the existing buildings.



## SWOT ANALYSIS

	STRENGTH	WEAKNESS	OPPORTUNITY	THREAT
<b>INCREASED PROGRAMME OF PERFORMANCES AND EVENTS</b>	<ul style="list-style-type: none"> <li>Strong support shown for arts and culture (Audience NI report)</li> <li>Existing core presence of local performance groups who are active in the arts</li> <li>Limited competition from nearby competing venues</li> <li>Limited primary catchment area overlap</li> </ul>	<ul style="list-style-type: none"> <li>Limited existing offer and associated data to build confidence in likely outcomes</li> <li>Existing programme overlaps with many nearby venues including within NM&amp;DC area</li> <li>Existing venues not fit for purpose (with regards to customer experience and ancillary services such as bar / catering and box office)</li> <li>Limited established marketing channels and tools to effectively promote activity</li> <li>Competition for larger performances and events from Belfast and Dublin</li> </ul>	<ul style="list-style-type: none"> <li>Capacity to develop and build a programme with more professional work</li> <li>Ability to bring in a greater range of artists and genres not currently facilitated in Newry</li> <li>Ability to explore opportunities for external funding streams (such as Arts Council Northern Ireland and grant making bodies)</li> </ul>	<ul style="list-style-type: none"> <li>Displacement from existing venues leading to over supply for size of market (if a new venue is created)</li> <li>Competition from existing provision within the NM&amp;DC area</li> </ul>
<b>PROVISION OF LARGE CONFERENCE AND EVENT FACILITY</b>	<ul style="list-style-type: none"> <li>Limited existing market competition (for larger events)</li> <li>Central location with strong public transport links within Newry</li> <li>Ability to competitively price offer within market</li> </ul>	<ul style="list-style-type: none"> <li>Limited local accommodation to support larger events</li> <li>Existing venues not fit for purpose (with regards to customer experience and ancillary services such as bar / catering, box office and break-out spaces)</li> <li>Limited nearby parking</li> <li>Limited market potential for conferences and corporate events</li> </ul>	<ul style="list-style-type: none"> <li>Ability to cater for larger events</li> <li>Ability to attract increased visitors to area generating secondary spend within local economy</li> <li>Ability to promote and provide package offers with registry office</li> </ul>	<ul style="list-style-type: none"> <li>Competition from online webinars and video conferencing replacing face to face events</li> <li>Strong competition for smaller events and functions</li> <li>Close proximity to Belfast and Dublin</li> </ul>

## STAGE TWO – OUTLINE VENUE BUSINESS AND DELIVERY MODELS

### OPERATING MODEL

Stage Two of the report utilises the findings and conclusions from stage one with regards to the potential capacity for growth in programme of live arts performances and events, alongside the conference and functions potential. This sets out an overview of the potential operating model that could be aspired to, as well as high-level consideration of the potential delivery models that could be used to achieve the potential increased activity.

With all of the potential different vehicles available for the delivery of an enhanced provision of theatre and live arts it is recommended that a full study or business plan is developed to fully explore and forecast the likely financial impact, timescale and risks associated with each.

### THEATRE AND LIVE ARTS PROGRAMME AND PROVISION

Both the range, frequency and nature of performances and events that are undertaken could be drastically improved (over a phased period of introduction) to provide a fuller and more diverse programme to appeal to the audiences within Newry and the surrounding area. The existing programme is sparse and under provides for the perceived level of audience demand. The programme could be broadened through the expansion of the following different genres:

#### DRAMA AND MUSICAL THEATRE

An increase in the range and nature of professional productions programmed in Newry, focussing on introducing larger more commercial productions (examples might include medium scale musicals such as Flashdance, Footloose the musical and Avenue Q which are currently only available in Belfast and Derry). In addition, the diversification of smaller touring drama productions, including a focus on collaborating and receiving work from Arts Council funded companies.

#### LIVE MUSIC

An increase in the quantity of live music performances targeting the growth towards a regular weekly music evening. Focussing on two key strands – tribute bands and original music acts. This is a lower risk area of the programme that could provide increased income.

#### LIVE EVENTS

The expansion of music, spoken word and drama events including themed evenings, experiences (such as experiential dining experiences) talks and lectures, public competitions and festivals celebrating and promoting local talent.

#### COMEDY

The introduction of a regular smaller comedy club hosting smaller acts and local performers, balanced with an increase in higher profile comedians.

#### VARIETY

The diversification of variety performances and acts to include circus, dance shows, psychic and magic / illusion shows.

## CONFERENCE AND TRADE SHOW MARKETS

The market assessment has shown that there is only a small existing market within Newry for co-termining and larger-scale private or public events and functions, however this is partially limited due to the lack of suitable facilities within both Newry city and the surrounding area.

The proposed model for Newry would seek to introduce suitable accommodation for larger events focussing on the following key areas:

1. Trade shows and public fairs / events – such as wedding fairs, industry specialist events and public buy and sell events.
2. Private events & Functions – catering to the larger end of the market, with capacity to support dining events (such as weddings, award ceremonies etc) that cater for between 250-500 guests. These are likely to be infrequent.
3. Conferences and symposium – this is potentially the hardest market, with strong competition from the Canal Court Hotel and will be limited to occasional use only.

## MARKET IMPACT

The development of an enhanced and potentially up-scaled theatre operation within Newry creates potential impact to the surrounding area and existing operations, which must be carefully considered in order to ensure the risk of displacement is managed carefully. This needs consideration around:

1. Venue programming – the co-ordination and consideration of programming visiting productions into multiple venues within the NM&DC area, in addition to building relationships with other key competitors to complement programming timing rather than compete.
2. Price sensitivity – awareness and understanding of perceived audience value and economic sensitivity with regards to ticket pricing structures and scaling, including consideration around all venues within the NM&DC area in addition to competing venues.
3. Over saturation – an awareness of the limitations or demand within the market (that will evolve as the offer increases) and setting out a phased development plan supported by increased audience engagement and marketing to implement a steady and manageable level of growth in output.



## STAFFING AND RESOURCES

In order to deliver and implement the growth of an enhanced offer, the staffing and resources required to achieve this increased service would need to be revised to reflect the substantial potential uplift in activity. We would recommend consideration of the following:

1. The provision of a specialist Theatre Manager / Programmer. This role would undertake the programming and delivery of all live performances, tours, outreach and visual activity, leading and line managing the operational team across the venue. This role would require suitable specialist skills and demonstrable experience in the theatre industry at a range of similar venues.
2. The provision of specialists: Marketing support. Currently the seasonal brochure that covers all the arts and culture activity in the district, is designed and printed by the council marketing team, with content provided by the arts officers. This forms the majority of marketing activity for the venues with limited other activity undertaken. The theatre and arts need to have focused and specialist support that provides tailored marketing campaigns to both the venues themselves (in the creation of the venues identities as a brand) in addition to specific marketing campaigns based on audience data and demographics, including seasonal brochures, posters and flyer distribution, radio media reinforcement and digital and social media presence and engagement.
3. Review on staff structure – the potential programme is balanced much more towards a strong provision of professional work. This changes the focus of the venues from the current model of a hire space towards that of a more conventional receiving theatre model. This would require a review of the current staffing provision to ensure that suitable focus is given to the customer experience (usually through dedicated sales staff on box office, duty managers in front of house etc) as well as achieving the operational requirements such as cleaning, basic maintenance and running etc. This is dependent on the delivery model used.
4. The provision of box office ticketing software – allowing sales for all events and shows to be undertaken online, in person and over the phone, increasing potential sales avenues and revenues in addition to significantly improving the current customer experience, this will also provide a key source of data and understanding of customers.

## FUTURE GROWTH

Within all of the above is the potential for further development of both audiences and potential in addition to artistic development to enhance both the nature and level of work that can be presented in Newry, as well as exploring the support and development of arts activity and performances being created in Newry. This future development could include:

- Introduction of an audience research and development strategy that can be undertaken in partnership with Audiences NI (and possibly attract external public funding) to explore and establish suitable avenues and audience sectors to target for growth.
- Artist development – a programme of support and accommodation for local artists to engage with the service, providing opportunity to nourish and develop professional artists at all stages of their career.
- Collaborative projects – the development of strategic partnerships with other local theatres in Northern Ireland, to develop and create relevant and local work both in the venues and around Newry and the surrounding area, including attracting external funding.
- Outreach projects – the introduction of further projects and activities within the Newry area that target engagement and participation in the Arts, through a series of workshops, events, performances and activities that take place in schools, community centres and in and around Newry.



## DELIVERY MODELS

In addition to the consideration around the funding of any capital project for the development of a new venue, or further works to existing venues to meet the increased service need, in order to create a sustainable and resilient service the vehicles for the continued provision of the service and potential delivery models and governance structures need to be considered.

### CONTINUED COUNCIL OPERATION

This option would see the operation of either a new venue or the existing venues continue as a direct service provision of the enterprise, regeneration and tourism department with the governance and reporting of performance and audit requirement all remaining the responsibility of NMSDC.

#### Strengths

- The Council would retain control of the facilities and be able to continue to spread their overheads.
- Continued (and potentially easier) integration of the Arts offer in Newry within the overarching enterprise regeneration and tourism strategies of the council.
- Continued staff employment by a local authority is likely to be perceived as more comfortable for trade unions and staff than any of the alternative models.
- Retention and full control of the buildings as an asset.

#### Weaknesses

- The operation of the venue(s) being a discretionary service, increases the likelihood that the facility may be forced to significantly reduce or alter its programme and service provision through either lack of investment, stringent budget reductions or political will.
- Continued council operation will require a 100% commitment to support and maintain all elements of the building (whereas the other operating models spread some of this externally).
- Limited access to external funding opportunities for both activity and capital project funding.

#### Opportunities

- Explore a greater level of integration between the Theatre, arts and cultural provision and leisure / tourism to improve wellbeing, visitor attractions, place making and mental health in the community.

#### Threats

- A greater risk that facility closure or the ceasing of operation may be required to meet any financial pressures faced by the council.
- As the current operation is based on deficit-funding of the service and is a non-statutory service, it could be subject to disproportionate financial stringency and a severely reduced provision of services to meet the savings required.

The retained operation of the arts provision would require a number of actions by NMSDC in order to provide the best possible value for money and to counteract the above weaknesses and threats including:

- Development of a business plan to set out and explore the further development, saturation points and potential risks / costs for the operation and any further growth in service and programme.
- Recruitment or outsourcing of suitable theatre management and programming.
- Provision of suitable marketing and PR support and activity (including an associated increased budget with return on investment targets).

### NPDO

The formation of a non-profit distributing organisation (a registered charity that usually takes the form of a charitable trust) where all of the organisations profits cannot be distributed but must be reinvested by the entity to further its objectives. There are a number of different types of NPDO vehicles each with their own benefits and risks.

This option would see the operation and the management of the venue transferred to a newly created NPDO with governance and management controlled by a board of trustees with the venue management reporting to the board. The NPDO would have charitable status and could also include subsidiary trading companies to efficiently manage the provision of catering services if run in-house. The NPDO could incorporate all culture and arts services across the council portfolio. For the purposes of this report we are focussing only on the potential Newry theatre / arts venue considerations.

#### Strengths

- NMSDC (Business rates) savings, involving a not saving to NMSDC of 80% assuming both mandatory and discretionary relief is granted.
- More mobile operational governance reducing delay in strategic or larger operational decision making having to involve political or public consultation.
- VAT savings on seeking cultural exemption

- Ability to source and utilise cheaper market rates for support services and maintenance.
- Single focused body with a unitary purpose

#### Weaknesses

- Additional regulation by the Charity commission (although this is not onerous).
- Reversibility – as assets of a charitable entity can only be used for the charitable purposes of that charity or transferred to another charitable body for similar purposes – so careful consideration is required as to any leasehold or asset transfer undertaken.
- The trustees or governance of a charity cannot be controlled by any outside organisation (such as the council) and their discretion and purposes must not be biased in any way although council seats can be preserved on the board.
- Loss of full and direct council control. Although greater community engagement available and with continuing involvement of the council.

#### Opportunities

- Ability to achieve greater efficiency in working practices as less obligation from local authority legislative requirements.
- Access to private finance and funding from trusts and grant making organisations.
- Opportunity for community engagement and consultation in the management of the NPDO through both trustee roles and an advisory panel.
- Potential reduction in subsidy reliance from the council.
- Ability to explore and bid for other contracts to expand operations.

#### Threats

- A less established entity brings risks around instability and a requirement to generate suitable reserves.
- An NPDO entity would still require grant-funding from the council to subsidise operation.

The operation through a newly created NPDO company with charitable status would require a number of actions by the council in order to provide the best possible value for money and to counteract the above weaknesses and threats including:

- Development of a business plan and implementation strategy to include a suitable management and governance structure for decision making and exploring the further development, saturation points and potential risks / costs for the continued operation and any further growth in service and operation.



- Specialist advice and guidance on the structure and creation of an NPDO including guidance on charitable rate reliefs and financial benefits (including VAT cultural exemption and NDR relief)
- Allocation of funds for implementation costs
- Recruitment of suitable theatre management and of trustees
- The development of a robust grand-funding agreement
- Consider investment priorities to ensure maximum commercial viability.

#### PUBLIC PRIVATE PARTNERSHIPS

This option would see the operation and the management of the venue(s) tendered to an external third party operating company. There are a number of examples of this being undertaken with local authority theatres with varying degrees of success.

The operator would most likely be brought in on a leasehold basis, under a pre-agreed grand-funding basis from the local authority. Usually on a 10 – 15-year contract (with suitable break clauses and restrictive covenants) the operation is entirely transferred with no support services (other than those of a landlord / tenant agreement).

#### Strengths

- Reduced risk to NMSDC by removing operation from service portfolio
- Access to industry knowledge and experience and potential buying power to improve service and programme of events and events.
- Reduction in demand on core services.

#### Weaknesses

- Outsourced operation will still require a commitment to support and maintain core elements of the building (in a landlord capacity)
- Limited input and control over service provision and delivery
- Less cohesion with within wider council strategy for enterprise regeneration and tourism, culture and well-being
- Additional costs associated with profit-making requirements of external commercial operators.

#### Opportunities

- Ability to explore efficiencies through economy of scale resulting in savings.
- Transfer of some responsibility for internal maintenance and upkeep of the building.

#### Threats

- A risk of instability resulting in failure of service delivery or increased costs to the council
- An altered service delivery focussing on commercial viability reducing the delivery of community and broad genre programming.

The outsourced operation of the service would require a number of actions by NMSDC in order to provide the best possible value for money and to counteract the above weaknesses and threats including:

- Consideration of public and political appetite for outsourcing.
- Development of a clear and rigid specification and the undertaking of both soft market testing and a suitable tender process to identify and find a suitable operator offering best value for money
- The development of a robust lease and grand-funding agreement to guarantee suitable service provision.
- Consideration of reallocation of core service costs no longer required to other council services or a reduction in provision to create a saving.

#### ARMS LENGTH OPERATION

This option would see the operation transfer to an arms-length limited trading company wholly owned by the council. This would most likely take the form of a company limited by guarantee but viewed as a 'controlled' subsidiary with accounts grouped to the Council.

The council would continue to maintain responsibility for the building and its maintenance as well as the indirect operation of the service.

#### Strengths

- The Council would retain control of the facilities both in terms of service provision and the use of the building
- More holistic operational governance reducing delay in strategic or larger operational decision making having to involve political or public consultation.
- Retention and full control of the buildings as an asset.
- Ability to source and utilise cheaper market rates for support services.

#### Weaknesses

- Inability to access charitable reliefs and benefits
- Continued council operation through an arm's length commercial operation will still require a 100% commitment to support and

maintain all elements of the building (whereas the other operating models spread some of this externally).

- Limited access to external funding opportunities for both activity and capital project funding
- Less financial support increasing reliance on self-sufficient or external funding on an invest to save basis for larger capital projects.

#### Opportunities

- Ability to achieve greater efficiency in working practices as less obligation from local authority legislative requirements.
- Ability to explore and bid for other contracts to expand operations.

#### Threats

- A less established entity brings risks around instability and a need to create suitable reserves.
- The arms-length entity would still require grant funding from the council to subsidise operation but with only limited opportunity to develop alternative funding sources, the threat of disproportionate financial stringency and potential closure or a severely reduced provision of services to meet the savings required still exists.

The operation through an arms-length Ltd company would require a number of actions by the council in order to provide the best possible value for money and to counteract the above weaknesses and threats including:

- Development of a business plan and implementation strategy to include a suitable management and governance structure for decision making and exploring the further development, saturation points and potential risks / costs for the continued operation of the venue(s) and any further growth in service and operation.
- Recruitment of suitable theatre management and company director or CEO or outsourcing of theatre management
- The development of a robust grand-funding agreement.
- Consider investment priorities to ensure maximum commercial viability
- Consideration of reallocation of core service costs no longer required to other council services or a reduction in provision to create a saving



# STAGE THREE – VENUE SPECIFICATION, OPTIONS AND COST ESTIMATES

This section sets out both the likely requirements of a venue or facilities to accommodate the potential enhanced arts provision through an outline specification and area schedule, as well as in exploring the two potential options for the accommodation of this increased activity, either through the creation of a new venue or the renovation and extension to the existing venues to provide suitable accommodation of an enhanced service utilising the existing spaces. Both options are provided with an overview and a high-level estimation of likely project costs.

## OUTLINE VENUE SPECIFICATION

### BRIEF

From the market assessment and the proposed operating model that could be developed and sustained within Newry City Centre, there is a requirement for a facility that can accommodate and support both the provision of a range of live performances, with a focus on theatre, live music and comedy, in addition to small scale conferencing, symposiums and trade show / public fair style events.

1. A primary theatre performance venue that can seat between 500-750, based on an end-stage / proscenium arch format, with the ability to adapt to different staging formats in quick / low cost (and low maintenance) turnarounds, including, Traverse (or calwalk), Thrust and in-the round. The venue must be able to adapt for flat floor events including standing and seated-standing live music events and functions.
2. A secondary smaller theatre performance venue that can accommodate between 100-250 seats dependent on format of production, based on a thrust format with the ability to accommodate and adapt easily to different staging formats
3. Accommodation of visual arts exhibitions, rehearsal and meeting spaces.

## OPERATING REQUIREMENTS

Below is a summary outlining the operational requirements based on the proposed operational model for the venue, this is broken down into operational areas of the building, and is subject to further development in line with the business plan and as any design feasibility work progresses.

### ACCESS, PARKING AND TRANSPORT

The venue needs to be located in a central city site that provides close proximity to supporting local amenities that drive the night-time economy including hotel accommodation, restaurants and bars. The location should also ensure ease of access from a wide range of transport links including but not limited to:

1. Road - the venue should where possible either have public parking provision or be in close proximity to public parking. In addition, the venue should have suitable proximity to primary routes in and out of the city and ideally the ability to have drop-off and collection of passengers from taxis and private vehicles without causing congestion.
2. Rail - the venue should be within 3 miles of Newry Train Station
3. Bus - the venue should be within close proximity of the key bus routes that service Newry city centre
4. Pedestrian access - the venue should be accessible from all main high-footfall areas within the city centre, including the Hill Street shopping area and primary night time economy area around the canal.

### PUBLIC AREAS

The venue must be able to accommodate the circulation, loading and unloading requirements of the full range of audience capacities including simultaneous programming across multiple performance and function spaces, providing a generous and engaging welcome with active frontage across facades of the venue, with a design that naturally incorporates the requirements for suitable provision of point of sale locations, information and box office areas.

The public areas should include provision for both daytime informal meeting / café culture social areas, as well as being able to up-scale to the time-pressured demands of interval bar and event catering provision whether in-house or externally provided.

All areas must be compliant with the equalities act and provide accessible and engaging spaces. The public space must reflect the culture and history of the locality in addition to providing opportunities for the display and installation of a range of visual arts. In addition to this the facility for hosting educational activities and large groups congregating must be considered.

### AUDITORIUM AND STAGE AREAS (INCLUDING BACKSTAGE)

#### TECHNICAL PROVISION

The primary performance venue must incorporate flexibility to allow for a wide range of programming use, and the associated technical requirements. Key requirements include:

1. Provision of either full-height flying (fly tower) above the end-stage area or a minimum of half-height flying (fly loft) to enable smaller scenic items to be suspended and raised or lowered during a performance.
2. Provision of infrastructure space and facilities to enable a wide range of events to be recorded and or broadcast (including both live outside broadcast, audio and visual recording and online streaming).
3. Provision of suitable equipment loading and un-loading (Gelin and Scenery Deck) and vehicular access for vehicles ranging from transit vans up to 1x 13.6 metre articulated international trailer for dedicated performance use (to be separated from other operational regular deliveries such as catering supplies).
4. Provision of stage-lighting systems and infrastructure to accommodate the mounting and presentation of mid-scale received touring musical theatre, live music, stand-up comedy, dance, events and functions, conferences and trade shows / public fairs.
5. Provision of audio-visual systems and infrastructure to accommodate the mounting of mid-scale theatrical productions.
6. Provision of suitable stage engineering systems and infrastructure to accommodate the safe and efficient rigging, erection and suspension of masking, stage lighting and audio-visual equipment, scenery and large props and furniture, including consideration of the requirement for flexible and multiple staging formats within the space, corporate and conferencing events.



PERFORMER AREAS

Each of the primary performance venues requires its own accommodation for both performers supporting technical staff and musicians, based on the suggested staging capacity set out per venue. In addition, the performers accommodation must consider the following factors:

1. Dressing Room accommodation that provides a number one and two 'star billing' dressing rooms of high quality with en-suite toilet and shower facilities
2. Dressing room accommodation that in addition to suitably housing performers and staffing as per the venue size, can also accommodate children and vulnerable adults when required, including allocated separate toilet facilities, and separate male/female rooms
3. Facilities and accommodation for visiting technical staff, performers and touring company staff, including company office, green room / kitchen provision, and band room.
4. Supporting accommodation including wardrobe / costume maintenance rooms, Wigs and shoes, practice and warm-up rooms.

STAFF AND ADMINISTRATIVE ACCOMMODATION

This venue requires the suitable accommodation (to be designed with consideration of operational requirements for locality in mind) for the following key departments:

- Venue Management / Directors
- General Admin & Finance
- Marketing and Press
- Technical
- Operations
- Box Office
- Catering
- Front of House Staff (Ushers and Duty Managers)
- Maintenance and cleaning
- Education and Outreach
- Finance (depending on delivery model used)

AREA SCHEDULE

Based on the brief and uprating requirements listed above, the below demonstrates an outline area schedule that determines the likely allowance that should be made for each of the primary and areas required. This does not demonstrate adjacency or design requirements for suitable operation, but is provided in overview to allow for the estimation of site space and calculation of potential likely project construction costs. A full version of the area schedule is included as an appendix to the report

	Capacity sq.ft	Capacity m2	Capacity 1000
A Public Areas			
TOTAL	m2 1297.5	Occupancy m2 1988	Occupancy
B Auditorium and Stage			
TOTAL	1433	2317	
C Performer Areas			
TOTAL	348	470	
D Staff Administration			
TOTAL	206	322	
OVERALL TOTAL	3284.5	5097	





## OPTION #2 EXTENSION & RENOVATION

### OVERVIEW

Utilising the existing assets of the Sean Hollywood Arts Centre and Town Hall to meet the brief and specification, through a renovation, conversion and extension project that aims to solve the identified restrictions and limitations of the existing facilities, in addition to providing and creating secondary supporting spaces, as well as improved internal foyer spaces, circulation and audience loading routes.

The building would seek to engage and celebrate the historic nature of the existing Town Hall, by utilising glass frontage to open up and create a more active and engaging welcome. The primary solution creates an indoor foyer space that links the two buildings with a communal stair and lift to a mezzanine, and an open foyer space that allows easier access to each of the performance spaces through shared open public areas that can also accommodate box office and catering facilities. The main town hall auditorium would be enhanced to provide flexible staging that can accommodate higher capacities for performances such as comedy and some live music (that require smaller stage sizes) to maximise revenue generation, as well as improving access and circulation. This proposal could be further extended to the spare site behind the Arts Centre or this could be explored as a car park.

### COST IMPACT

We recommend the development of any scheme to include immediate consultation with a suitable quantity surveyor once more formal plans have been developed in order to create a suitable project cost plan allowing for design fees, contingencies, legal fees in addition to construction costs. In addition, consideration should be given to the potential revenue loss by the potential periods of closure required to undertake the works.

This information is meant for guidance and observational use only and to provide comparable examples of costs from other projects. A formal cost plan and design is required in order to build cost; certainly for any form of project such as being considered here. For comparison, we have shown both Newcastle Theatre Royal as a recently completed project (2011), and Bristol Old Vic (phase 2) to provide example of two listed building projects and the overall budgets and cost consideration levels for specific areas.

#### Bristol Old Vic:

Redevelopment of existing foyers (complete rebuild) relocation of 150 seat studio theatre and Coopers hall (function space) Grade 1 listed building. project costs exclude temporary provisions to facilitate business continuity & catering equipment budgeted separately.

Rounded Construction Cost: £8.5 million  
£2,654 €/m<sup>2</sup> gross internal area

#### Newcastle Theatre Royal:

Intensive auditorium restoration over 6-month period including custom designed seating, full aesthetic refurbishment and foyer areas.

Rounded Construction Cost: £5.9 million  
£1,956 €/m<sup>2</sup> gross internal area

#### Estimated Areas - Option #2

Redevelopment area 380 m<sup>2</sup> @ £3,500 m<sup>2</sup> = £1.26 million  
Restoration area\* 2,855 m<sup>2</sup> @ £1,500 m<sup>2</sup> = £4.25 million

Total estimated construction cost: £5.51 million

\*The restoration area is based on a lower rate due to the previous and current refurbishment works already undertaken in the Town Hall.

### EXAMPLE BENCHMARKS

Below are a few example projects that worked within similar constraints of older listed buildings, but celebrated the original architecture whilst providing solutions to the operational constraints and needs of an expanded operation.

Image: York Theatre Royal foyer extension



Image: Bristol Old Vic new glass foyer entrance





# CONCLUSIONS AND RECOMMENDATIONS

## ARTS PROVISION

### ARTS AND CULTURE STRATEGY

In order to drive forward the ecology of Arts and culture within the NM&DC area, and to meet the key objectives set out within the regeneration and investment plan relating to the arts and culture, it is recommended that the council develop an overarching arts and culture strategy

This strategy should aim to provide a vision for the delivery and development of an enhanced and more engaging arts programme, focussing on increased utilisation of assets, through both an evolved programme of professional work, in addition to ensuring that the venues are able to become artistic hubs for local professional and aspiring performers and artists. This in turn will generate further economic and social return, and potentially open avenues to explore external funding to assist with building a sustainable and more resilient model

## VENUE OPERATION

In order to build a more sustainable and resilient arts provision within Newry and the wider NM&DC area, all of the existing venues and their operations need to develop individual business plans that are set within the context of a clear wider vision from the Arts and Culture Strategy that must be determined from the Council. This could be one larger document if the planned future option or likely delivery model will see the operation of all of the venues remain under one umbrella.

These venues need to be driven to deliver a clear plan that focusses on developing and growing arts activity, through the following key areas:

1. Asset utilisation – The venues in Newry are empty or have 'dark days' with no activity more often than they are in use currently. This is both financially negative in addition to public perception about the level and nature of the offer. The programme of events and activity needs to be grown to reduce this alongside a push for increased hire of the space. This should be a quantified target for each year.

2. Marketing and PR – the venues in Newry do not have any form of brand identity with no logos, independent website or significant marketing and public relations strategy. The venues need to be given a tailored marketing and PR plan (in conjunction with an appropriate budget) to actively promote and target customers, understanding the values and experience of each venue. This will most likely require a dedicated marketing officer or manager with specialist theatre and entertainment experience who can deliver this for all venues and events operated by NM&DC (however this must be clearly separated from general marketing of the councils' day-to-day activity and we would recommend that they are venue based and not within the council). There are other options available that could achieve this (including not necessarily creating websites for each venue) the priority is in ensuring tailored marketing activity, supporting brand identity and unique offer from each venue.

3. Programming – the nature and quantity of the performances and events that are held in the Newry venues needs to be diversified and increased, focussing on using low-risk popular performances (predominantly live music and comedy) to boost audience attendance, whilst taking a more measured and slower approach to drama and theatre development.

4. Staffing – the structure of the current operation of Newry venues is more aligned with a leisure centre or hall for hire operation, without focussed roles that have responsibility for key areas (sales, marketing, programming, operations). We would recommend a review of the structure as part of the business plan that benchmarks and identifies a suitable structure that puts the correct resources in place to support the growth of the programme.

5. Audience Development - given the limited nature of offer currently available, and the public perception of the venues, an immediate increase in a professional programme would need to be accompanied by the implementation of a strategy that sets out the channels and methods by which audiences will be encouraged to re-engage and support the growth of the venues. This is only possible through ensuring all elements of the service and customer experience are able to support and meet expectations, including customer experience (from initial point of contact through marketing, to ticket purchase and customer experience of the venue).

6. Box Office System – the procurement and introduction of a suitable box office ticketing system that allows access for all ticketed events to be undertaken online, in person or over the phone, through a customised unique website.

7. Audience experience – at present the customers, visitors and audience members attending activities and events at the Town Hall and Sean Hollywood Arts Centre have no access within the facilities to any form of refreshments. This creates a poor experience, with many customers having to

## PROJECT DEVELOPMENT & DELIVERY

There is great potential for Newry to strengthen and grow the arts offer within both the City and also the wider NM&DC area, and this works in harmony with the key priorities of the regeneration plans set out by the Council.

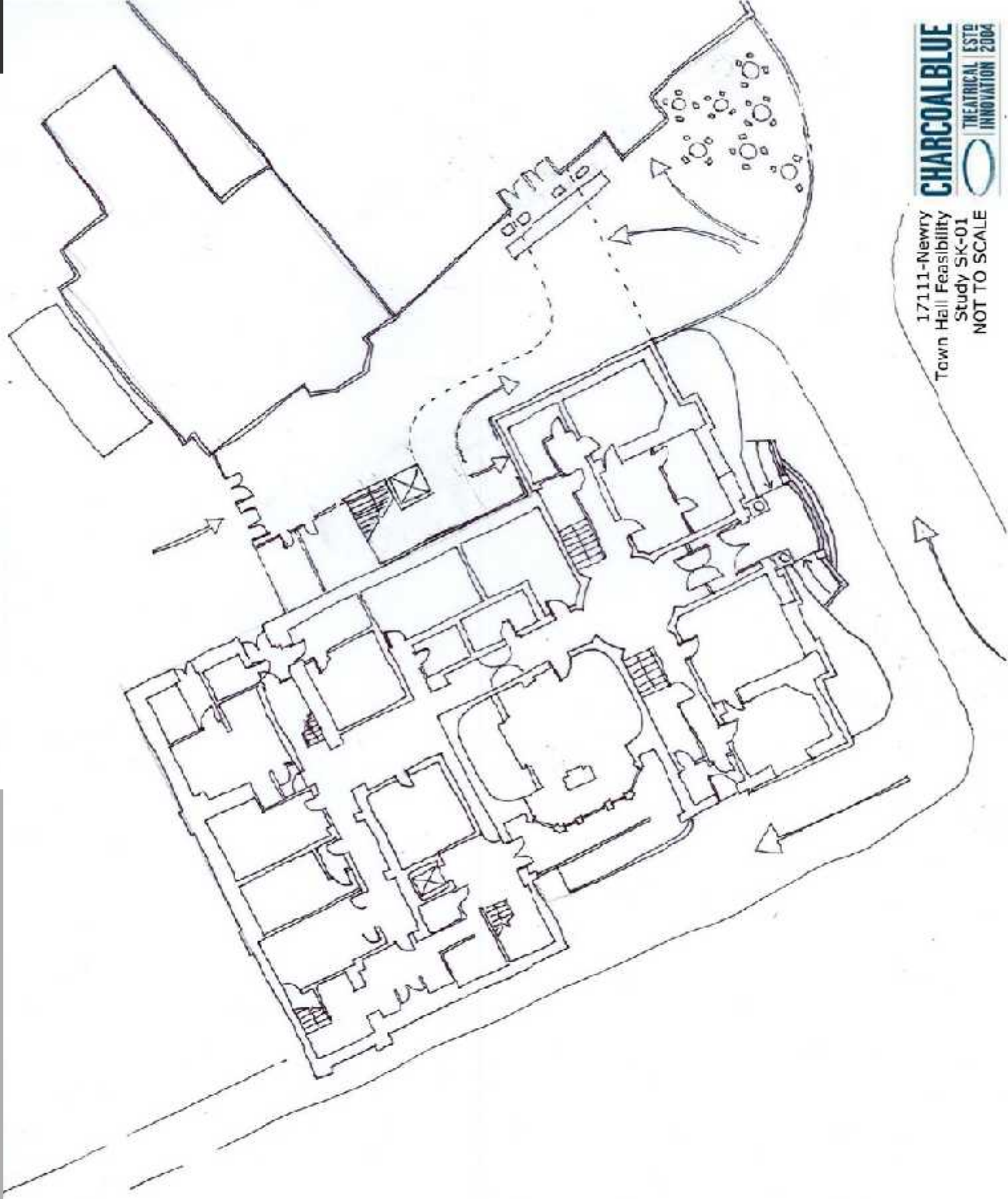
The report findings demonstrate that the delivery of a new venue would most likely displace or create substantial risk to the existing Town Hall. Without a suitable clear alternative use for the Town Hall and given its listed status, we would therefore recommend that the most suitable route to be explored would be the extension and renovation of the existing facilities (Newry Town Hall and the Sean Hollywood Arts Centre) to create one larger arts facility that solves the access, operational and circulation problems of the existing venues.

However, this needs to be undertaken in a suitable manner and alongside further development of the vision and business plan for any enhanced service to ensure the correct focus on growth is balanced against risk management. We would recommend the following next steps are undertaken:

1. An arts and culture strategy is developed for the wider cultural ecology within the district, including vision and targets for growth, support and delivery. NM&DC are already in the process of undertaking this piece of work.
2. An outline business plan is drafted (either for just Newry venues or all culture and arts operations within the NM&DC portfolio) that fully explores and provides financial forecasts for the benefits and risks associated with the different potential delivery models, allowing a suitable route forward to be taken through the decision-making process.
3. A design feasibility study is undertaken with a specialist theatre consultant and a quantity surveyor to fully explore and develop the option of extension and renovation to the existing spaces to provide an accurate project budget.
4. A box office system (and website) is procured for the Newry venues.

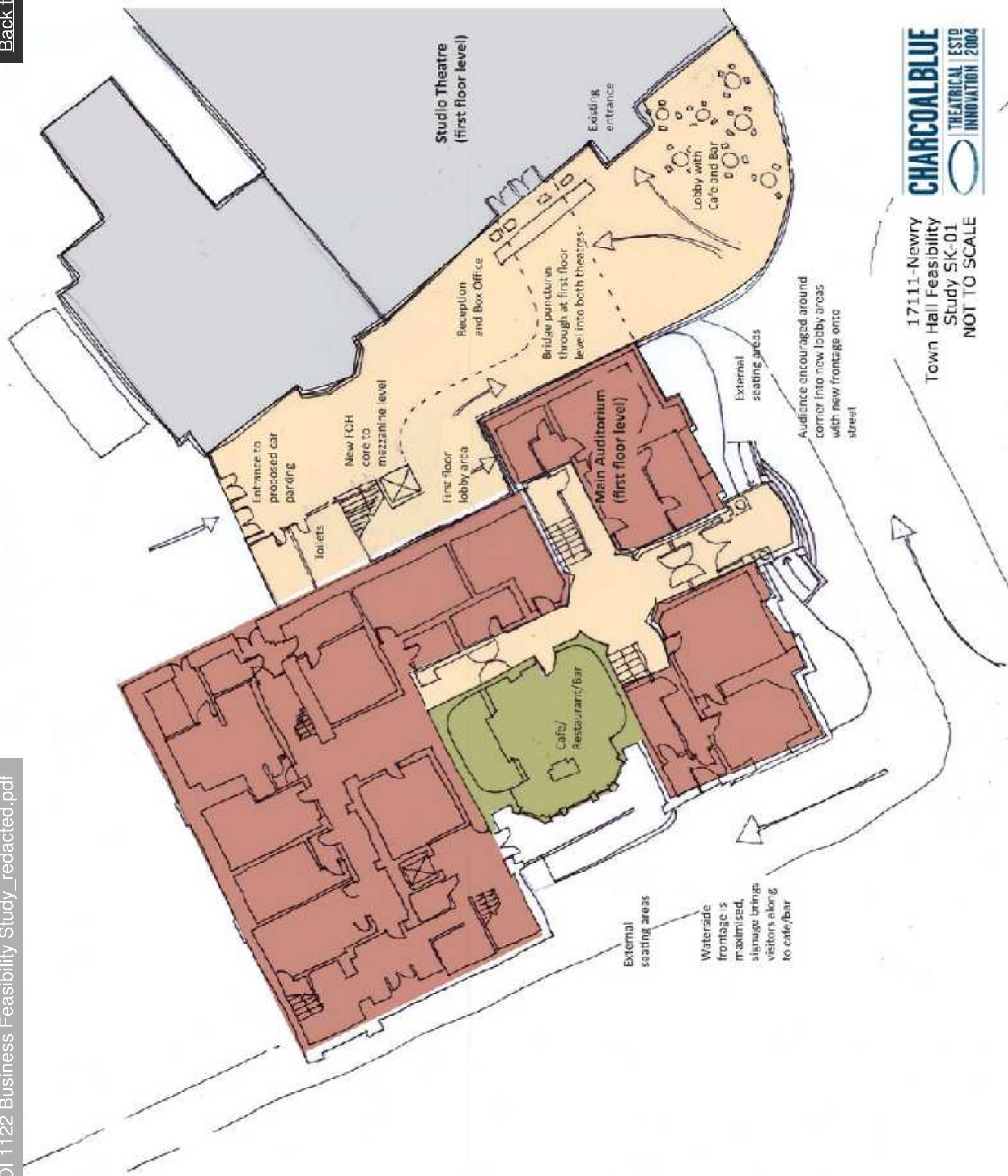
END OF THEATRE CONSULTANT'S REPORT  
NEWRY MOURNE AND DOWN THEATRE CONFERENCE CENTRE  
FEASIBILITY STUDY





17111-Newry  
Town Hall Feasibility  
Study SK-01  
NOT TO SCALE





OUTLINE AREA SCHEDULE

A. Public Areas	Capacity 550		Capacity 1000	
	m2	Occupancy	m2	Occupancy
Principle foyer	550		1000	
Weather lobby	15		20	
Cloakroom	33		60	
Toilets - male	34	9	56	14
Toilets - female	60	12	105	21
Toilets - accessible	15	3	20	4
Ticketing				
Box office	18		20	
Box office manager	8		10	
Catering				
Front of house store	10			
Café seating area	71.5	55	130	100
Café servery	30		50	
Café stores, prep and changing	80		100	
Catering office	10		12	
Bar counters	16		16	
Bar store	7		7	
Conferencing				
Breakout spaces - boardroom, cabaret, reception, classroom	255	250	255	250
Additional storage	10		10	
Additional get-in	10		10	
Services				
House manager office	10	1	12	1
Usher changing areas	20		35	
Housekeeping store	10		20	
FOH store	10		20	
Ice cream and programme store	15		20	
TOTAL	1297.5		1988	



B Auditorium and Stage			
Auditorium			
Seating areas	550	550	1000
Lighting bridges (within gross)			1000
Seating Store	40		75
Stage			
Mainstage	200		300
Sidestage	200		300
Grid and galleries (within gross)			
Trap room/understage	150		250
Technical Accommodation			
Prop store	12		30
Stage and equipment drapes	10		15
Workshop/maintenance	60		60
Male toilets	16	4	24
Female Toilets	22	4	33
Intake room	12		15
Battery room	10		10
Piano store	10		10
Sound control room	16		18
Lighting control room	15		15
Dimmer room	16		16
Audio Rack room	12		18
Projection Room	12		18
Refuse	20		30
Scene Dock	50		80
TOTAL	1433		2317

C Performer Areas			
Dressing rooms			
Dressing Room Double	15		15
Dressing Room Double	15		15
Dressing Room Double			15
Dressing room (4 person)	20		20
Dressing room (4 person)	20		20
Dressing room (4 person)	20		20
Dressing room (4 person)	20		20
Chorus DR (12 person)	36		36
Chorus DR (12 person)	36		36
Male toilets and shower	36	6	48
Female toilets and shower	45	6	60
Accessible toilet and shower	10		10
Support Accommodation			
Wardrobe/maintenance	15		40
Laundry	15		20
Wigs and shoes	10		20
Green room	40		60
Green room kitchen	15		15
<b>TOTAL</b>	<b>348</b>		<b>470</b>

D Staff Administration			
Chief electrician/stage management/visiting management	10		10
Crew room	20		30
Visiting management/crew	15		15
Stage Door and waiting area	20		30
House manager and assistant	12		12
Press and marketing	10		10
General office	40		100
Finance Director	10		10
Meeting Room	28		50
Theatre director	16		20
Copying/filing/storage	10		20
Technical director	15		15
<b>TOTAL</b>	<b>206</b>		<b>322</b>

<b>OVERALL TOTAL</b>	<b>3284.5</b>	<b>5097</b>
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Project: 17111-Newry Moume Down

Title: Outline Area Schedule

Issue type: Information

Date: October 2017

Page 3 of 3

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<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Date of Meeting:</b>	14 <sup>th</sup> June 2018
<b>Subject:</b>	Civic Centre Regeneration (CCR) Programme Strategic Outline Case
<b>Reporting Officer</b>	Marie Ward Director - Enterprise, Regeneration & Tourism
<b>Contact Officer</b>	Adrian Grimshaw Project Director

### Decisions required:

Members are asked to note the contents of the Newry Civic Centre Regeneration Strategic Outline Business Case (SOC) and presentation, and also the CBRE Office & Hotel executive summaries and presentations made to the Special Projects Working Group on the 7<sup>th</sup> June 2018.

Members are also asked to note the contents of this SP&R paper and provide approval to the following recommendations.

1. To approve the SOC recommendation to proceed with Option 7c as part of an Outline Business Case - as the next stage of the CCR Programme.
2. To approve the procurement of consultants and advisors, site surveys and investigations for the purpose of developing and evaluating Option 7c as part of an Outline Business Case.
3. To approve location of the augmented Theatre/ Conferencing facility on the Ross Thompson site adjacent to and strengthening the Town Hall and Sean Hollywood Arts Centre.
4. To approve the separate procurement of the Theatre/ Conferencing project from the other Civic Centre Regeneration project elements.

<b>1.0</b>	<b>Purpose and Background:</b>
1.1	<p>The Council Corporate Plan 2015-2019 set out as one of the key actions the establishment of a new Civic Centre for Newry to help attain a number of strategic objectives.</p> <p>The Newry City Centre Investment Strategy was concluded in August 2016, and since then the Director of ERT and officers have been working with the project advisors Deloitte and a range of other consultants to develop the SOC.</p> <p>The purpose of this report is to provide Members with a progress update and seek approval in regards to the recommendations noted within.</p>
<b>2.0</b>	<b>Key issues:</b>
2.1	The project is currently at RIBA Stage 0 – Strategic Definition.

The Councils project advisors Deloitte have completed the SOC for the Civic Centre Regeneration project. The SOC appraisal indicates the preferred project option is Option 7c which comprises Civic Hub, Theatre/ Conferencing and Regeneration elements. This option is considered to provide the greatest regeneration potential, with strong economic impact, high non-monetary benefits and be lower risk than the next best option.

The SOC has concluded Option 7c should now be examined in greater detail as part of an OBC during the next stage of the CCR programme, which will require procurement of consultants and advisors, site surveys and investigations.

To inform the SOC process, CBRE completed both a Newry focussed office demand study, and also a district wide Hotel market study.

CBRE has concluded that in their opinion there would be demand for new purpose built office accommodation within Newry, with one feasible option identified being commercial office development as an owner occupied scheme, where an element of surplus office space is leased to provide a commercial return whilst allowing for future expansion.

CBRE also believe there is capacity for a hotel development within Newry City, and propose consideration be given to a budget to mid-scale hotel with 90 – 120 bedrooms with a limited food & beverage offering due to a likely city centre location.

The soft market testing process has also been completed, and concluded that all project risks could not be effectively identified, transferred or priced in a combined dialogue based procurement approach. The conclusion reached is to separate the Theatre/ Conferencing project for separate delivery from the other project elements.

Further to the 24<sup>th</sup> April 2018 SPWG report titled 'CCR - Theatre, Conference and Arts Report' which highlighted the displacement of function and long term viability risks to the existing Newry theatre and arts provision in the event of a new Theatre/ Conferencing facility being provided. As approved by the SPWG the SOC has been developed on the basis of an augmented Theatre/ Conferencing facility being located on the Ross Thompson site adjacent to and strengthening the Town Hall and Sean Hollywood Arts Centre.

### 3.0

#### Recommendations:

#### 3.1

Members are asked to note the contents of the Newry Civic Centre Regeneration



	<p>Strategic Outline Business Case (SOC) presentation, and also the CBRE Office &amp; Hotel executive summaries and presentations.</p> <p>Members are also asked to note the contents of this SPWG paper and provide approval to take the following recommendations to the next Strategic Policy &amp; Resources Committee for decision.</p> <ol style="list-style-type: none"> <li>1. To approve the SOC recommendation to proceed with Option 7c as part of an Outline Business Case - as the next stage of the CCR Programme.</li> <li>2. To approve the procurement of consultants and advisors, site surveys and investigations for the purpose of developing and evaluating Option 7c as part of an Outline Business Case.</li> <li>3. To approve location of the augmented Theatre/ Conferencing facility on the Ross Thompson site adjacent to and strengthening the Town Hall and Sean Hollywood Arts Centre.</li> <li>4. To approve the separate procurement of the Theatre/ Conferencing project from the other Civic Centre Regeneration project elements.</li> </ol>
<b>4.0</b>	<b>Resource implications</b>
4.1	£20 Million allowance has been made within the Capital Budget.
<b>5.0</b>	<b>Equality and good relations implications:</b>
5.1	The Council will have due regard to the need to promote equality of opportunity between the nine equality categories. Council will also seek to promote Good Relations between people of different Religious Belief, Political opinion and Ethnic Origin.
<b>6.0</b>	<b>Appendices</b>
	<p>CCR – SPWG Presentation dated 7<sup>th</sup> June 2018.</p> <p>NMDC Newry City Regeneration Final Draft v1.0 (SOC)</p> <p>CBRE Newry City Office Demand Report, Executive Summary, dated May 2018.</p> <p>CBRE Newry, Mourne &amp; Down Hotel Market Study, Executive Summary, dated June 2018.</p>

# Civic Centre Regeneration

## SPWG Presentation

**Ag freastal ar an Dún agus Ard Mhacha Theas**  
**Serving Down and South Armagh**



**Comhairle Ceantair**  
**an Iúir, Mhúrn**  
**agus an Dúin**  
**Newry, Mourne**  
**and Down**  
**District Council**

Comhairle Ceantair an Idir, Mhúrn agus an Dúin  
Newry, Mourne and Down District Council

[www.newrymournedown.org](http://www.newrymournedown.org)

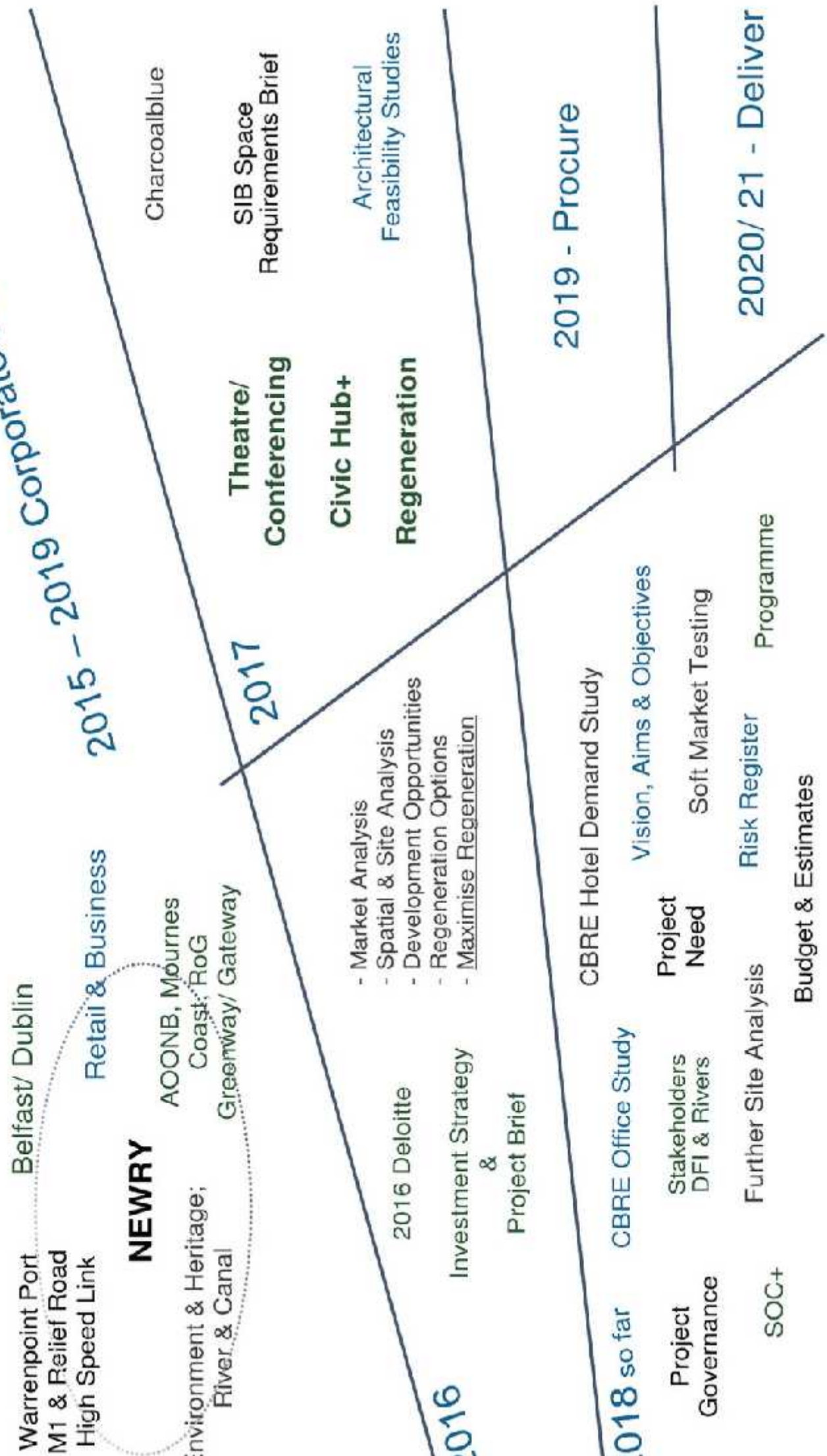


**Our mission as a  
Council is to lead and  
serve a District that is  
prosperous, healthy  
and sustainable.**



# Civic Centre Regeneration - Progress to Date

2015 - 2019 Corporate Plan



**CBRE**

# NEWRY MOURNE DOWN DISTRICT HOTEL MARKET STUDY

June 2018

## INTRODUCTION

- District Overview
- Focus on Newry
- Hotel Supply, Pipeline and Performance
- Hotel Accommodation and Tourism Demand
- Hotel Development Considerations
- Benefits of Hotel Development








## FOCUS ON NEWRY

### Overview

- Granted city status in 2002
- Population of 29,946
- Host to many many successful international businesses including, Glen Dimplex, First Derivatives, STATsport and Norbrook Laboratories
- Many multi-national retailers in the Quays Shopping Centre and Buttercrane Shopping Centre

### Communication Links

	<p><b>Air</b></p> <p>Belfast International Airport (44 miles) and Dublin Airport (60 miles)</p>
	<p><b>Road</b></p> <p>Gateway city – linking Dublin to Belfast and also links into the Mournes</p>
	<p><b>Rail</b></p> <p>Newry is served by daily rail service to Belfast and Dublin.</p>

### Demand Profile

- Corporate
- Meeting & events
- Transient leisure
- Tour groups

### Future Plans

- Civic Hub
- Enhancing existing theatre provision
- Creating associated conferencing facilities

# HOTEL SUPPLY AND PIPELINE PROJECTS

## Current Supply



- Three 4-star hotels
  - Slieve Donard Resort & Spa, Newcastle (181 bedrooms),
  - Canal Court Hotel, Newry (110 bedrooms)
  - Burrendale Hotel & Country Club, Newcastle (68 bedrooms)
- 50% of hotels have less than 20 bedrooms
- Adhoc tour groups utilise Slieve Donard and Canal Court

## Pipeline

Hotel	Area	Status	Room \$
Downshire Road Hotel	Newry	Planning Due to Expire	120
Sheepbridge Hotel	Newry	Parked	c50
Newcastle Hotel	Newcastle	Pre-planning	45
Killeavy Castle	Meigh	Under Construction	45
Hillyard House	Castlewellsan	Planning Granted 2018	19
230 Glasdrumman Road	Annalong	Planning Granted 2016	50
The Inch Abbey Hotel	Downpatrick	Planning	51
Seven Hills Hotel & Spa	Rostrevor	Planning	100
Millbrook Lodge Hotel	Ballynahinch	Deferred	22
Victoria Hotel	Warrenpoint	Deferred	18



## HOTEL PERFORMANCE

- 73% occupancy in NI (2017)
- Occupancy across the LGDs ranged from 56% to 80% (2017)
- NMD occupancy of 64%, representing 2% increase (2017)
- YTD March NMD occupancy 51%, down five percentage points
- Could be impacted by Easter Sunday (1<sup>st</sup> April), disruptions due to Storm Emma and the response rate of 63%

## HOTEL ACCOMMODATION AND TOURISM DEMAND

Hotel  
Accommodation



Tourist  
Attractions

Tourism  
Demand



**Hotel accommodation will drive tourism demand.....tourist attractions will drive hotel demand**

### District Drivers

- Tourism Strategy 2017-2021
- Mourne Mountains Gateway
- Mourne Heritage Trust and Ring of Guillion Partnership
- Theatre & Conference Centre, Newry

## HOTEL DEVELOPMENT OPPORTUNITIES

Newry	Newcastle & Downpatrick	South Armagh
<ul style="list-style-type: none"> <li>Capacity for new hotel in the city</li> <li>Currently limited to Canal Court</li> <li>Gateway location</li> <li>Civic Hub and the Theatre &amp; Conference facility</li> <li>Budget to mid-scale</li> <li>90-120 bedrooms</li> <li>Limited F&amp;B</li> <li>City centre location</li> <li>Phasing</li> </ul>	<ul style="list-style-type: none"> <li>Common theme was lack of hotel product in Newcastle and Downpatrick</li> <li>Slieve Donard</li> <li>No hotel in Downpatrick town</li> <li>Seasonality</li> <li>Local business</li> <li>Good quality F&amp;B</li> <li>Meeting and function room</li> <li>Tour business</li> <li>Scale</li> </ul>	<ul style="list-style-type: none"> <li>Killeavy Castle redevelopment</li> <li>Improve awareness of South Armagh</li> <li>Investigate further following delivery of planned tourism initiatives</li> </ul>



## HOTEL DEVELOPMENT CONSIDERATIONS

- Scale
- Classification
- Operating / Ownership Structure
- Construction Costs
- Funding
- Market & Financial Feasibility Studies

## ECONOMIC IMPACT OF HOTEL DEVELOPMENT

Direct	Indirect
<ul style="list-style-type: none"> <li>▪ Employment during and post construction</li> <li>▪ Trading hotels requirement for stock (food, beverage, linen, chemicals, guest amenities, etc.), utilities, telecommunications etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement to day and night time economy</li> <li>▪ Local restaurant and bars will benefit from extra demand to the location</li> <li>▪ Car hire, transport and taxi requirements</li> <li>▪ Providing quality accommodation will further improve the location as a tourist attraction</li> </ul>
Fiscal	Induced
<ul style="list-style-type: none"> <li>▪ Contribution to Local Property Rates</li> <li>▪ Contribution to taxes from hotel construction, hotel sales and payroll related taxes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Staff and Suppliers spending in the local area</li> </ul>

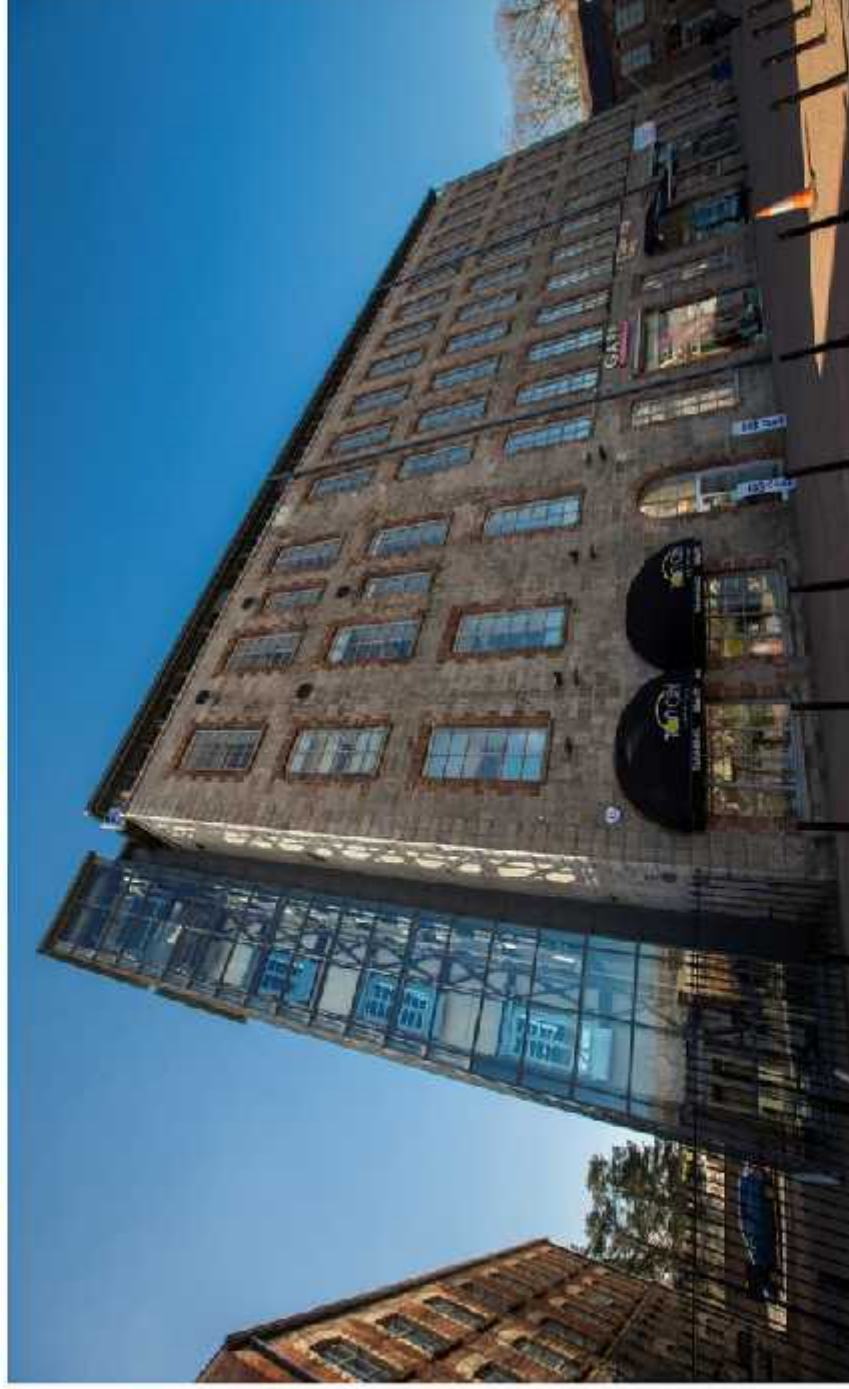
**CBRE**

# NEWRY CITY CENTRE OFFICE DEMAND STUDY

June 2018



## OFFICE DEMAND STUDY



## BACKGROUND

- Newry occupies a strategic location on the Belfast to Dublin corridor
- Lower occupation costs
- Market is dominated mostly by owner occupiers
- Major employers including Teleperformance located in Newry
- Companies working on the Global Stage – First Derivatives and STATSports
- Low vacancy rate on quality accommodation
- Number of unlettable historic/older buildings
- Lack of transparent data on the market

## SUPPLY AND DEMAND

- Rents in the region of £10.00-£12.00 psf pa on existing stock
- Viability Gap on speculative development
- Demand exists for Newry e.g. Regus – 10,000 sq ft requirement
- Very few examples of true Grade A office development in Newry
- Market failure in provincial towns which requires intervention



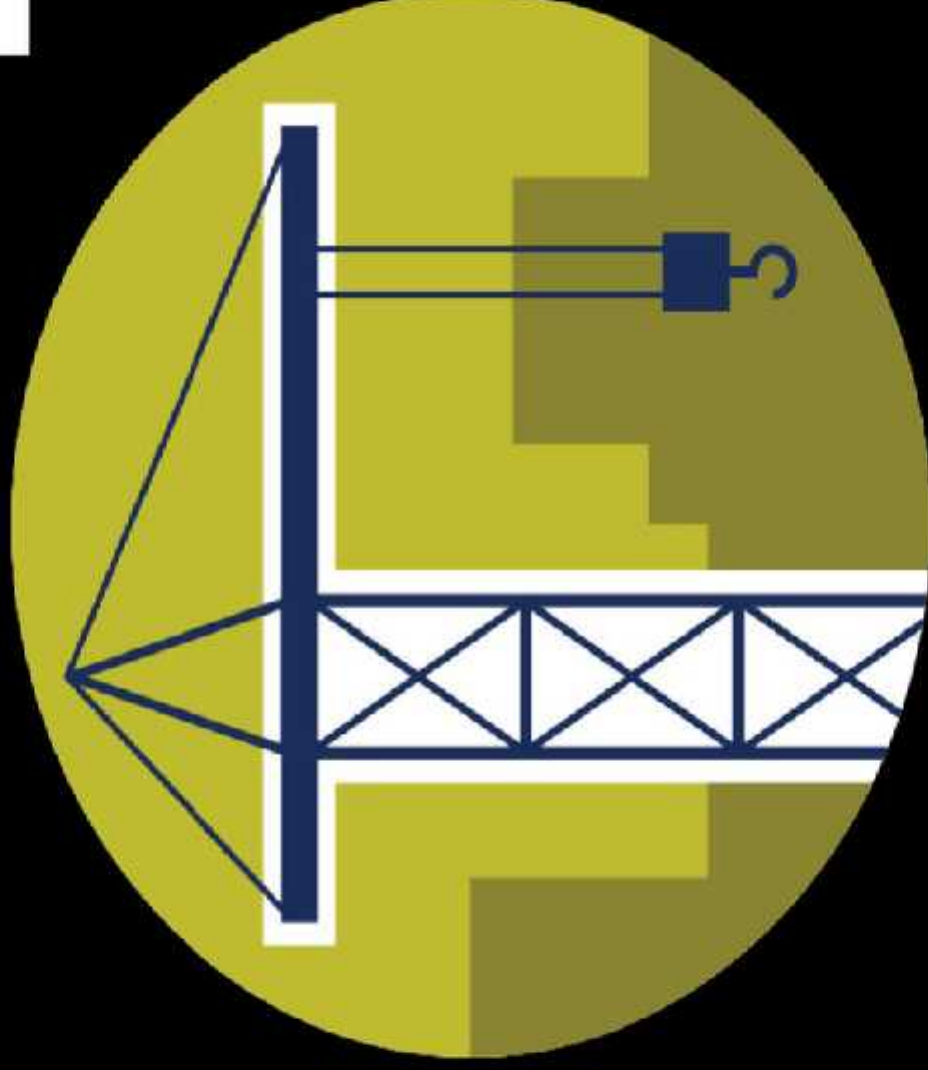
## COUNCIL INTERVENTION

- Vacant Rates
- Guaranteed Rents – a “wrapper” around schemes
- Council to development themselves
- Increase the rates base of the district – direct impact
- Increase opportunities for job creation
- Spin-off for shops, restaurants and gyms etc
- Basingstoke and Deane Borough Council/Darlington Council

## NEXT STEPS

- Newry is an attractive place to invest
- Currently no office product of any great scale to sell
- Viability gap on new development
- Product needs created to be able to attract new companies
- Council have the opportunity to assist with the delivery of new buildings

**Deloitte.**



## Newry City Centre Regeneration – Strategic Outline Business Case

7th June 2018



# Newry City Centre Regeneration

## Approach to business case development

---

### Overview

Building on previous work to support the Council in the development of an Investment Strategy, identifying gaps in the city centre estate and examining sites in Council ownership for potential development, the business case has:

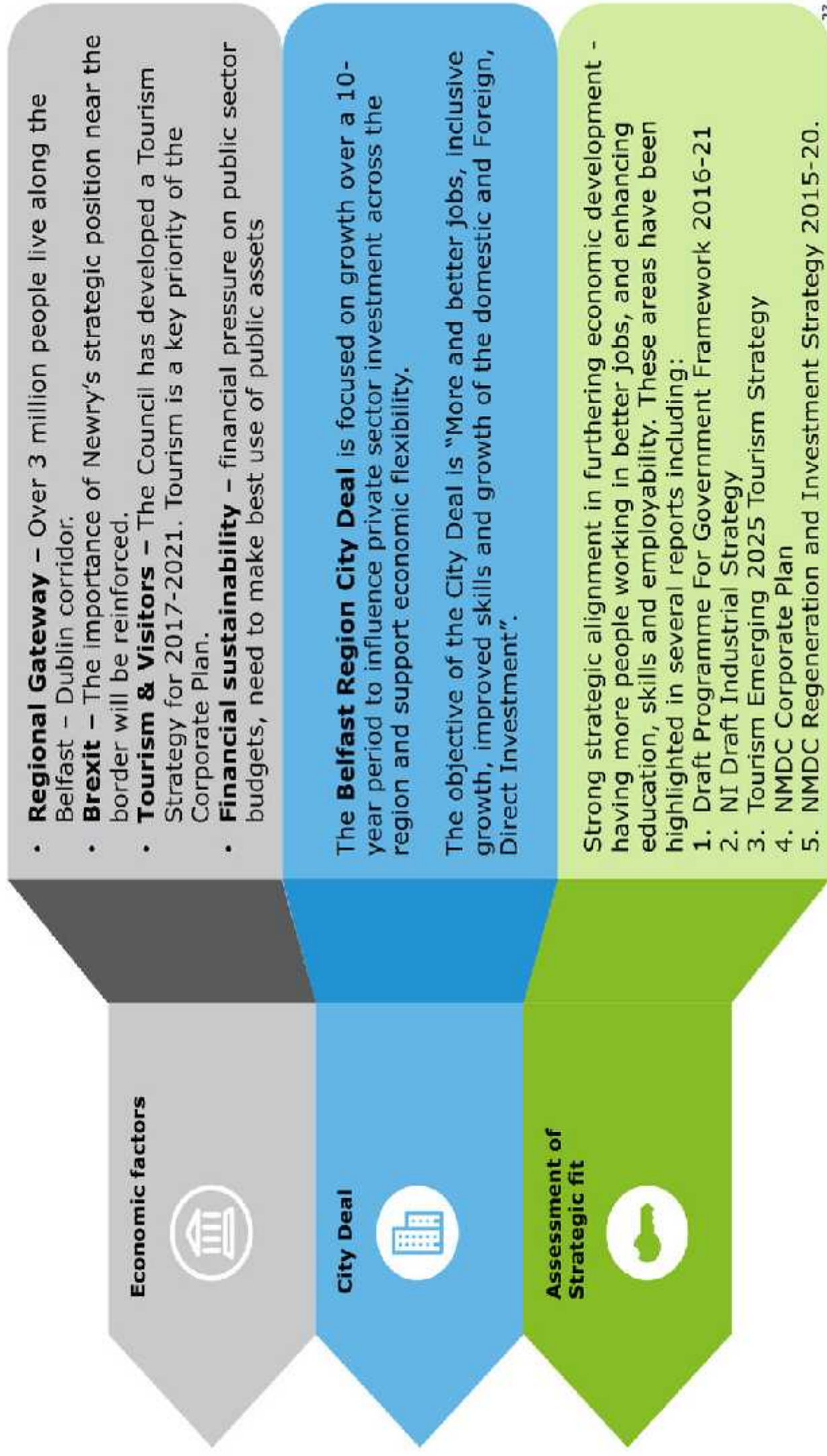
- Confirmed the strategic fit of the regeneration programme with the aim of accelerating economic growth. The priorities are to:
  - inspire private sector investment
  - create new jobs
  - encourage an increase in visitors to the City, and
  - stimulate the evening economy.
- Articulated the need for investment / market failure
- Provided a high-level view of the costs, risks and benefits associated with short-listed options
- Identified a preferred way forward and next steps.

---

## 2. Strategic context

# Strategic context

66



23



## Investment Objectives

Developed in conjunction with Council senior officers

# 1

By August 2025 reinforce Newry as a Regional Gateway between Northern Ireland and the Republic of Ireland.

# 2

By August 2021 contribute to the sensitive regeneration of Newry City Centre.

# 3

By August 2025 attract further private sector investment and job creation.

# 4

By August 2025 increase visitors to Newry and improve the animation of the City.

# 5

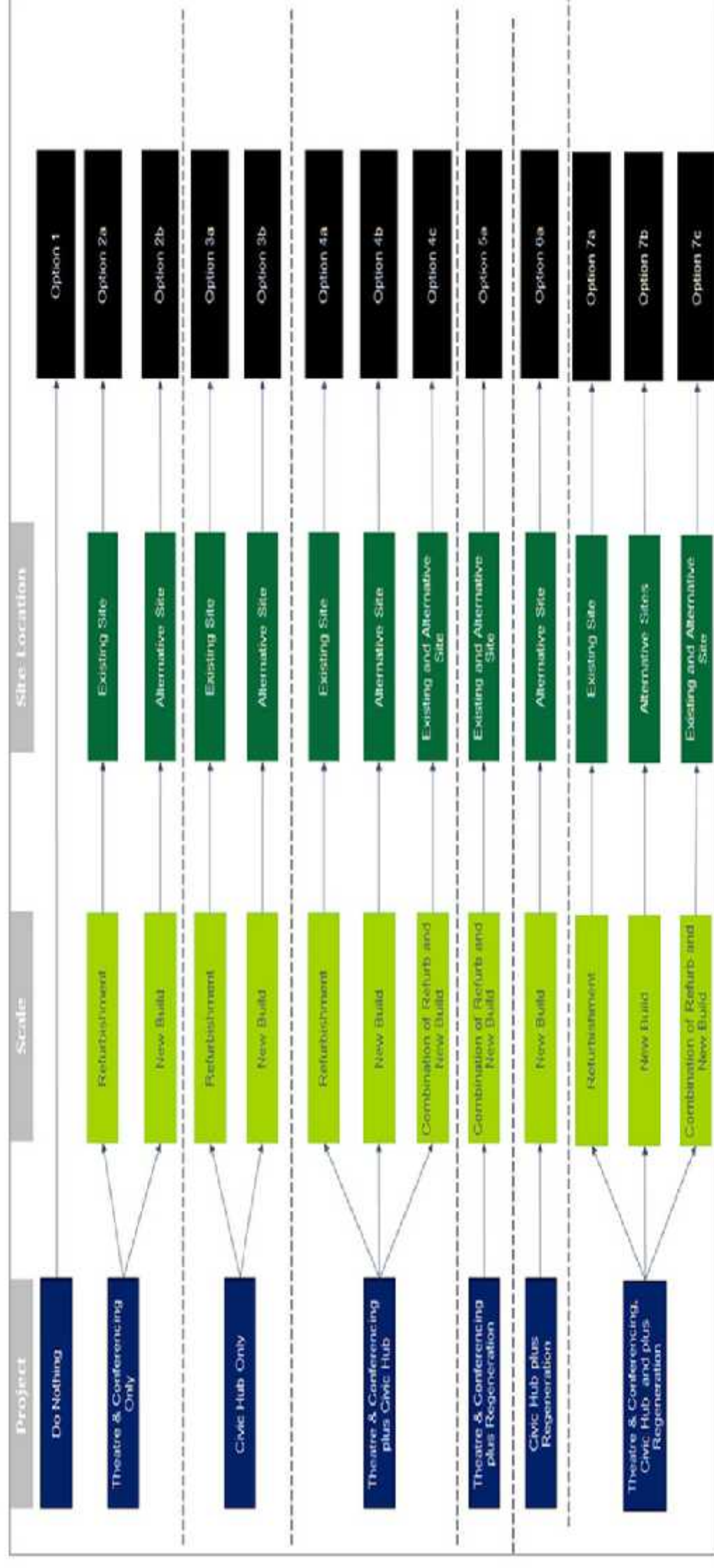
By August 2021 increase civic pride by modernising the Council

---

## 3. Options analysis

# Options Development

Range of built regeneration components, scale of development and location





## Regeneration Components

### Key features

#### Theatre and Conferencing

Provision of modern, fit-for-purpose theatre and conferencing facilities capable of attracting and hosting a wider performance programme / events.

#### Civic Hub

Provision of a new civic hub to transform and modernise Council working, service delivery arrangements and access for citizens.

#### Wider Regeneration

Provision of additional projects that have potential to attract greater investment to Newry. For example, new office accommodation for businesses, a new hotel to enhance the tourism offer / facilities for travellers on business.

# Short-listing exercise

To what extent do options deliver against objectives?

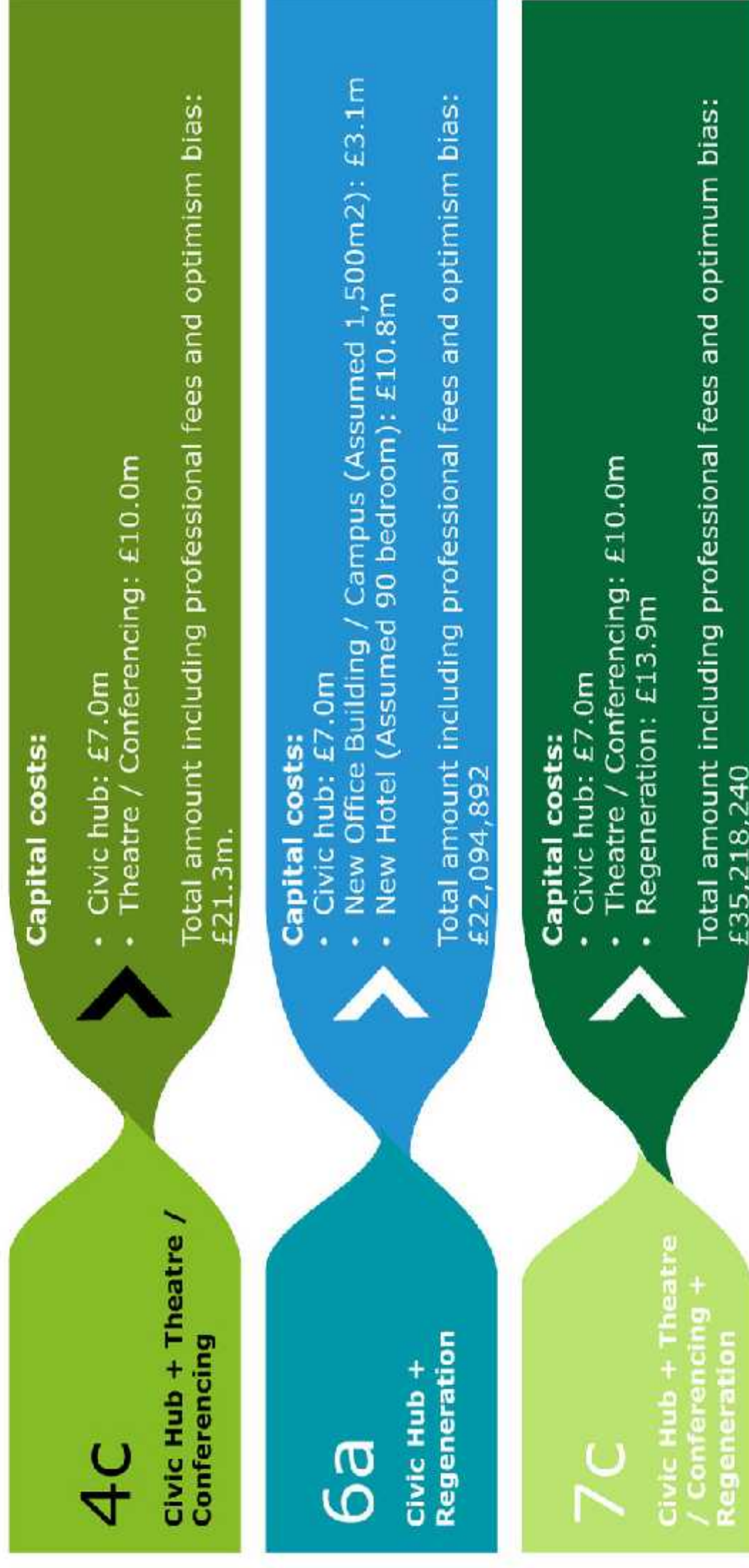
Opt	Objectives					Shortlisted
	1: : By August 2025 reinforce Newry as a Regional Gateway between North and South	2: By August 2021 Contribute to the sensitive regeneration of Newry city centre	3: By August 2025 attract further private sector investment and job creation	4: By August 2025 increase visitors to Newry and improve the animation of the City	5: By August 2021 increase civic pride by modernising the Council	
1						YES (as baseline comparison)
2a-2b						NO
3a-b						NO
4a						NO
4b						NO
4c						YES
5a						NO
6a						YES
7a						NO
7b						NO**
7c						YES

Theatre / Civic Hub only

Full scope

# Options appraisal Monetary analysis

72





## Net Present Cost/Value

Option	NPC/NPV (£)	Ranking	Difference from highest
Option 1 –Do Nothing	-	4	-
Option 4c – Civic Hub + Theatre / Conference	11,926,076	3	-
Option 6a – Civic Hub + Regeneration	(30,736,387)	1	-42,662,463
Option 7c – Civic Hub + Theatre / Conference + Regeneration	(24,970,960)	2	-36,897,036

# Options Appraisal

## Non-monetary analysis

Non-monetary criteria	Weighting	1 Do Nothing	4c Civic Hub + Theatre/Conferencing	6a Civic Hub + Regen	7c Civic Hub, Theatre/Conf + Regen
Regeneration	40	1/40	6/240	8/320	10/400
City Centre Vibrancy	30	1/30	6/180	7/210	9/270
Accessibility / Visibility	15	1/15	6/90	7/105	9/135
Deliver Modern Ways of Working	15	1/15	9/135	9/135	9/135
Total	100	100	645	770	940
Ranking		4	3	2	1

# Options Appraisal

## Risk analysis

75

### Options assessed against 5 strategic risks:

- Difficulty to deliver;
- Failure to deliver expected benefits;
- Failure to secure stakeholder support;
- Project is not delivered within the timescale; and
- Insufficient demand for the proposed facilities.

Risks	Score	Ranking
Option 1 (Do Nothing)	70	1
Option 4a (Civic Hub + Theatre / Conferencing)	80	2
Option 6a (Civic Hub + Regeneration)	90	4
Option 7c (Civic Hub + Theatre / Conferencing + Regeneration)	85	3

Based on the risk analysis conducted Option 6a came in with the highest risk rating at 90. Followed by 7c with a score of 85 and 4a with 80.



## Options Appraisal

### Preferred way forward

Options	Description	Monetary Appraisal Ranking	Non – monetary Benefits Ranking	Risk analysis – Ranking (1 as lowest risk)
<b>Option 1</b>	Do Nothing	n/a	100 (4 <sup>th</sup> )	70 (1 <sup>st</sup> )
<b>Option 4c</b>	Civic Hub and Theatre / Conferencing	£12m (3 <sup>rd</sup> )	645 (3 <sup>rd</sup> )	80 (3 <sup>rd</sup> )
<b>Option 6a</b>	Civic Hub plus Regeneration	-£31.9m (1 <sup>st</sup> )	770 (2 <sup>nd</sup> )	90 (4 <sup>th</sup> )
<b>Option 7c</b>	Theatre / Conferencing, Civic Hub & Regeneration	-£25m (2 <sup>nd</sup> )	940 (1 <sup>st</sup> )	85 (2 <sup>nd</sup> )

In assessing the balance of advantage between the options and in considering the appraisal results the preferred way forward is to progress Option 7c (Civic Hub + Theatre / Conferencing + Regeneration) is currently considered to provide the greatest regeneration potential, with strong economic impact, high non-monetary benefits and lower risk than the next best option, Option 6a.

---

## 4. Next steps

## Next steps

The next steps relate to moving the overall programme into a delivery phase.

1. **Procurement of Integrated Consultant Team & Advisors** – commence procurement of an Integrated Consultant Team and other Project Advisor(s) as required to develop the design and employer's requirements.
2. **Surveys & Investigations** - commence procurement of the necessary surveys and inspections of the Town Hall and Sean Hollywood Arts Center buildings, including site and ground investigations on the neighboring Ross Thompson site and environs to gain a proper understanding of the existing assets and conditions.
3. **Establish Baseline Performance information** – the Council should begin collection of baseline information on current visitor numbers, expenditure, attendees at the Town Hall theatre, percentage of tickets sold etc. This will help establish benefits targets for improvement.
4. **Procurement Strategy** – develop the procurement strategy to outline the various potential procurement routes available, and detail the preferred route(s) proposed for the various project elements. The strategy will include details of the selected routes and their proposed tender pack structure.
5. **Soft Market Engagement** – perform further soft market engagement with the supply change and potential delivery partners in considering and settling upon the preferred procurement route(s).
6. **Develop Outline Business Case** – following approval of the Strategic Outline Case commence preparation of the Outline Business Case, include greater detail on the employer's requirements, capital and operational costs as they become available. Secure land valuations and accurate rates information for financial model entry and to fully understand the Council's investment commitments.
7. **Project Management Documentation** – continue to develop project management and project governance documentation, including a Stakeholder Management and Communication & Engagement plans.





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## **Newry City Centre Regeneration** Strategic Outline Business Case

May 2018

# Contents

1	Executive Summary	1
2	Introduction	4
3	The Investment Case	6
4	Assessment of Need	12
5	Options Appraisal	21
6	Implementation	47
7	Next Steps	55
8	Appendices	56



# 1 Executive Summary

## 1.1 Overview

Deloitte have been working with Newry, Mourne and Down District Council since 2016 to support the development of a regeneration programme for Newry City Centre. The purpose of this business case is to assess the current and future strategic environment, articulate the need for investment, provide a high level overview of the costs, risks and benefits associated with the shortlisted options and identify a preferred way forward.

The regeneration programme aims to address market failure in Newry by stimulating an increase in private sector investment, the creation of new jobs, encouraging an increase in visitors to the City Centre and stimulating the evening economy. The potential programme components for investment which are considered in this document are; a Civic Hub, Theatre/Conferencing, Hotel and Office provisions.

## 1.2 Vision and objectives

Based on the assessment of need, five investment objectives for Newry City Centre regeneration have been established:

- Objective 1: By August 2025 reinforce Newry as a Regional Gateway between Northern Ireland and the Republic of Ireland.
- Objective 2: By August 2021 contribute to the sensitive regeneration of Newry City Centre.
- Objective 3: By August 2025 attract further private sector investment and job creation.
- Objective 4: By August 2025 increase visitors to Newry and improve the animation of the City.
- Objective 5: By August 2021 increase civic pride by modernising the Council.

## 1.3 Options appraisal

The table below summarises the results of the quantitative and qualitative analysis of the short-listed options for the proposed City Centre regeneration.

**Table 1.1 Summary of Net Present Costs and Rankings**

Option	NPC (£)	Ranking	Difference from Highest
<b>Option 1</b> – Do Nothing	-	4	-
<b>Option 4c</b> – Civic Hub + Theatre / Conference	11,654,748	3	-
<b>Option 6a</b> – Civic Hub + Regeneration	(30,736,387)	1	-42,662,463
<b>Option 7c</b> – Civic Hub + Theater / Conference + Regeneration	(24,970,960)	2	-36,897,036

Source: Deloitte

The NPC for Option 4c is £11.7m over the 25 year appraisal period. The most favourable option in comparison is Option 6a (Civic Hub + Regeneration) with a NPV of £30.7m (a difference of £42.7m when compared to Option 4c) over the appraisal period. Option 7c has a NPV of £25m which is £36.9m better over the appraisal period than Option 4c.

The NPV/NPC comparison highlights the significant economic impact that wider regeneration of Newry city centre can have on the local economy, driven largely through increased employment and additional expenditure within the evening economy.

The table below summarises the results of the quantitative and qualitative analysis of the short-listed options for the proposed regeneration programme.

**Table 1.2 Summary of Options Appraisal**

Option	Description	Monetary Appraisal Ranking	Non- monetary Benefits Ranking	Risk analysis Ranking (1 as lowest risk)
Option 1	Do Nothing	4 (n/a)	3 (Total score 100)	1
Option 4c	Civic Hub + Theater / Conferencing	3 (£11.7m)	3 (Total score 645)	3
Option 6a	Civic Hub + Regeneration	1 (-£30.7m)	2 (Total score 770)	4
Option 7c	Civic Hub + Theater / Conferencing + Regeneration	2 (-£25m)	1 (Total score 940)	3

The highest ranked option on monetary appraisal is option 6a as this returns a NPV of £30.7m over the 25 year appraisal period compared with a £25m NPV for Option 7c and a £11.9m NPC for Option 4c. This highlights the lower cost/benefit of not providing a theater/conferencing facility but does not take into consideration the wider social benefits a theater/conferencing facility provides in terms of bringing vibrancy to a city centre area and enhancing the place-making potential of regeneration. Therefore, Option 7c scores much higher on the non-monetary assessment. Option 6a is also considered to be slightly higher risk when compared to Option 7c.

#### 1.4 Preferred Way Forward

In assessing the balance of advantage between the options and in considering the appraisal results the preferred way forward is to progress Option 7c (Civic Hub + Theatre / Conferencing + Regeneration) is currently considered to provide the greatest regeneration potential, with strong economic impact, high non-monetary benefits and lower risk than the next best option, Option 6a.

Option 7c should be tested in detail as part of an Outline Business Case at the next stage of the regeneration programme for Newry City Centre once detailed design has been completed and further market testing undertaken with potential developers through a procurement process.

#### 1.5 Next Steps

The recommended next steps relate to moving the overall programme into a delivery phase, on the assumption that Council approves this Strategic Outline Business Case:

1. **Procurement of Integrated Consultant Team & Advisors** – commence procurement of an Integrated Consultant Team and other Project Advisor(s) as required to develop the design and employer's requirements.
2. **Surveys & Investigations** - commence procurement of the necessary surveys and inspections of the Town Hall and Sean Hollywood Arts Center buildings, including site and ground investigations on the neighboring Ross Thompson site and environs to gain a proper understanding of the existing assets and conditions.

3. **Establish Baseline Performance information** – the Council should begin collection of baseline information on current visitor numbers, expenditure, attendees at the Town Hall theatre, percentage of tickets sold etc. This will help establish benefits targets for improvement.
4. **Procurement Strategy** – develop the procurement strategy to outline the various potential procurement routes available, and detail the preferred route(s) proposed for the various project elements. The strategy will include details of the selected routes and their proposed tender pack structure.
5. **Soft Market Engagement** – perform further soft market engagement with the supply chain and potential delivery partners in considering and settling upon the preferred procurement route(s).
6. **Develop Outline Business Case** – following approval of the Strategic Outline Case commence preparation of the Outline Business Case, include greater detail on the employer's requirements, capital and operational costs as they become available. Secure land valuations and accurate rates information for financial model entry and to fully understand the Council's investment commitments.
7. **Project Management Documentation** – continue to develop project management and project governance documentation, including a Stakeholder Management and Communication & Engagement plans.



# 2 Introduction

## Background

### 2.1 Work to date

Newry Mourne and Down District Council (the Council) are leading a process of regeneration and investment in Newry City Centre. The Council aims to deliver accelerated economic growth within the city, with wider impacts for the local economy. Deloitte have been assisting the Council since 2016 on their ambition for city centre regeneration, supporting the research and analysis of potential development sites that could form part of any future regeneration (Appendix 6). Deloitte supported the development of an Investment Strategy (in conjunction with the Council) that identifies gaps in the current city centre estate, articulates how best to use existing assets and how to build on key sectoral strengths such as the retail, financial & professional services sectors (full SWOC analysis can be found in Appendix 5). The strategy outlines potential scenarios for investment.

In progressing this work further the Council have commissioned Deloitte to draft a Strategic Outline Business Case to define in greater detail investment options and complete a market testing exercise of potential development partners.

### 2.2 Purpose of the document

The purpose of this business case is to evidence the need for investment in Newry City Centre and provide the basis for a decision on the approval of a programme of work, with agreed spending objectives, investment options, a preferred procurement model and a recommended way forward for the regeneration of Newry City Centre. The report will:

- assess the current and future strategic environment and highlight the rationale for intervention;
- articulate the need for investment in each of the component parts of a regeneration programme;
- provide a high level overview of the costs, risks and benefits associated with the shortlisted options for regeneration; and
- Identify a preferred way forward and a procurement / Implementation plan.

### 2.3 Approach to business case development

A project initiation meeting was held with senior Council representatives to confirm the programme scope, methodology approach, agree roles / responsibilities and provided an overview of the project timetable. A collaborative approach has been adopted to develop the business case, working closely with Council officials, utilising the technical experts within Deloitte (procurement, real estate) and other external consultants (CBRE have completed studies to assess the hotel and office market) to produce an evidence based assessment of need, high-level costs and economic benefits.

Following the Initiation meeting, the following has been completed:

- A review of the strategies that are shaping policy within the Council and any studies / research completed to date. This has built on existing knowledge and understanding of the Council environment through previous work developing the City Masterplan and Investment Strategy;
- Articulation of the need for each element of the regeneration programme including a civic hub, theatre, conferencing and wider private sector facilities (for example: hotel and office). Information has been used from previous work, provided by the Council such as a space requirements study, and independently commissioned studies into hotel and office provision in Newry plus a wider assessment of tourism demand;

- A list of SMART objectives for the project along with measurement methods for benefits realisation has been included;
- As part of the wider work, 'soft market testing' has been completed with a number of potential development partners. Appendix 1 includes a list of those consulted as part of this exercise. The output from these discussions has been used in formulating a long list of options.
- The long-list of options has been assessed in relation to the agreed programme objectives to determine a short-list of options for appraisal. A workshop was held with senior Council officials to present the findings, discuss the merits of each option, agree evaluation criteria and scoring, and to conclude a preferred way forward for implementation.
- The potential management requirements for successful implementation of the preferred way forward have been considered with recommended next steps for the Council to proceed with the proposed investment programme.

This strategic level business case has been developed using Northern Ireland Guidance for Economic Appraisal and Evaluation (NIGEAE) which is based on the HM Treasury Green Book, recognising the Council is in the early stages of the process in terms of not having detailed designs and costings.

# 3 The Investment Case

## Introduction

### 3.1 Overview

The strategic context for the creation of the Council's regeneration programme for Newry City Centre is considered against the backdrop of a range of economic factors:

- Regional Gateway;
- Brexit;
- Political uncertainty;
- City Centre performance;
- Tourism and Visitors;
- Financial climate; and
- Financial sustainability.

## Strategic Context

### 3.2 The strategic environment

The strategic context for the creation of the Council's regeneration programme for Newry City Centre is considered against the backdrop of a range of economic factors:

- **Regional Gateway – Northern Ireland and Republic of Ireland:** As highlighted in the Newry City Centre Investment Strategy, over 3 million people live along the Belfast-Dublin corridor. Newry is a regional gateway, positioned near the border, between these two major cities. It benefits from good connectivity as it sits adjacently to the A1 and is located along the Belfast – Dublin railway line (although reliant on a bus connection to the City Centre).

#### *Implications for the regeneration programme*

Newry's location on the main transport routes between Belfast and Dublin, its convenience to the growing Warrenpoint harbour, a strong presence of key public sector services including health and education, plus affordable housing, means that it should be an attractive place to live and work. The regeneration programme means the Council has the opportunity to market Newry City Centre as a more cost effective, better value location than other Irish cities, for doing business.

- **Brexit:** With the growing uncertainty around the impacts of Brexit and how issues such as cross-border trading may be resolved, the importance of Newry's strategic position near the border will be reinforced.

Regardless of a hard or soft border post Brexit, Northern Ireland is unique within the UK as sharing a land border with the EU, and Newry in particular, with its proximity to the border and a major port, as well as being geographically well positioned along transport links between Dublin and Belfast, presents an opportunity for the Council to bring focus to Newry as a strategically important city ready for investment and growth.

#### *Implications for the regeneration programme*

The regeneration programme aims to increase the investment in Newry City Centre, create jobs, increase visitors and stimulate the evening economy. The implications of Brexit are unclear. Greater border controls could make movement between jurisdictions more difficult



but then currency fluctuations between the Euro and Sterling can benefit Newry (particularly in the retail sector). The Council must begin to prepare for, and incentivise, private sector investment so that the City can take advantage of its strategic location.

- **Political uncertainty:** Political stability is a key economic driver, and lack of it undermines economic growth. In the absence of a sitting / functioning power-sharing executive at Stormont, there is uncertainty over budgets, governance and decision making processes for devolved matters in Northern Ireland.

#### *Implications for the regeneration programme*

Uncertainty of any kind can impact on private sector confidence in the marketplace which could lead to difficulties in attracting further investment to build upon any initial investment taken by the Council to stimulate regeneration. It therefore increases the need for public sector intervention to address market failure and support regeneration and economic growth.

- **City Centre performance:** There is strong retail provision, with a number of national retailers located within The Quays and Buttercrane shopping centres. The Investment Strategy considers there is minimum requirement for further retail development at present, but the City Centre requires a greater variety of independent retailers. Some vacancies remain along Hill Street, which provides the opportunity to attract new operators and diversify the leisure offer at this location.

The diversity of cafes and restaurants should be improved in Newry, as the offer is relatively limited. The evening leisure opportunities could also be improved to help drive footfall in the City Centre in the evening.

The growing presence of professional services will play a key role in economic development but there is a limited supply of office space in the City. The headline rents for office space are currently between £13-15 per square foot, thus demonstrating a viability gap in development terms.

Residential values remain low following the economic downturn. There is potential to increase developer confidence by highlighting the need for new housing stock.

#### *Implications for the regeneration programme*

This market analysis supports a strategy for improving the mix of activity within Newry City Centre. The key considerations for the regeneration programme are made in Section 4 of this report, together with investment objectives for any Council funded works.

- **Tourism and Visitors:** The Council has developed a Tourism Strategy for 2017-2021 for Newry, Mourne and Down, with tourism recognised as a key priority in the Corporate Plan and Economic Development Strategy.

#### *Implications for the regeneration programme*

The project aims to regenerate the city centre and create a place where a greater number of people will want to base themselves to visit to the wider district, returning to the City to relax, stay overnight and spend money. The regeneration programme will also encourage investment in the Arts and public realm of the City.

- **Financial Climate:** Following the financial crash in 2007 and the economic contractions that followed, the construction sector suffered through many insolvencies and large falls in associated employment.

### *Implications for the regeneration programme*

Despite new opportunities emerging across the construction sector, conditions continue to be challenging and recovery slow in Northern Ireland, with many indigenous Contractors securing the majority of their commissions outside Northern Ireland due to the potential for greater profit margins. These factors could influence the number of firms bidding for this project..

- **Financial sustainability:** For the past decade public sector budgets have been reducing, creating challenges for Government departments and local authorities. Departments and local authorities are under increasing pressure to deliver services more efficiently and contribute towards savings targets.

### *Implications for the regeneration programme*

The reducing public sector budgets places greater pressure on the availability of funding for capital projects and as a result it will be important that the regeneration project demonstrates effective value for money, and if possible levers additional investment which can contribute towards the Council's regeneration aims. It also supports the need for the Council to examine how best to make efficient use of existing assets (current Council buildings) and Council owned land where it may be put to economic use.

The above strategic factors have influenced the development of an Investment Strategy for Newry City Centre and associated regeneration plans. However, it is important to also understand the context of a more recent initiative, the Belfast Region City Deal.

### **3.2.1 City Deal**

The Belfast Region City Deal is focused on growth over a 10-year period to influence private sector investment across the region and support economic flexibility. The objective of the City Deal is "More and better jobs, inclusive growth, improved skills and growth of the domestic and Foreign, Direct Investment".

Newry City Regeneration proposal aims to put in place the economic infrastructure that will build a competitive economy. One of the key areas of the City Deal is inclusive growth, and by growing investment in the City, will better connect rural areas with a wider range of employment opportunities.

The Belfast Region is ambitious for growth and believes that a City Deal of up to £1bn is needed in order to make the step-change in economic performance required to deal with its unique challenges. A City Deal can also help to address barriers to future economic growth such as:

- ageing infrastructure;
- over-reliance on the public sector;
- skill gaps;
- low productivity and high levels of economic inactivity; and
- future sustainability of high growth sectors.

The main pillars of investment within the City Deal proposal include; Economic Infrastructure, Tourism, Digital, Innovation and Skills & Employability. The projects that the Council has proposed to be part of the Deal, are:

- **Kilkeel Harbour Development:** The redevelopment of Kilkeel Harbour through the development of a dry dock, slips and external harbour;
- **Newcastle Gateway to the Mournes:** Redefining Newry & Mourne and Down's visitor destination experiences associated with the Mourne mountains and coastline, ultimately repositioning the Council area into one of the premier year round destinations in Ireland;

- **Empowering Potential: Newry City Regeneration:** Driving regeneration and investment across the City of Newry through a new theatre and conference facility, hotel development and Grade A office accommodation with civic facilities;
- **Southern Relief Road:** A new strategic road, linking the A1 bypass of Newry City with the A2 Warrenpoint road dual-carriageway; and
- **Marina Development at Warrenpoint Harbour:** Provision of a 200 berth marina, including 40 visitor berths, providing a sailing and boating node to facilitate development of sailing in the Lough and along the coast of the island of Ireland.

There are also pan-regional projects:

- **Digital Infrastructure programme of investment:** Enhancing rural connectivity by addressing inadequate broadband / connectivity infrastructure across the District;
- **Digital programmes:** Building the digital capabilities across the region in order to accelerate growth in priority sectors; and
- **Skills and Employability:** A programme of investment that will enhance skills for Growth (high end jobs in growth sectors) and skills for inclusion (upskilling and reskilling).

#### *Implications for the regeneration programme*

Newry's participation in the City Deal means that the Council stands to benefit from the pan-regional projects on digital infrastructure, digital capabilities, skills and employability. It is highly unlikely that funding will be secured through the City Deal for more than two of the Council's economic development projects but inclusion of some of the initiatives such as the Southern Relief Road or Mourmes' Gateway will only emphasise the need for City Centre regeneration which would complement any wider regional investment.

### 3.3 Assessment of Strategic Fit

#### 3.3.1 National Policy

**Draft Programme for Government (PFG) 2016-21:** The NI Executive's Programme for Government Framework (PFG) for the period 2016-21 outlines 14 outcomes for Northern Ireland, supported by 42 indicators. This is the first time that the PFG has been focused on outcomes and represents a step change in the measurement of Executive policy.

**Strategic Fit:** Investment in Newry City Centre will help to regenerate the local area, create employment opportunities, attract visitors, improve civic pride and stimulate further private sector investment. The project will contribute to specific PFG outcomes including:

- prosper through a strong, competitive, regionally balanced economy;
- have more people working in better jobs;
- have created a place where people want to live and work, to visit and invest; and
- connect people and opportunities through our infrastructure.

**DRAFT PROGRAMME  
FOR GOVERNMENT  
FRAMEWORK**  
2016-21



**NI Draft Industrial Strategy:** The draft Industrial Strategy for Northern Ireland was developed and issued for public consultation in January 2017. The vision for Northern Ireland in 2030 is “to be a globally competitive economy that works for everyone” and to turn Northern Ireland into one of the world’s most innovative and competitive small advanced economies. To achieve this vision, the draft strategy has identified five Pillars for Growth, including:



- accelerating innovation and research;
- enhancing education, skills and employability;
- driving inclusive, sustainable growth;
- succeeding in global markets; and
- building the best economic infrastructure.

**Strategic Fit:** Investment in Newry City Centre would contribute to two of the five pillars. These include succeeding in global markets (by increasing the number of visitors to Newry, providing state of the art office accommodation to attract companies to Newry etc.) and building the best economic infrastructure (through improving facilities in the city, for example, civic buildings, theatre, office accommodation etc).

**Tourism NI Emerging 2025 Tourism Strategy:** The emerging draft tourism strategy 2025 highlights an enhanced focus on growing the number of out-of-state visitors visiting Northern Ireland, increasing the length of time they stay, and how much they spend. The strategy is focused on four main priorities, Product Focused, People Orientated, Market Led and Premier Place.



**Strategic Fit:** Investment in Newry City Centre will help reinforce the role as a regional gateway between Northern Ireland and ROI, regenerate the city centre and create the infrastructure that will support an increase in visitor numbers (and particularly out of state visitors to the city) through the improved theatre/conferencing facilities.

### 3.3.2 Local Policy

**NMDC Corporate Plan 2015-19:** The Corporate Plan is guided by eight priorities or strategic objectives and aims to address a number of issues highlighted within the Council area, such as the pockets of deprivation, poor transport links, and high unemployment levels. The strategic objectives have outlined a number of actions and measures of success.

**Strategic Fit:** Investment in Newry City Centre is directly referenced in the Corporate Plan and will contribute to a number of the strategic objectives. For example Objective 2 (attracted investment and supported creation of new jobs) specifically highlights the development of a new civic centre, economic regeneration and the need to establish a cross border gateway between Northern Ireland and ROI. In addition, Objective 8 (transformed and modernised the Council, providing accessible value for money services) highlights the need to review operating and delivery models which would be facilitated through improved civic centre and ways of working.



**NMDC Regeneration and Investment Strategy 2015-20:** The Economic Regeneration & Investment Strategy has been developed for the region of Newry, Mourne and Down. It has been shaped with consideration of the policy and strategies of the Council. The Strategy is developed around five themes and key priorities:

1. Economic Development;
2. Tourism Development, Marketing, Promotion and Events;
3. Urban Development and Regeneration;
4. Rural Development and Regeneration; and
5. Arts, Culture and Heritage.

**Strategic Fit:** The success of the strategy will be measured against strategic priorities and actions. The project to invest in Newry City centre has the potential to contribute towards a number of the key themes including economic development (e.g. employment opportunities, evening economy etc), tourism development (e.g. greater number of visitors visiting Newry, enhancing the gateway between Northern Ireland and ROI) and Arts/Culture and Leisure (Improved theatre/conference provision)



**Newry City Centre Master Plan 2011:** The Newry City Centre Masterplan was produced to inform a 10 – 15 year period for development in the City Centre. The document provides spatial analysis and focuses on the redevelopment of the entire City Centre, rather than identifying key priority projects to be implemented. The Masterplan was produced during a period of austerity, therefore many of the schemes identified through the process have not yet been implemented five years later.

**Strategic Fit:** The Masterplan illustrates a clear need for regeneration and the substantial development opportunities which exist. The Masterplan recognises the importance of a well organised and coordinated delivery plan to catalyse further regeneration and attract investment. The proposal to invest in Newry City Centre will identify a number of priority projects to revitalise the centre and help to gain further momentum for investment and confidence in Newry.



### 3.4 Conclusion

The proposed programme will help to regenerate the local area, create employment opportunities, attract visitors, improve civic pride and help stimulate further private sector investment. The programme has strong links to a number of regional and local strategic documents and policies.

At a regional level, the development in Newry City Centre ties into the aims and objectives of three key documents: the Programme for Government; the NI Industrial Strategy; and Tourism NI's Emerging Tourism Strategy. At a local level the programme is directly aligned to the main strategies governing the future direction of the Council including the Corporate Plan, the Regeneration and Investment Strategy and the Masterplan.



## 4 Assessment of Need

### 4.1 Introduction

This section considers the need for Newry City Centre regeneration building on the strategic environment outlined in the previous section, the high-level drivers for change and includes an assessment of each of the potential project components of a regeneration programme. Investment objectives have also been identified.

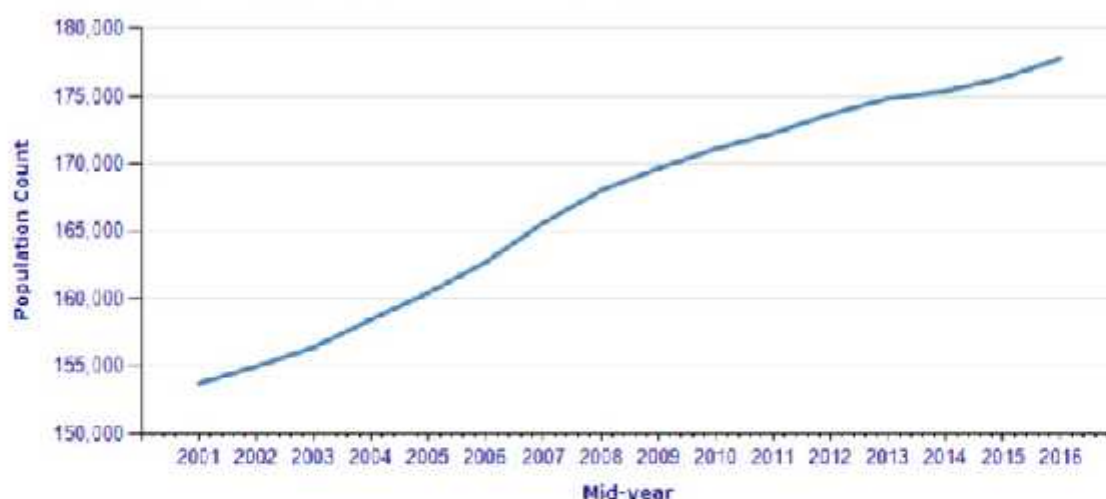
### 4.2 High level drivers for change

The demographic and economic drivers for investing in Newry City Centre including the size of the Council area, demographic challenges, economic potential, and challenges of merging councils are articulated below.

- Large Council Area:** Newry, Mourne and Down District Council is the third largest Council area in Northern Ireland (as measured by population in 2016). The Council now serves a population of over 177,816 (approximately 30,000 in Newry City Centre and greater number in the outlying regions) of which 88,112 are males and 89,705 are females. The Council has a slightly younger population and a smaller proportion of people aged 65 plus when compared to the rest of Northern Ireland.

Given the size of the Council and the population of the city centre and surrounding areas continued investment and regeneration is important in order to unlock potential and grow the local economy. The regeneration programme can impact a large number of district residents. Between 2006 and 2016 the population of Newry, Mourne and Down LGD increased by 15,093 people or 9.3%. The below graph illustrates the mid-year estimated population growth for the Newry, Mourne and Down District from 2001 to 2016.

**Figure 4.1:** Population Trend, 2001-2016 (non-zero axis)



**Source:** NISRA - Population Estimates for Newry, Mourne and Down District Council - 2016

- Demographic Challenges – Lower Productivity:** The Council has a higher proportion of jobs in traditionally low paid, low productivity jobs such as: retail, construction, manufacturing and accommodation and food services. The economic activity rate has been measured based on the combined results of five Super Output Areas in the Slieve Gullion region. These include Creggan, Crossmaglen, Slieve Bridge, Forkhill and Fathom. The economic activity rate across these areas in 2011 was 60.2%. This is significantly lower than



the Northern Ireland average of 66.2%. Within the area 14% of the economically active population were unemployed in 2011. This is significantly higher than the Northern Ireland average of 7.5%.

There is therefore a clear need to stimulate investment to create higher productivity jobs, increase career opportunities for people and build on the emerging information and communication, finance and insurance sectors in Newry.

- The Northern Ireland Multiple Deprivation Measure 2017 (NIMDM) was published in November 2017. The report identifies small area concentrations of deprivation across Northern Ireland. 4 of the 10 most deprived Super Output Areas (SOAs) are in Newry Mourne & Down, including Creggan which was cited as the most Income Deprived Domain. The results for Northern Ireland are outlined in Table 4.1 below.

**Table 4.1: Income Deprivation Domain**



**Source:** Northern Ireland Multiple Deprivation Measure 2017

Newry, Mourne and Down shows relatively high levels of deprivation and is one of the fourth most income deprived domain Local Government Districts in Northern Ireland, with 17% of the most deprived SOAs;

- **Economic Hub for the Council Area:** Newry City Centre currently acts as a key economic hub in the Council area. There is potential to improve and strengthen this position and attract skilled jobs to the area that bring higher wages and higher productivity, along with an influx of skilled workers. Higher footfall in the city centre and higher paid jobs will create the conditions for higher domestic consumption, both during the day and in the evenings, creating greater demand for services and small businesses.
- **Challenges of Merging Council Areas:** The merging of the two legacy Councils presented a dual delivery of Council services across the region, with staff in Newry also spread across numerous sites and buildings. Whilst the Council has continued to deliver services following the merger, the transfer of remote Newry sites to a single Civic Hub will reduce inefficiencies, and improve communication and team working.

### 4.3 Potential Programme components

The following section articulates the need for investment in Newry City Centre including the Civic Hub, Theatre/Conferencing, Hotel and Office provision.

#### 4.3.1 Civic Hub

The need for a redeveloped Civic Hub is driven by the deficiencies in the Council's current accommodation estate. This includes a segregated estate, the layout of the buildings, inefficient buildings and IT systems, as explained in more detail below.

- **Segregated Administrative Estate:** The Council's current administrative estate and directorate functions are segregated across Newry and the Council area. Within Newry there are three administrative buildings including Monaghan Row, Greenbank Depot and McGrath House accommodating approximately 230 staff. This segregation creates a silo'd approach to working and means that customer interaction, information collection and storage occurs at three separate locations instead of one central source;
- **Layout of the Buildings:** The layout and design of the existing buildings are cellular, not open plan and characterised by narrow corridors and smaller rooms. They have functional boundaries and zones minimising collaboration and information sharing. The cellular boundaries means that staff cannot be grouped effectively resulting in division across floors and areas, and inefficiencies in inter-directorate communications and working. A proactive approach to workplace design is required to achieve cost effective solutions for occupiers to ensure employee productivity levels are reached.

A modern open-plan office layout would enable more efficient use of space and enabling staff to be able to work more remotely and potentially from home would reduce the desk capacity and a hot-desking approach could be adopted that would also reduce space requirements

The existing reception area is also small, not easily accessible by the public and without meeting rooms. Any future Civic centre design is likely to incorporate a larger, brighter more welcoming and better functioning reception space / waiting area;

- **Inefficient Buildings:** The current buildings are out dated, do not fully meet Disability Discrimination Act requirements or workplace compliance standards, have rising maintenance costs and are not capable of meeting the highest energy efficiency standards or integrating modern sustainable systems; and
- **IT Systems:** The form and layout of the existing buildings limits the potential for IT systems, as the existing offices cannot readily take advantage of a flexible networked computer system, or the utilisation of modern information technology systems such as wifi, room and desk booking systems. Inefficient use of technology impacts on space utilisation and the ability to implement flexible working practices.

### 4.3.2 Theatre and conferencing

The need for improved theatre and conferencing facilities is driven by deficiencies with the current provision, including the layout of the buildings, poor condition and decoration, and image, the limited programme offering and provision for attracting conferences.

- **Layout of the Buildings:** The layout of the Town Hall and the Sean Hollywood Arts Centre are both restricted and not reflective of a modern fit for purpose arts venue. For example in the Sean Hollywood Arts Centre the auditorium is located on the first floor with poorly designed access via a café area, there is no dedicated exhibition space and the external access for stage sets is also poor with no dedicated loading/parking areas. The Town Hall has a lack of circulation space causing congestion and often results in queuing outside. In addition, there is no catering/bar provision and there is no box office system with tickets having to be collected in person.
- **Poor Condition and Decoration:** Both buildings condition and internal decoration are considered to be out dated and requiring significant updating. There has been some limited refurbishment completed during the last two years but more significant updating is required to be reflective of a modern fit for purpose and welcoming arts venue.
- **Image and Location of the Buildings:** The buildings are not easily identified as either an arts venue or theatre facility. For example the Town Hall has limited external advertising and given the architecture the building feels closed and uninviting to members of the public. The Sean Hollywood Arts Centre has a modern style entrance, however it is at the side of the building and is therefore hidden and uninviting.
- **Limited Programme Offerings:** There is no artistic policy that establishes the vision, purpose and function of the venues. As a result programme of performances is limited, piecemeal, infrequent, and the spaces are dominated in a 'village hall' style usage. The programme could be broadened to appeal more to the audiences in the Newry and surrounding area. The venues do not have computerised booking systems and as a result is difficult to capture data on audience usage but indications highlight a drop in usage numbers. When comparing seat ratios and population density to those of other venues in Northern Ireland the existing potential market in Newry has the capacity to expand.
- **Limited Provision for Conferences:** There are limited facilities within Newry City Centre and the surrounding area that can accommodate conferences, symposium style events, trade shows or public fairs. The existing venues predominantly cater to smaller events and functions. This is an issue as the hosting of large one-off events can create extra footfall in the city centre throughout the year, helping the local economy gain additional expenditure as it is likely that a significant portion of attendees will be visitors to Newry. There is potential for the development within a number of market sectors for the trade show market including wedding fairs, industry specialist events, and dining events (250-500 guests) as well as smaller scale conferences.



### 4.3.3 Hotel

The Council has commissioned CBRE to complete a review of the hotel market in the Council area. From this report, the emerging findings are listed below:

- **Positive tourism trends:** Trips, overnight stays and expenditure by visitors have increased from 2015-2016. The trips have increased by 41% (406,302 – 571,400), the overnight stays have increased by 47% (1,060,063 – 1,562,073) and the visitor spend has increased by 27% (£48.1m to £61m).
- **Visitor numbers set to rise:** The plans for a Civic Hub and associated regeneration, and particularly a regenerated Theatre & Conference facility would further draw visitors to the District.
- **Absence of 50 bed plus hotels:** There are 12 hotels in the NMD District, providing 542 bedrooms, of which 5 hotels are located in Newry, providing a total of 207 bedrooms. However there are only three hotels across the Council area that have more than 50 rooms, and only one located in Newry city – Canal Court Hotel. (110 bedrooms). There are only three hotels in the NMD District with more than 50 bedrooms which limits the areas ability to cater for larger groups or tour operators (see Appendix 4 for more detail).
- **Regeneration of other tourist attractions in the area:** Other tourist attractions in the area, including Newcastle Promenade, Quays Shopping Centre, Warrenpoint Municipal Park and proposed Mourne Mountains Gateway, have planned or completed major regeneration schemes and have seen large investments which aim to attract and increase visitors to the region (see Appendix 4 for more detail).

Research carried out by CBRE concludes that they believe capacity exists for a new hotel development in Newry city centre. Furthermore, it has been identified as a day visit destination for tourists, being situated along the Belfast-Dublin corridor. Given the low room count in the majority of hotels in the District, the evidence concludes that there is an opportunity for a hotel with between 90-120 bedrooms in Newry city centre to cater for large events and conferences held nearby.

### 4.3.4 Office

The need for office accommodation has been articulated by CBRE through a recent report 'Newry City – Office Demand Report'. The key findings from the report are included below:

- **Office Availability:** The Newry office sector can be identified in two broad types – low to medium grade historic High Street buildings favoured by indigenous professional occupiers such as solicitors and accountants or campus-style, edge of town, low density, medium grade accommodation typical with open plan layouts, lift access and in many cases air-conditioning. There is a relatively low availability rate of 10.9% with the majority of this availability being historic, city centre terraced premises built more than 100 years ago and lacking high specification features desired by occupiers and investors. The low availability rates are primarily due to the almost complete absence of modern, Grade A open plan accommodation. These levels suggests a pent-up demand, which could be released if a medium to high grade specification were to be offered in the open market.
- **Office Demand:** Demand for larger corporate occupiers in Newry is limited due to the relative attractiveness of larger urban cores in Dublin and Belfast which readily provide higher quality, accessible accommodation. However, the research suggests there is potential demand for office space, evidenced by low vacancy/high occupational rates, especially as regards purpose built office schemes. A number of wider financial and political factors that positively and negatively affect demand in Newry include reduction in corporation tax, Brexit, economic growth, rates revaluation.
- **Market Rental Analysis:** The research estimates average rental levels for Newry range £7-£12 per sqft depending on grade, specification, build year etc. In the past five to ten years

Newry has attracted several high-profile occupiers such as Teleperformance. If suitable premises were available, at rental levels below those being achieved in Belfast, then the expansion of existing businesses or the attraction of new occupiers not already represented, including FDI enterprises, could be attracted to Newry.

#### **4.3.5 Residential**

Newry has an average density of residential properties on its edges, however the City Centre market could be more mature. Housing in the centre could potentially support city centre employees and higher footfall activity for the retail and leisure sectors. The position of any housing provision within the City Centre will be important in contributing towards the overall regenerative impact of any developments. There is not a strong apartment market in Newry, therefore it would be more appropriate to consider the development of townhouses and higher density developments. The private rented sector may be a logical growth market and a key way to build confidence in the residential development market. Both the publically and privately owned sites could be marketed in this context.

Housing itself will not drive economic growth but it is an important component of overall place-making. It should be recognised that there will be a need to attract a population to live in new homes and new employment opportunities are central to that. A convincing and attractive City Centre with improved amenities and public realm is essential in providing the package of services required to encourage City Centre living. Residential has not been prioritised as part of the Regeneration Programme as if the other components are delivered, the private sector is likely to provide for new housing and the need for public sector intervention diminishes.

#### **4.3.6 Retail and Leisure**

Retail activity in city centres across the UK has undergone fundamental change over the past decade. The competition from out-of-town shopping and multichannel retailing has shifted the traditional retail landscape. These trends require retail to be responsive to change.

Newry City Centre has historically been a traditional market city, yet today major shopping centres serve the catchment area of the city. Newry has a diverse selection of national and international multiple retailers within a number of distinct retail areas of the City Centre.

There are a variety of restaurants, cafes and bars within Newry. However, there could be opportunity to increase and diversify the provision of leisure. Leisure is recognised as fundamental to the success of a City Centre as shoppers now seek a 'retail and leisure experience.' More leisure can increase dwell time and spend within a City Centre. The Council has a higher proportion of jobs in traditionally low paid, low productivity areas such as: retail, construction, manufacturing and accommodation and food services.

There is a need to stimulate investment to create higher productivity jobs and build on the emerging information and communication, finance and insurance sectors in Newry. For that reason retail has not been prioritised as a key component of the Regeneration Programme.



## 4.4 Soft Market Testing and Site Development Potential

### 4.4.1 Summary of Soft Market Testing

Deloitte, alongside Newry Mourne & Down District Council, initiated a soft market testing exercise in March 2018 with a specific day held on 28 March 2018 to test the market attractiveness of the a number of proposed schemes within Newry City Centre including a new civic centre, theatre facility and other commercial uses. The soft market testing invitation, shown adjacent, was issued to 11 parties. The parties identified were considered to be representative of the development and contractors market in Northern Ireland, and those with land holdings and stakeholders in Newry but should not be seen as a 'definitive' list of potential partners.

**Theatre / conference project:** All participants understood the proposal for the new theatre/conference facility, and the benefit this would bring to Newry. From a technical perspective various attendees acknowledged this is a specialist build with only some attendees having the previous knowledge and experience of building out such a project. Some attendees noted the unknown site and existing building risks, and how these would be considered in a procurement process.

**Civic centre:** All participants understood the proposal for a new civic centre and the wider benefits this could bring to Newry. Technically attendees considered this a simpler build, and there was broad interest to participate in its delivery, either on a council site or with variant locations.

**Hotel:** All participants understood the potential for a new hotel in Newry. However whilst some attendees had experience of hotel construction, none of the participants had first-hand experience of developing and delivering a hotel (i.e. Finding an operator and funding the build). All participants understood the challenges of delivering a hotel development, with some noting the commercial viability and possible requirement for public sector intervention.

**Sites:** All participants were positive about the three number sites, although recognised their individual complexities and constraints. A number of attendees either enquired about or suggested other possible sites, in both Council and private ownership, which they felt could be considered as part of a variant bidding process including Claire Convent site and Albert Basin.

**Process:** Generally speaking there is mixed experience of public sector procurement in Northern Ireland, with an expected divergence between traditional and innovative when comparing the attendees contractor and developer backgrounds. This mix of experience will need to be considered when developing the procurement strategy.

**Bid costs:** Some attendees expressed concern at historically incurring significant bid costs on complex and lengthy bid processes which required bidders to work up a detailed solution. One attendee enquired about bid cost recovery, with others expressing a preference for employer design where known.

**Risk:** The attendees with contractor backgrounds were typically more risk averse, stating an unwillingness to accept development or unknown risk transfer, with the developer type attendees more willing to adopt a holistic view to risk sharing as part of client/developer delivery team.

The soft market testing exercise has concluded that the development community in Northern Ireland are positive about the projects being proposed for Newry City Centre which fulfil the regeneration ambitions of the council. To take the projects forward it is recommended that given the specific nature of the Theatre/ Conference facility that this could be implemented as a separate project to allow a partner with relevant experience and expertise in this field to deliver this for the Council.

The remaining projects including the Civic Centre, hotel and other commercial projects should be taken forward as one package to maximise regeneration benefits within the city. This should be explored at the next stage through the procurement strategy.

### 4.4.2 Site Development Potential

The Council has a variety of sites within their and other public bodies ownership in the city that have been considered as part of this process. A due diligence exercise was undertaken to these sift sites based on their location, size and planning potential amongst other factors before drawing a shortlist.



The sites currently being proposed as part of this exercise have been selected given their central location and ability to accommodate the proposed uses (see Appendix 5).

The soft market testing process indicated there are other sites within the City Centre not in public ownership that could be proposed as part of a procurement process, and this variant sites approach could potentially be incorporated into the procurement process going forward.

## Objectives and Constraints

### 4.5 Objectives development

The objectives have been developed based on the need of the regeneration programme. We have developed a programme vision and five key objectives. The objectives have been agreed with the Programme Board in a workshop in April 2018. As the process continues, the Council should collate baseline information on each of the objectives to allow appropriate measurement for benefits realisation and to demonstrate the success of the programme.

**Objective 1:** By August 2025 reinforce Newry as a Regional Gateway between Northern Ireland and the Republic of Ireland.

#### Measurement method:

- Population growth / increase in the percentage of young people
- Reduction in the unemployment rate / increase in the labour force with a third level qualification
- Reduction in travel to work time / increase in retail activity

**Objective 2:** By August 2021 contribute to the sensitive regeneration of Newry City Centre.

#### Measurement method:

- Improvement in the city centre footfall
- Increase in the number of visitors (and visitor expenditure) in the city centre
- Increase in the amount of public / green space

**Objective 3:** By August 2025 attract further private sector investment and job creation

#### Measurement method:

- Increased levels of employment and variety of job opportunities
- Increased number of private sector developments within the city centre

**Objective 4:** By August 2025 increase visitors to Newry and improve the animation of the City.

#### Measurement method:

- Increase in visitor numbers (specifically out of state visitors)
- Increase in number of conferences/performances/artists
- Increase in evening economy expenditure

**Objective 5:** By August 2021 increase civic pride by modernising the Council.

#### Measurement method:

- Improved staff satisfaction in working premises
- Improved public satisfaction scores regarding quality of Council facilities and access to services
- Improved operational efficiency to demonstrate greater value for money

# 5 Options Appraisal

## 5.1 Introduction

In this section we describe and analyse a long list of potential options, including the rationale for excluding certain options from further consideration. A short list of options for development has been identified and subjected to a high level cost-benefit analysis to conclude on a preferred way forward for the regeneration of Newry city centre.

### 5.1.1 Options Analysis

The options are structured around key variables including the programme components, the scale of development and the location of the development. Table 5.1 provides a description of these variables.

**Table 5.1 Description of Option Variables**

Variable	Description
<b>Programme Components</b>	<ul style="list-style-type: none"> <li>• <b>Theatre and Conferencing</b> – provision of modern fit for purpose theatre and conferencing facilities capable of attracting and hosting a wider performance programme / events.</li> <li>• <b>Civic Hub</b> – provision of a new civic hub to transform and modernise Council working and service delivery arrangements.</li> <li>• <b>Wider Regeneration</b> – provision of additional projects that have potential to attract greater investment to Newry. For example, new office accommodation for businesses, a new hotel to enhance the tourism offer / facilities for travellers on business.</li> </ul>
<b>Scale of Development</b>	<ul style="list-style-type: none"> <li>• <b>Refurbishment</b> – the capital works for the regeneration programme will be predominantly refurbishment of existing buildings and will not involve new build elements.</li> <li>• <b>New Build</b> – the capital works for the programme will involve constructing new elements on the existing or alternative sites.</li> </ul>
<b>Location of Development</b>	<ul style="list-style-type: none"> <li>• <b>Existing Sites</b> – the proposed capital works will take place on the existing site of the current building. The existing sites for the theatre &amp; conferencing and civic centre include the Town Hall/Sean Hollywood Arts Centre site and Monaghan Row site.</li> <li>• <b>Alternative Sites</b> – the proposed capital works for the programme will involve utilising alternative sites either within Council ownership or developer owned sites (for example, those identified during the procurement process).</li> </ul>



### 5.1.2 Long List of Options

The programme variables have informed the development of a long-list of options as summarised in Figure 5.1 below. There are several combinations of the three main project components (civic hub, theatre/ conferencing and wider regeneration opportunities) that vary in relation to the mix of new build and refurbishment works and whether construction is on an existing or alternative site.

**Figure 5.1: Long List of Options**



### 5.1.3 Option Sifting

Table 5.1 provides a description of the rationale for sifting the long-list of options and producing a short-list for more detailed analysis. Figure 5.2 then provides a summary of the sifting scoring.

**Table 5.1 Description of the Rationale for Sifting**

Option	Shortlisted	Rationale
1	YES	Included as per Green Book Guidance – Baseline Option for comparison against 'Do Something' options. However, due to the limitations with the existing provision (civic centre and theatre & conferencing) and the limited potential offered under this option for wider regeneration, it is not considered that it would deliver against the programme objectives.
2a	NO	This option will provide enhanced conferencing and theatre facilities which will improve the cultural offering in the city and lead to relatively small uplifts in visitors coming to the city and employment opportunities. However, it is not shortlisted as on its own the project will not reinforce Newry as a regional gateway, regenerate the city centre, attract wider private sector investment/job creation, or maximise civic pride in the council facilities.

Option	Shortlisted	Rationale
<b>2b</b>	NO	This option has not been shortlisted for the similar rationale as described in Option 2a.
<b>3a</b>	NO	This option will provide enhanced facilities for council staff and the opportunity to boost neighbouring businesses through greater footfall and presence in the city centre. However, it is not shortlisted as on its own the project will not reinforce Newry as a regional gateway, will not maximise regeneration of the city centre, maximise wider private sector investment/job creation or increase visitors to Newry.
<b>3b</b>	NO	This option has not been shortlisted for the similar rationale as described in Option 3a.
<b>4a</b>	NO	This option will partially meet all of the objectives. However the absence of the regeneration components and constraints imposed by the existing sites will prevent delivery of programme benefits.
<b>4b</b>	NO	This option has not been shortlisted for the similar rationale as described in Option 4a.
<b>4c</b>	YES	This option has been shortlisted as a 'do minimum' option for the Council. The Council will be able to realise partial benefits and could be used as a starting/phased approach with wider regeneration projects delivered at a later date.
<b>5a</b>	NO	This option has not been short listed. It will partially deliver against objectives 1-4 but due to the absence of the civic hub component of the programme there will be no perceived uplift to the modernising of the council facilities and civic pride.
<b>6a</b>	YES	This option has been shortlisted as it will deliver fully against objectives 2, 3, 5 and partially deliver against objective 1 and 4.
<b>7a</b>	NO	This option will provide improved conferencing/theatre facilities, improved civic hub and regeneration projects. However, despite including all the critical components, it has not been shortlisted as the impacts will be limited due to the project being refurbishment only as opposed to new build capital works.
<b>7b</b>	NO	This option will provide improved conferencing/theatre facilities, improved civic hub and regeneration projects. However, it has not been shortlisted as the sites proposed are all on alternative locations (and there is a recommendation that the theatre/conferencing will be largely on the existing site).
<b>7c</b>	YES	This option has been shortlisted as it is considered it will deliver across all of the objectives.



Figure 5.2: Sifting Overview

		Objectives					Shortlisted
Opt		1: By August 2025 reinforce Newry as a Regional Gateway between Northern Scotland	2: By August 2021 Contribute to the sustainable regeneration of Newry city centre	3: By August 2025 attract further private sector investment and job creation	4: By August 2025 increase visitors to Newry and improve the animation of the City	5: By August 2021 increase civic pride by modernising the Council	
Theatre / Civic Hub: only	1	●	●	●	●	●	YES (as baseline comparison)
	2a-2b	●	●	●	●	●	NO
	3a-3i	●	●	●	●	●	NO
	4a	●	●	●	●	●	NO
	4b	●	●	●	●	●	NO
Full scope	4c	●	●	●	●	●	YES
	5a	●	●	●	●	●	NO
	6a	●	●	●	●	●	YES
	7a	●	●	●	●	●	NO
	7b	●	●	●	●	●	NO**
	7c	●	●	●	●	●	YES

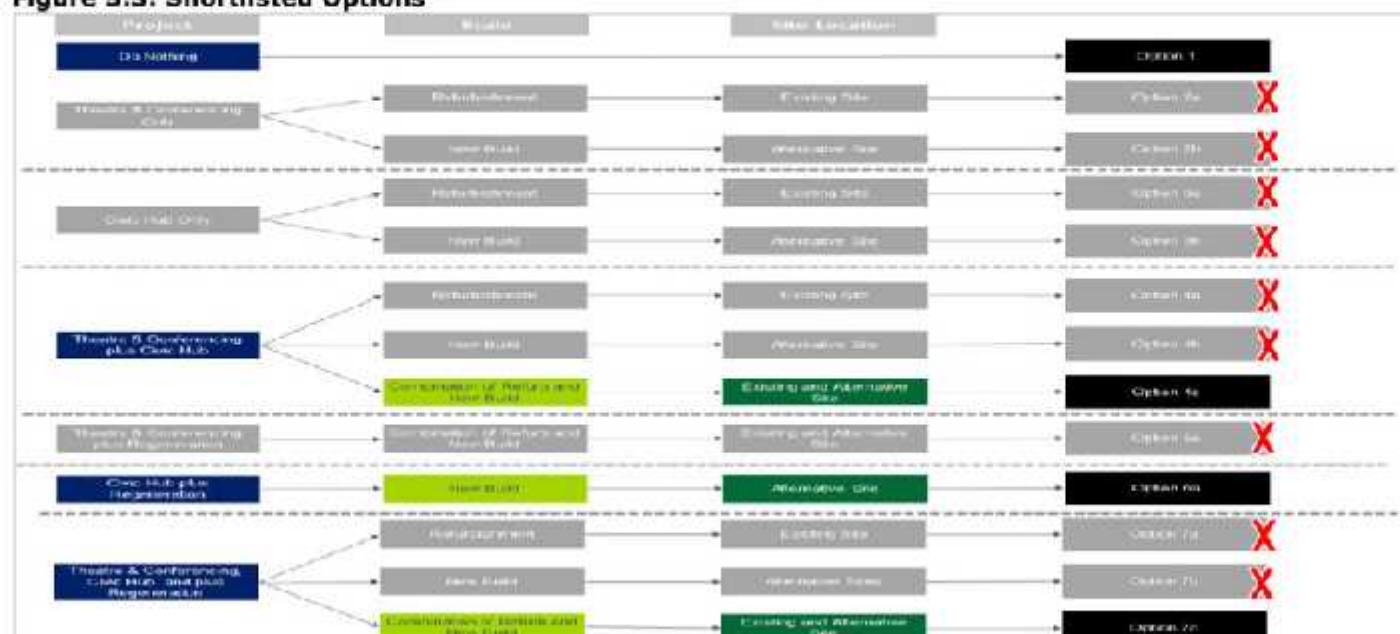
**Meet Objectives**  
 ● Does not Meet  
 ● Partially Meet  
 ● Fully Meet

\*\*Despite Option 7b meeting objectives – it is not shortlisted as the Theatre and Conferencing is identified for the current site – not a new build

### 5.1.4 Suggested Short List

Figure 5.3 provides an overview of the short-listed options. The options marked with red Xs will not be taken through for more detailed analysis.

Figure 5.3: Shortlisted Options





## 5.2 Monetary Analysis

In this section the financial cost/benefit of each shortlisted option has been examined. The basis for the comparison is the net present value (NPV) or net present cost (NPC). This is defined as the difference between a stream of future costs and benefits that have been discounted and summed. A NPV indicates that the monetary benefits of the project outweigh the monetary costs over the period of the appraisal.

For each shortlisted option, the associated cash flows have been reviewed over a 25 year appraisal period. Years are defined as financial years from 1 April in one year to 31 March the following year, with Year 0 being the current year (2018/19). Costs have been discounted at **3.5 per cent** in accordance with NIGEAE (2009) to a base date of 1 April 2018.

### 5.2.1 Key Assumptions

We have calculated an NPC for each option on the basis of:

- the capital costs of refurbishment or new build. At this stage, with no detailed site plans or building designs having been completed, construction / refurbishment costs have been estimated using standard industry average indices such as BCIS – taken from the available technical reports (Charcoal Blue for the theatre/conferencing and Aecom for the Civic Hub building). *These are high-level estimates only and require verification by an experienced quantity surveyor;*
- lifecycle costs for planned maintenance have not been included. It is not considered that any major repairs such as a roof replacement would be required over the appraisal period;
- a Do Nothing option has not been included as the investment costs would be zero. Therefore the operational costs included for investment options reflect the estimated change (+/-) that might be reasonably expected from a modern, more space efficient building when compared to existing buildings.
- the net recurrent costs of each option are based on available information on running costs for the existing Monaghan Row Council buildings (averaged over the last two years, where information was available) except where the most recent cost such as rates is a more accurate reflection;
- professional fees (10% of capital costs) for the design, procurement and project management stages are included. In the current marketplace, these could be assumed at a lower percentage (7.5%) but a standard ten per cent has been included for prudence.
- associated monetary benefits such as an increase in the rates base have been included (for any private sector investment), based on a unit cost calculated from the average rates for the existing Council office estate;
- a discount rate of 3.5 per cent has been used, as per NIGEAE guidance;
- an optimism bias factor as calculated below;
- capital receipts of any surplus estate will be realised by Year 3 (2020/21);
- Inflation: Financial analysis has been carried out with an inflation rate of 2%. As per green book methodology this has not been applied to any economic or NPV calculations.
- There are no revenue costs for Regeneration Investment because it is assumed that the private sector will undertake the running of these locations.
- Hotel occupancy rate is based on 2017 data for Newry, Mourne & Down District Council. Source: CBRE Hotels Ltd. 2018.
- Average spend per head on eating out calculated based on ONS UK family spending, 2016.
- The financial calculations assume that any current subsidy for Newry's arts venues will remain constant. The aim of the new theatre / conferencing facility is to increase utilisation and revenue which could reduce the subsidy requirement in the future, although there is a potential risk of subsidies increasing, particularly in early years as the facility is established – further work is required to examine the full operational costs once the new Arts and Cultural programme strategy is completed.

The assumed costs are detailed in the analysis at Appendix 2.

### 5.2.2 Optimism Bias

Optimism Bias can be defined as the tendency for appraisers to be over-optimistic about key project parameters, such as overstating benefits and understating timescales and costs. NIGEAE requires appraisers to make explicit, empirically-based adjustments to take account of such optimism bias. The Mott McDonald calculator for Standard Building projects has been used to calculate optimism bias and is included in Appendix 3.

In determining the adjustments required to redress optimism bias we have considered the following:

- the unique characteristics/complexity of the option;
- the extent to which existing cost estimates are considered robust (reliable and accurate); and
- the Supplementary Green Book Guidance on Optimism Bias.

Optimism Bias has been applied on a separate basis for the two main project components of the regeneration programme. Contractor capabilities, the likelihood of claims / disputes occurring, environmental impact, project intelligence, site characteristics and economic external influences are all assumed to be very similar regardless of the programme project, given the current status of development. The key differential is that the Civic Hub is considered to be a standard building development and therefore the optimism bias calculator for standard buildings has been used which provides an uplift of 8% to capital costs and 1% to works duration, whereas the theatre / conferencing project component is considered to be non-standard and attracts a higher level of optimism bias (18% to capital costs and 11% to works duration).

## Monetary Costs of the Short-listed Options

Outlined below are the estimated high-level capital costs associated with each of the short-listed options. Option 1 (Do Nothing) has not been included for detailed analysis.

### 5.2.3 Civic Hub + Theatre Conferencing (Option 4c)

Table 5.2 below summarises the capital costs associated with Option 4c.

Table 5.2: Option 4c Capital Costs

Cost Category	£
<b><i>Civic Hub</i></b>	
Space for 215 staff	3,994,300
Space for additional 50 staff	631,374
Civic spaces	462,112
Council spaces	1,059,351
Active ground floor	819,011
<b><i>Sub-Total</i></b>	<b>6,966,147</b>
<b><i>Theatre / Conferencing</i></b>	
New build – public area	3,500,000
New build – auditorium and stage	3,500,000
Part renovation – auditorium and stage	2,149,500
Part renovation – performer areas	522,000
Part renovation – staff administration	309,000



Cost Category	£
<b>Sub-Total</b>	<b>9,980,500</b>
<b>Professional Fees (@ 10% of capital costs)</b>	<b>1,744,665</b>
<b>Optimism Bias (capital works only)</b>	<b>2,632,428</b>
<b>OVERALL TOTAL</b>	<b>21,323,740</b>
<b>Overall Total (without OB)</b>	<b>18,691,312</b>

Source: NMDC / Aecom / Charcoal Blue / Deloitte

This option is considered to be the 'do minimum' scenario for regeneration. As the Council already owns the relevant land there are no acquisition costs associated with this option but there is an opportunity cost for the existing theatre site.

The estimated cost of the new Civic Hub is £7m (without optimism bias). It is assumed to accommodate 215 staff with additional capacity for 50 people (potentially leased to another organisation) as well as shared civic spaces / meeting rooms and the necessary Council specific space, as well as an active /open ground floor for public interaction.

The estimated cost of the Theatre / Conferencing facility is £10m (without optimism bias) based on a part new build / part refurbishment design. In addition, two additional staff have been assumed for the conferencing facility at an additional cost of approximately £55k per annum.

Professional fees of £1.7m have been calculated at 10% of the capital costs and optimism bias for both programme elements is around £2.65m.

#### 5.2.4 Civic Hub + Regeneration (Option 6a)

Table 5.3 below summarises the capital costs associated with Option 6a, which relates to the Civic Hub plus wider opportunities for regeneration. It excludes the Theater / Conferencing facility.

Table 5.2: Option 6a Capital Costs

Cost Category	£
<b>Civic Hub</b>	
<b>Space for 215 staff</b>	<b>3,994,300</b>
<b>Space for additional 50 staff</b>	<b>631,374</b>
<b>Civic spaces</b>	<b>462,112</b>
<b>Council spaces</b>	<b>1,059,351</b>
<b>Active ground floor</b>	<b>819,011</b>
<b>Sub-Total</b>	<b>6,966,147</b>
<b>New Office Building / Campus</b>	
<b>Assumed 1,500m<sup>2</sup></b>	<b>3,094,500</b>



Cost Category	£
<b>New Hotel</b>	
<b>Assumed 90 bedroom</b>	<b>10,800,000</b>
<b>Professional Fees (@ 10% of capital costs)</b>	<b>398,307</b>
<b>Optimism Bias (capital works only)</b>	<b>835,938</b>
<b>OVERALL TOTAL</b>	<b>22,094,892</b>
<b>Overall Total (without OB)</b>	<b>21,258,955</b>

Source: NMDC / Aecom / Deloitte

This option retains the Civic Hub component but assumes that the Council will offer land in its ownership to the private sector for development. As the Council already owns the relevant land there are no acquisition costs associated with this option but there is an opportunity cost for the existing theatre site. As before, the estimated cost of the new Civic Hub is £7m (without optimism bias).

It is assumed that the private sector may provide for additional office space of circa 1,500m<sup>2</sup> at an estimated cost of £3.1m, plus a medium sized hotel of 90 rooms at an estimated cost of £10.8m. The private sector would pay the costs of these elements of the regeneration programme and therefore professional fees have been calculated on the Council related elements only (circa £0.4m).

Optimism bias is calculated at £0.8m taking the overall programme total for Option 6a to £22.1m (£21.3m without optimism bias). The Council's contribution would be approximately £8.2m plus the value of the land included within any regeneration deal.

#### 5.2.5 Civic Hub + Theatre / Conferencing + Regeneration (Option 7c)

Option 7c incorporates all programme elements (Option 4c and 6a combined) with the costs summarised in table 5.4 below.

Table 5.4: Option 7c Capital Costs

Cost Category	£
<b>Civic Hub</b>	
<b>Space for 215 staff</b>	<b>3,994,300</b>
<b>Space for additional 50 staff</b>	<b>631,374</b>
<b>Civic spaces</b>	<b>462,112</b>
<b>Council spaces</b>	<b>1,059,351</b>
<b>Active ground floor</b>	<b>819,011</b>
<b>Sub-Total</b>	<b>6,966,147</b>
<b>Theatre / Conferencing</b>	
<b>New build – public area</b>	<b>3,500,000</b>
<b>New build – auditorium and stage</b>	<b>3,500,000</b>
<b>Part renovation – auditorium and stage</b>	<b>2,149,500</b>

Cost Category	£
<b>Part renovation – performer areas</b>	<b>522,000</b>
<b>Part renovation – staff administration</b>	<b>309,000</b>
<b>Sub-Total</b>	<b>9,980,500</b>
<b>New Office Building / Campus</b>	
<b>Assumed 1,500m<sup>2</sup></b>	<b>3,094,500</b>
<b>New Hotel</b>	
<b>Assumed 90 bedroom</b>	<b>10,800,000</b>
<b>Professional Fees (@ 10% of capital costs)</b>	<b>1,744,665</b>
<b>Optimism Bias (capital works only)</b>	<b>2,632,428</b>
<b>OVERALL TOTAL</b>	<b>35,218,240</b>
<b>Overall Total (without OB)</b>	<b>32,585,812</b>

Source: NMDC / Aecom / Charcoal Blue / Deloitte

The capital cost for Option 7c is estimated to be £35.2m in total (£32.6m without optimism bias). However, the Council's contribution would be approximately £21.3m plus the value of the land included within any regeneration deal.

## Monetary Benefits of the Short-listed Options

Outlined below are the estimated benefits associated with each component project of the regeneration programme. These are then summarised in total for each of the three short-listed options.

### 5.2.6 Economic impact (Civic Hub)

No direct economic impact has been calculated for the Civic Hub component of the regeneration programme as this is largely the relocation of the Council's existing staff at the Monaghan Row offices, to modern, more cost efficient offices. Staff will be closer to the city centre so there may be additional money spent in the city centre shops, particularly at lunchtimes but this is very difficult to estimate and is unlikely to be additional to the overall local economy.

Additional consideration is needed as to whether the additional floorspace for 50 staff would be let to another organisation which could provide a rental income to the Council and also create additional jobs in the city centre. Instead, the financial benefits attributable to the improved operational efficiency of the new buildings and the expected capital receipt that sale of Monaghan Row could generate, have been included.

#### a) Improved operational efficiency

A new Civic Hub is the common component across all options. It is assumed that this will be constructed to be more space efficient (open plan) than Monaghan Row. It will have a more spacious reception area, meeting rooms, and will be built to a BREEAM rating of excellent to make the building more sustainable and help to reduce running costs. Operational costs have therefore been estimated to reduce as follows:

- Reduction in energy / utilities by 15% – although energy costs will no doubt increase over time, this is assumed to be a constant comparable saving when compared to the do nothing scenario;
- Reduction in repairs and maintenance by 20% due to the new condition of the building – this will no doubt increase over time but is assumed to be constant as any increase will be at a comparable rate with the do nothing scenario; and
- Reduction in grounds maintenance by 10%.

Cleaning and insurance costs are assumed to be similar to existing costs and therefore no change has been included. Rates payable is estimated to increase by approximately £60k due to an increase in the building size / footprint on the ground floor.

#### b) Capital receipts

A capital receipt of circa £750k is assumed for the Council for the sale of the existing Council site at Monaghan Row, realised in Year 3.

### 5.2.7 Economic impact (Theatre / Conferencing)

It is assumed that a refurbished theatre and new conferencing facility will have a positive economic impact and on the evening economy in particular. Assuming an improved arts programme offer, that on average 65% of seats are sold for performances, and that 20% of those attending will eat out before / after shows, this could generate an economic benefit of approximately £195k per annum to the city centre economy.

It is assumed that the conferencing space would be used 12 times per year (once per month) for trade fairs, events and meetings which will generate wider economic benefit and potentially bed nights for hotels. However, for the purposes of modeling, only the rental income payable to the Council has been considered, estimated to be £60k per annum.

Additional employment is estimated to be two additional Council FTEs aligned to the conferencing facility, this is in addition to any existing theatre staff.

### 5.2.8 Economic Impact (New Office Space)

Additional office floorspace of circa 1,500m<sup>2</sup> is assumed to be provided (either through one standalone building or in three smaller campus style buildings). This is estimated to generate 103 jobs, of which 75% are considered to be wholly additional to Newry. This will provide salaries of approximately £2m per annum to the local economy, of which 10% is considered as leakage – to the Republic of Ireland economy, for example).

The Council will benefit with additional rates income for any new office space and hotel.

### 5.2.9 Economic Impact (New Hotel)

The size of a new hotel has been estimated at 90 bedrooms which is estimated to generate 30 jobs, of which 50% are considered to be wholly additional to Newry. This will provide salaries of approximately £390k per annum to the local economy, of which 10% is considered as leakage – to the Republic of Ireland economy, for example).

There is an inter-relation between the hotel and both the office space and theatre / conferencing facility as both could drive bed nights through visitor and business tourism. It is important therefore not to double count any associated expenditure in the local economy from these guests.

The average hotel occupancy figure for Northern Ireland in 2016/17 was 70% (Belfast was 74%) and in the Newry, Mourne and Down district area the average was lower at 64%. This lower average has been assumed for any new hotel which would generate approximately 13.5k bed nights per annum. The average spend per night in Northern Ireland is £54 which indicates an additional £731k of additional hotel related guest expenditure in the Newry economy per annum.



### 5.2.10 Temporary Job Creation

The Council's programme for Newry City Centre regeneration will create both temporary jobs in construction and permanent jobs as described above.

#### a) Temporary Jobs: *Direct Employment*

Investment in developing the Civic Hub, Theater/Conferencing, office buildings and a hotel will create a number of construction jobs. The nature of such employment is inherently transitory and is a function of the scale and type of construction expenditure. A technical coefficient of 9.175 FTEs supported for every £1m of expenditure has been used to calculate direct employment – assuming a mix of commercial and infrastructure build works (source CITB construction skills).

#### b) Temporary Jobs: *Indirect and Induced Employment*

In addition to the construction employment generated by the programme itself there will be increased local employment arising from the indirect and induced effects of this construction activity. Employment growth will arise locally through services and supplies to the construction process benefiting local suppliers of temporary buildings, materials, and sub-contractors of subsidiary construction tasks. Also, construction workers and those employed in providing services to the construction process will spend some of their incomes locally, and this will generate further local employment.

The rate at which local employment is created in this way is established through the application of conventional employment multiplier techniques and the selection of an appropriate multiplier coefficient. A multiplier of 1.25 has been used to estimate the impact for the Newry City Centre regeneration. For the purposes of estimating the indirect and induced employment effect during the construction phase, the multiplier coefficient applies equally to construction workers recruited locally and those brought in from outside the local area. In both cases, these represent new employment opportunities for the local economy.

#### c) Temporary Jobs: *Total Temporary Employment*

Temporary employment has been estimated for the construction works associated with Newry City Centre regeneration, ranging from 195 to 323 depending on the level of investment, as summarised below.

**Table 5.5: Temporary Employment Impact**

Total Construction Cost (£)	Direct Employment (person yrs) <sup>1</sup>	Multiplier Effect (person yrs) <sup>2</sup>	Total Employment (person yrs)
Option 4c: £21.3m	195	49	244
Option 6a: £22.1m	202	51	253
Option 7c: £35.2m	323	80	403

<sup>1</sup> A technical coefficient of 9.175 FTEs supported for every £1m of expenditure has been used to calculate direct employment – assuming a mix of commercial and infrastructure build works (source CITB construction skills).

<sup>2</sup> A construction multiplier of 1.25 has been calculated (source Deloitte) over the full build period.

### 5.2.11 Comparable Benefits

Table 5.6 below summarises the benefits, as described above, comparable for each of the short-listed options.

**Table 5.6: Benefits Comparison for Short-listed Options**

Benefits Category	Option 4c	Option 6a	Option 7c
<b>Civic Hub</b>			
Improved operational efficiency	26,508	26,508	<b>26,508</b>
<b>Theatre / Conferencing</b>			
Evening economy spend	164,899	-	<b>164,899</b>
Events income	60,000	-	<b>60,000</b>
<b>Hotel</b>			
Overnight stay spend	-	1,043,881	<b>1,132,345</b>
<b>Other</b>			
Rates income	-	138,200	<b>138,200</b>
Rental income	17,978	17,978	<b>17,978</b>
Job creation	48,880	2,165,165	<b>2,214,045</b>
<b>Total</b>	<b>318,265</b>	<b>3,391,732</b>	<b>3,753,975</b>

Source: Deloitte

There is only marginal difference in benefits between Options 6a and 7c which relate to the slight increase in employment that a theatre/conferencing facility would generate plus the additional evening economy spend. The comparison highlights the big differential that wider, private sector regeneration can deliver for the local economy with between £3.1m and £3.5m of additional annual benefit to the local economy every year.

The benefits listed above are annually recurring. In addition for each option the Council should receive a capital receipt of circa £750k for sale of the Monaghan Row site and temporary employment will be created as estimated in Table 5.5.

### 5.2.12 NPC Analysis

Appraisals should include, for each option, a calculation of its Net Present Value (NPV) or Net Present Cost (NPC). This is the name given to the sum of the discounted benefits of an option less the sum of its discounted costs, all discounted to the same base date. The discounted cashflows for each option are summarised in Table 5.7 below with the full calculations detailed in Appendix 3.

**Table 5.7 Summary of Net Present Costs and Rankings**

Option	NPC (£)	Ranking	Difference from Highest
<b>Option 1 – Do Nothing</b>	-	4	-
<b>Option 4c – Civic Hub + Theatre / Conference</b>	11,654,748	3	-
<b>Option 6a – Civic Hub + Regeneration</b>	(30,736,387)	1	-42,391,135
<b>Option 7c – Civic Hub + Theater / Conference + Regeneration</b>	(24,970,960)	2	-36,625,708

Source: Deloitte



### 5.2.13 Summary Results

The NPC for Option 4c is £11.9m over the 25 year appraisal period. The most favourable option in comparison is Option 6a (Civic Hub + Regeneration) with a NPV of £30.7m (a difference of £42.4m when compared to Option 4c) over the appraisal period. Option 7c has a NPV of £25m which is £36.6m better over the appraisal period than Option 4c.

The NPV/NPC comparison highlights the significant economic impact that wider regeneration of Newry city centre can have on the local economy, driven largely through increased employment and additional expenditure within the evening economy.

### 5.2.14 Sensitivity Analysis

Sensitivity analysis is the key technique for testing the robustness of options appraisal conclusions by examining how a preferred option is affected by reasonable variations in key assumptions.

Table 5.8 below summarises the outcome of sensitivity analysis where the ambition of regeneration has been tested to a) understand the impact of increasing the size of the hotel project component from 90 rooms to 120 rooms, and b) understand the impact of increasing the size of the office accommodation from 1,500m<sup>2</sup> to 3,000m<sup>2</sup>.

**Table 5.8 Sensitivity of Regeneration Ambition**

	Option 4c (£)	Option 6a (£)	Option 7c (£)
Original NPC	11,654,748	-30,736,387	-24,970,960
Rank:	3	1	2
Increase in hotel size to 100 bedrooms	11,654,748	-32,792,038	-25,489,006
Rank:	3	1	2
Increase in office space to 3,000m <sup>2</sup>	11,654,748	-58,468,275	-51,165,242
Rank:	3	1	2

Source: Deloitte

Sensitivity analysis has been carried out to determine to what extent the balance of advantage among options is sensitive to an increase in the size of the hotel accommodation (including the build cost and associated job creation potential plus additional overnight spend. This increases the NPVs of Options 6a by £2.1m and 7c by £0.5m. There is no change in the ranking of options.

An alternative sensitivity has been applied to the size requirement of the new office buildings. Currently it is assumed that 1,500m<sup>2</sup> will be sufficient to meet the near-term needs of the City. However, to examine a scenario where additional floorspace is provided, this has been increased to 3,000m<sup>2</sup> for consideration. The overall costs increase in terms of capital outlay but this creates additional employment potential which significantly increases the NPV by £25.7m over the 25 year appraisal for both Options 6a and 7c.



## 5.3 Non-Monetary Analysis

### 5.3.1 Weighting and Scoring

In this section we describe and analyse a range of non-monetary criteria and conduct a weighted scoring of each of the short listed options against each criteria. Each option has been scored according to the degree to which it satisfies each criterion on a scale of one to ten (where one denotes a low importance/low score, and ten denotes a high importance/high score). Weighted scores have then been calculated and the options ranked accordingly.

**Table 3.2: Weighting of Non-Monetary Criteria**

	Criteria	Weighting	Description
<b>A</b>	<b>Regeneration</b>	<b>40</b>	This criterion relates to the ability of the proposed programme to encourage regeneration (physical, economic, social) and act as a catalyst for further investment in Newry City.
<b>B</b>	<b>City Centre Vibrancy</b>	<b>30</b>	This criterion relates to the ability of the proposed programme to contribute to the vibrancy of the city centre, encouraging greater number of visitors, greater footfall, lower occupancy rates and a greater night time economy. The programme will contribute to the creation of a sense of place in Newry City Centre.
<b>C</b>	<b>Accessibility/Visibility</b>	<b>15</b>	This criterion relates to the ability of the programme to create new facilities in strategic locations that are accessible (city centre, sufficient parking, linkages to other key assets etc) and are visible (adequate frontage and signage) across the city. Greater accessibility and visibility to new facilities will help increase civic pride in the new facilities.
<b>D</b>	<b>Deliver Modern Ways of Working</b>	<b>15</b>	This criterion relates to the ability of the programme to improve accommodation for Council staff, deliver new modern ways of working, improve staff satisfaction in working premises, improve public satisfaction in council facilities and create a sense of civic pride.

### 5.3.2 Results of Weighting and Scoring

Table 3.3 profiles each of the options against the qualitative criteria under consideration and provides a total weighted score for each shortlisted option.

**Table 3.3: Results of the Weighting and Scoring**

Non-monetary criteria	Weighting	1 Do Nothing	4c Civic Hub + Theatre/Conf erencing	6a Civic Hub + Regen	7c Civic Hub, Theatre/Conf + Regen
Regeneration	40	1/40	6/240	8/320	10/400
City Centre Vibrancy	30	1/30	6/180	7/210	9/270
Accessibility/ Visibility	15	1/15	6/90	7/105	9/135
Deliver Modern Ways of Working	15	1/15	9/135	9/135	9/135
Total	100	100	645	770	940
Ranking		4	3	2	1

The results show that Option 7c scores highest with an overall score of 940 out of a possible 1,000, scoring maximum points for regeneration and private sector investment potential and highest for improving City Centre vibrancy as well as improving accessibility.

All 'do something' options include the Civic Hub as an essential element and therefore all options score equally well in terms of delivering modern ways of working for the Council.

The second highest ranked option is Option 6a, with a score of 770, as it contributes well to the regeneration goals and should attract private sector investment but without inclusion of the theatre/conferencing facility it will not have as high an impact on city centre vibrancy or accessibility / visibility of investment.

Option 4c, without wider regeneration, would not see new offices and a hotel provided within the regeneration programme and scores a total of 645 overall.

The scoring rationale is provided in Table 3.4 below.

**Table 3.4: Description of the Scoring**

Non-monetary criteria	1 Do Nothing	4c Civic Hub + Theatre/Conferencing	6a Civic Hub + Regen	7c Civic Hub, Theatre/Conf + Regen
<b>Regeneration</b>	<p>Option 1 scores 1 across each of the categories.</p> <p>It is considered that completing no capital works/investment in the city will not contribute to regeneration, improving city centre vibrancy, increasing accessibility/visibility or delivering modern ways of working.</p>	<p>Option 4c scores 6.</p> <p>It is acknowledged that the theatre/conferencing and civic hub components will provide regeneration benefits to the city centre in the short term. However, the full extent and realisation of regeneration benefits in the longer term is constrained by the absence of the 'wider regeneration' component of the programme (e.g. hotel, offices etc.). The additional hotel and office components will help act as a catalyst for further private sector</p>	<p>Option 6a scores 8.</p> <p>It is considered that the civic hub plus regeneration components will deliver positive regeneration benefits to the city centre. However, the absence of improved theatre and conferencing facilities will limit the scale of the benefits (e.g. reduced visitors to the city centre, reduced impact of night time economy, reduced footfall etc.).</p>	<p>Option 7c scores 10.</p> <p>This option will provide significant regeneration impacts, including economic (e.g. employment opportunities, visitor expenditure, lower vacancy rates, improved night time economy, catalyst for further investment etc.) social (e.g. improved sense of place, cultural diversity, greater civic pride etc.) and physical (e.g. improved facilities, improved aesthetics of the city centre etc., greater footfall.).</p>



Newry City Centre Regeneration

118

Non-monetary criteria	1 Do Nothing	4c Civic Hub + Theatre/Conferencing	6a Civic Hub + Regen	7c Civic Hub, Theatre/Conf + Regen
		Investment and continued growth of the city centre.		
City Centre Vibrancy		<p>Option 4c scores 5. All of the do something options will contribute towards city centre vibrancy, however the extent of the benefit is linked to the scale of proposed development and component parts. The theatre/conferencing and civic hub will improve the cultural/arts/entertainment offering in the city centre and improve working conditions for the Council staff – however the absence of additional regeneration elements such as hotel/offices will reduce the scope for additional</p>	<p>Option 6a scores 7.</p> <p>It is considered that a theatre component will be critical to contributing to feeling of 'place' and adding to the cultural diversity of the city.</p> <p>Despite not having a new theatre/conferencing component it is considered that this option will deliver marginally greater benefit than Option 4c due to the presence of the additional regeneration components.</p>	<p>Option 7c scores 9. This option will revitalise key areas of the city centre, create civic pride and provide facilities that will contribute to the feeling of 'place', enrich the cultural offering, encourage greater number of visitors, greater footfall, lower vacancy rates and a greater night economy.</p>

Newry City Centre Regeneration

119

Non-monetary criteria	1 Do Nothing	4c Civic Hub + Theatre/Conferencing	6a Civic Hub + Regen	7c Civic Hub, Theatre/Conf + Regen
Accessibility/ Visibility		footfall, expenditure, night-time economy etc.		
		Similarly as described above, all of the do something options will provide improvements to the accessibility and visibility across the city. However the extent to which the benefit is realised is linked to the scale of proposed development and component parts. Option 4a scores 6 as it will improve accessibility/visibility for two main areas including the civic hub and theatre/conferencing however the absence of the additional regeneration components will limit the score.	Option 6a scores 7.  Despite the absence of a theatre/conferencing component it is considered that this option will deliver marginally greater benefit than Option 4c due to the presence of the additional regeneration components.	Option 7c scores 9. This option will deliver improved facilities across a range of areas including civic hub, conferencing/theatre and wider regeneration (hotel, offices etc.) that will be accessible to all, visible, connected and help create a sense of civic pride.

Newry City Centre Regeneration

Non-monetary criteria	1 Do Nothing	4c Civic Hub + Theatre/Conferencing	6a Civic Hub + Regen	7c Civic Hub, Theatre/Conf + Regen
<b>Deliver Modern Ways of Working</b>	It is considered that all of the options score 9 due to the inclusion of a new civic hub component. The new civic hub will deliver modern fit for purpose accommodation for Council staff that will enable new ways of working (rationalise all existing accommodation on one site, increase collaboration, open plan working, modern IT infrastructure etc.) and help improve staff satisfaction in working premises.			



## 5.4 Risk Analysis

### 5.4.1 Summary of Key Risks

Table 3.5 provides an overview of the key risks impacting on the programme.

**Table 3.5: Description of the Risks**

Risks	Description
<b>Difficult to Deliver</b>	This risk relates to the deliverability of the programme and includes factors such as complexity of design/innovation, procurement mechanism, contractor abilities, construction costs, market demand, project management skills and statutory approvals process.
<b>Programme is Not Affordable</b>	This risk relates to the challenges on affordability. It is expected that the Council will make a financial contribution to the programme and has identified funds for this purpose. An increase in capital costs above anticipated levels may create a funding gap and could provide a challenge to the viability of the programme.
<b>Failure to Deliver Expected benefits</b>	This risk relates to the potential of the programme failing to deliver the expected range of benefits. These may include the anticipated economic benefits (visitors, employment opportunities, visitor expenditure etc.), regeneration, accessibility, city centre vibrancy and modern ways of working.
<b>Failure to Secure Stakeholder support</b>	This risk relates to importance of securing buy in and support from key stakeholders involved in the programme including businesses, government, statutory bodies and local community/residents groups. There is a risk that if the programme does not engage effectively with key stakeholders or gain their support this may adversely impact on the public perception of the programme with the potential for negative publicity and reduced demand for the new facilities.
<b>Programme is Not Delivered within the Timescale</b>	This risk relates to the potential of the programme not being delivered within the expected timeframe. The Council has set ambitious targets for the realisation of the programme and it will require efficient and effective programme management to deliver on time.
<b>Insufficient Demand for the Proposed Facilities</b>	This risk relates to the potential of there being insufficient demand for the proposed facilities across the public but also within the construction/developers sector with the appetite and expertise to complete a programme of the required components.

5.4.2 Risk Scoring

Table 3.6 profiles each of the risks against the identified options and details the associated likelihood and impact ratings. We have assumed that the likelihood and impact ratings are similar across each of the options unless specifically stated.

Likelihood	Highly Likely	5	Very High Impact		5
	Likely	4	High Impact		4
	Neutral	3	Neutral		3
	Unlikely	2	Low Impact		2
	Highly Unlikely	1	Very Low Impact		1
	Impact				

Table 3.6: Risks Scoring

Risks	Likelihood	Impact	Risk Rating	Explanation of Likelihood Scores	Mitigation
Difficult to Deliver	1	1	5	The likelihood of the programme being difficult to deliver is directly related to the proposed scale and complexity of the programme of works. Option scores 1 as there is no proposed capital works. Option 4c scores 2 as it involves two component elements that could be delivered via more traditional design and build procurement contracts. Option 6a scores 4 as it is considered to involve greater risk than Option 4a due to the inclusion of additional regeneration projects and the potential involvement of developers and	The Council has recently developed a governance structure to oversee the programme and appointed a programme director to manage the business case process, the procurement exercise and the construction of the programme. It will be important that the Council continue to supplement their programme team with the relevant programme management expertise to safeguard against programme risks that may impact on the overall deliverability.
	4c	5	10		
	6a	5	20		
	7c	5	25		

Newry City Centre Regeneration

123

Risks	Likelihood	Impact	Risk Rating	Explanation of Likelihood Scores	Mitigation
				hotel operators in the delivery. Option 7c scores 5 as it involves the most extensive capital works, the refurbishment/new build of theatre/conferencing, the new civic hub and the additional regeneration projects (e.g. hotel, offices etc.).	
Programme is Not Affordable	1	5	5	The scores are derived from the scale of works included and the relative complexity of the construction phase. The larger the capital development the greater the demands on capital funding. Option 4c scores 2 as it is expected based on initial calculations that the allocated Council funding of £20million will be able to fund.	The Council has identified funding available for the programme of approximately £20million and have also indicated that they would make an application under City Deal for further funding. There is also the possibility of capital receipts from the sale of existing sites which could be used to provide an income against any new development. At the OBC stage the Council should seek the advice of quantity surveyor to provide robust cost projections to provide an updated position on affordability and value for money.
	4c	5	10	Option 6a scores 3 as it is considered that the Council will be able to provide funding for the civic hub element but the regeneration components carry a greater risk of cost increases. Option 7c scores 4 as it has three main component parts including theatre/conferencing, civic hub and wider regeneration. The allocated Council funding of £20million will not cover all of the construction costs, creating a viability gap and will be reliant on private sector involvement.	
	6a	5	15		
	7c	5	20		



Newry City Centre Regeneration

Risks	Likelihood	Impact	Risk Rating	Explanation of Likelihood Scores	Mitigation
<b>Failure to Deliver Expected benefits</b>	<b>1</b>	5	<b>25</b>	The scores are derived from the proposed scale of works and component elements of the programme. The larger the scale of the works and inclusion of the wider regeneration projects the greater potential to realise the full extent of the benefits. Option 1 scores 5 as there is no capital works, Option 4c scores 5, Option 6a scores 3 and Option 7c scores 1.	The Council has modelled high level benefits for this strategic outline business case and will provide a more detailed assessment at OBC stage. These benefits include non-monetary elements (e.g. civic pride, vibrancy of the city centre, modern ways of working etc.) and financial elements (e.g. economic benefit, land receipts etc.).
	<b>4c</b>	5	<b>25</b>		
	<b>6a</b>	5	<b>15</b>		
	<b>7c</b>	5	<b>5</b>		
<b>Failure to Secure Stakeholder support</b>	<b>1</b>	5	<b>25</b>	Option 1 scores 5. This option will not deliver against any of the programme objectives and as such will be negatively perceived by stakeholders. Option 4c scores 4 as it will not achieve the wider regeneration impacts and act as a catalyst for future investment. Option 6a scores 3 as it is considered that it will receive some stakeholder support due to the inclusion of civic hub and wider regeneration projects, however the absence of theatre/conferencing may impact perception of some stakeholder groups. Option 7c scores 1 as it is considered given the extent of benefits to be achieved and the impacts it will have across Newry City	The Council has completed extensive consultation as part of the community planning/corporate plan process. It is important the Council remain engaged with the relevant stakeholders across the planning and construction phase to provide awareness, opportunity for comment and transparency.
	<b>4c</b>	5	<b>20</b>		
	<b>6a</b>	5	<b>15</b>		
	<b>7c</b>	5	<b>5</b>		

## Newry City Centre Regeneration

125

Risks	Likelihood	Impact	Risk Rating	Explanation of Likelihood Scores	Mitigation
				Centre it will be well received across all stakeholder groups.	
<b>Programme is Not Delivered within the Timescale</b>	<b>1</b>	5	<b>5</b>	The scores are derived from the scale of works included and the relative complexity of the construction phase. The larger the capital development the greater the potential for delays and impacts on timeframe. Option 7c is considered to be the greatest likelihood of occurring scoring a 3 due to the large scale development proposed (theatre/conferencing, civic hub and wider regeneration).	The Council has recently developed a governance structure to oversee the programme and appointed a programme director to manage the business case process, the procurement exercise and the construction of the programme. It will be important that the Council continue to supplement their programme team with the relevant programme management expertise to safeguard against programme risks that may impact on the overall deliverability including timeframe.
	<b>4c</b>	5	<b>10</b>		
	<b>6a</b>	5	<b>10</b>		
	<b>7c</b>	5	<b>15</b>		
<b>Insufficient Demand for the Proposed Facilities</b>	<b>1</b>	5	<b>5</b>	The scores are derived from the scale of works included and the added dimension of the regeneration components. It is considered the options that include the regeneration components carry a greater likelihood due to the requirement for a developer and hotel operator.	The Council have recently completed soft market testing exercise with potential developers. In addition the Council have also completed additional studies of hotel demand and office demand within the local area.
	<b>4c</b>	5	<b>5</b>		
	<b>6a</b>	5	<b>15</b>		
	<b>7c</b>	5	<b>15</b>		

### 5.4.3 Summary Risk Scores

Table 3.7 provides a summary of the risk scores.

**Table 3.7: Summary Risks Scoring**

Risks	Score	Ranking
Option 1 (Do Nothing)	70	1
Option 4a (Civic Hub + Theatre / Conferencing)	80	2
Option 6a (Civic Hub + Regeneration)	90	4
Option 7c (Civic Hub + Theatre / Conferencing + Regeneration)	85	3

The lowest risk option is Option 1 (Do Nothing). As there is no investment related activity it is not difficult to deliver and is affordable but it will not deliver expected benefits, will not meet demand for new facilities and will not secure support from stakeholders.

There is little difference on risk between the 'do something' options with Option 4a scoring 80, Option 7c scoring 85 and Option 6a being considered to have a slightly higher risk rating.

## Conclusion

### 5.5 Short-listed Options Analysis

The table below summarises the results of the quantitative and qualitative analysis of the short-listed options for the proposed regeneration programme.

Option	Description	Monetary Appraisal Ranking	Non-monetary Benefits Ranking	Risk analysis Ranking (1 as lowest risk)
Option 1	Do Nothing	4 (n/a)	3 (Total score 100)	1
Option 4c	Civic Hub + Theater / Conferencing	3 (£11.7m)	3 (Total score 645)	3
Option 6a	Civic Hub + Regeneration	1 (-£30.7m)	2 (Total score 770)	4
Option 7c	Civic Hub + Theater / Conferencing + Regeneration	2 (-£25.0m)	1 (Total score 940)	3

The highest ranked option on monetary appraisal is option 6a as this returns a NPV of £30.7m over the 25 year appraisal period compared with a £25.0m NPV for Option 7c and a £11.7m NPC for Option 4c. This highlights the lower cost/benefit of a theater/conferencing facility but does not take into consideration the wider social benefits a theater/conferencing facility provides in terms of bringing vibrancy to a city centre area and enhancing the place-making potential of regeneration. Therefore, Option 7c scores much higher on the non-monetary assessment. Option 6a is also considered to be slightly higher risk when compared to Option 7c.



## 5.6 Preferred Way Forward

In assessing the balance of advantage between the options and in considering the appraisal results the preferred way forward is to progress Option 7c (Civic Hub + Theatre / Conferencing + Regeneration) is currently considered to provide the greatest regeneration potential, with strong economic impact, high non-monetary benefits and lower risk than the next best option, Option 6a.

Option 7c should be tested in detail as part of an Outline Business Case at the next stage of the regeneration programme for Newry City Centre once detailed design has been completed and further market testing undertaken with potential developers through a procurement process.



# 6 Implementation

## 6.1 Introduction

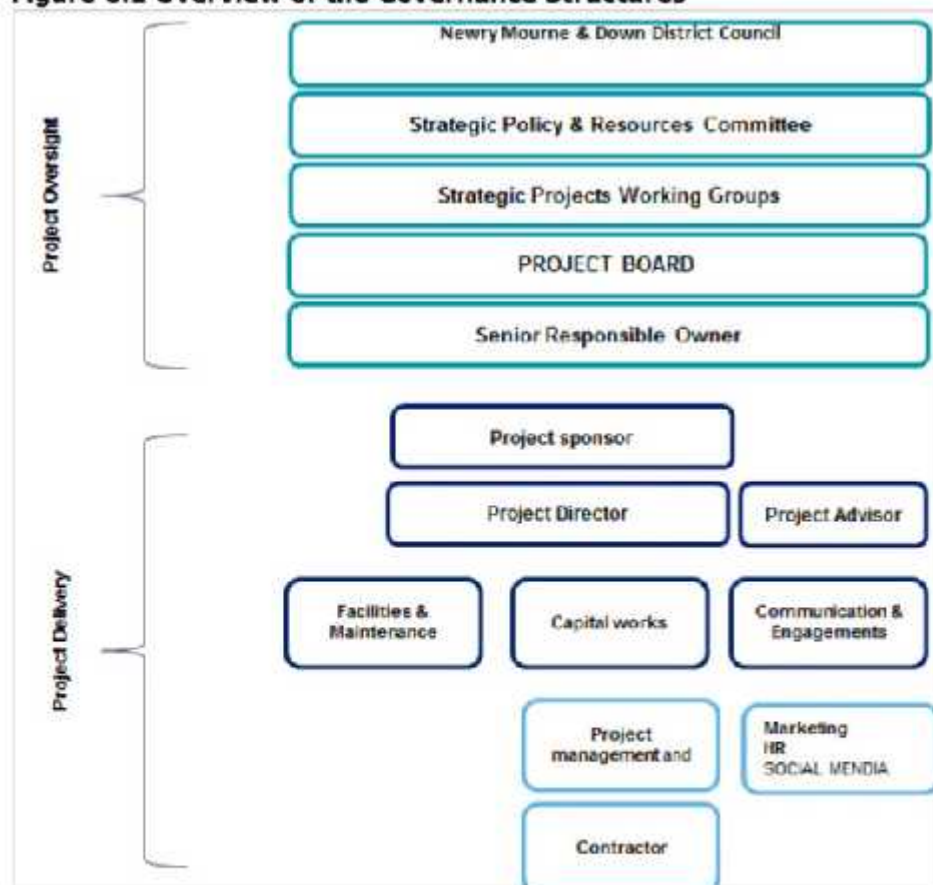
This Management Case addresses the 'achievability' of the preferred option. Its purpose is to set out in more detail the actions that will be required for the successful delivery of the preferred option in accordance with good practice. The Management Case is structured as:

- Governance arrangements;
- Proposed funding arrangements;
- Procurement Routes;
- Project timeline;
- Risk management; and
- Benefits realisation.

## 6.2 Governance Arrangements

Governance is the control framework through which programmes deliver their change objectives and remain within corporate visibility and control. Figure 6.1 describes the proposed management arrangements for the oversight and delivery phases of the project. The overall direction and management of the Project will be implemented by the Project Board. The limits of the Project Boards authority are bound by time, cost, risk and quality requirements and will be constrained by the decisions and approvals of the Strategic Policy & Resources Committee.

**Figure 6.1 Overview of the Governance Structures**



### 6.3 Proposed Funding Arrangements

The Council have allocated approximately £20million of funding allocated towards City Centre regeneration as part of its Corporate Planning process. Table 6.1 below summarises the cash flow implications of the programme to test the affordability of it from a Council perspective. It is expected that the remainder of the funding will come from the commercial arrangement negotiated with a private sector developer (which may include potential Council owned land/development sites).

**Table 6.1 Regeneration Programme Affordability**

Year	0	1	2	3	4
FY	2019/20	2020/21	2021/22	2022/23	2023/24
Capital Costs	£'000	£'000	£'000	£'000	£'000
Civic hub		£ 6,965,147			
Theatre Conferencing Office		£ 3,240,250	£ 3,240,250		
Hotel		£ 1,547,250	£ 1,547,250		
Professional fees	£ 50,000	£ 847,332	£ 847,332		
Optimism bias		£ 1,734,183	£ 898,245		
<b>Revenue Costs</b>					
Ongoing revenue costs	£ -	£ -	£ -	£ 27,803	£ 27,803
<b>TOTAL</b>	£ 50,000	£ 14,335,162	£ 11,933,077	£ 5,427,803	£ 27,803
<b>Benefits</b>					
Benefits	£ -	£ -	£ -	£ 750,000	£ -
<b>Funding position</b>					
Council funding	£ 50,000	£ 12,787,912	£ 4,985,827	£ 27,803	£ 27,803
Private funding		£ 1,547,250	£ 6,947,250	£ 5,400,000	
Other sources					
<b>TOTAL</b>	£ 50,000	£ 14,335,162	£ 11,933,077	£ 5,427,803	£ 27,803
<b>Affordability</b>	£ -	£ -	£ -	£ -	£ -
<b>General Inflation</b>	1.00	1.02	1.04	1.06	1.08
<b>TOTAL</b>	£ 50,000	£ 14,621,866	£ 12,415,174	£ 5,760,028	£ 30,095

The overall project cost for the Council in the first three years is approximately £21.3m (£18.7m excluding optimism bias) and is therefore on the verge of affordability, depending on what the actual build costs end up being. Certainty on this will be attained during the procurement phases. In year four, the Council should get a capital receipt for the Monaghan Row site which will off-set the development costs and improve affordability.

There is a possibility that alternative funding could be realised by the Council through the Belfast Region City Deal or the private sector through the Northern Ireland Investment Fund (NIIF) which would reduce the Council commitment and improve overall affordability. The NIIF could be an attractive way for the private sector to secure better financing. It is available to the wider market and it appeals to property developers as it provides debt funding for commercial property, regeneration and low carbon projects in Northern Ireland at highly competitive commercial rates. A total of £100m has been provided by the Northern Ireland Department of Finance.

There is one further financial viability consideration for the private sector relating to rental values in Newry City Centre. These are currently estimated to be between £13 and £15 psft which may increase the likelihood of attracting a new employer to Newry but may make it more difficult for a developer to recover its capital outlay and therefore additional funding may be required from the public sector to pump prime the development. This will need to be tested further at the next stage of the programme implementation and State Aid considerations be fully understood.

### 6.4 Procurement Overview

#### 6.4.1 Public Contract Regulations (PCR) 2015

Under the PCR15 the following five standard procurement procedures are available:

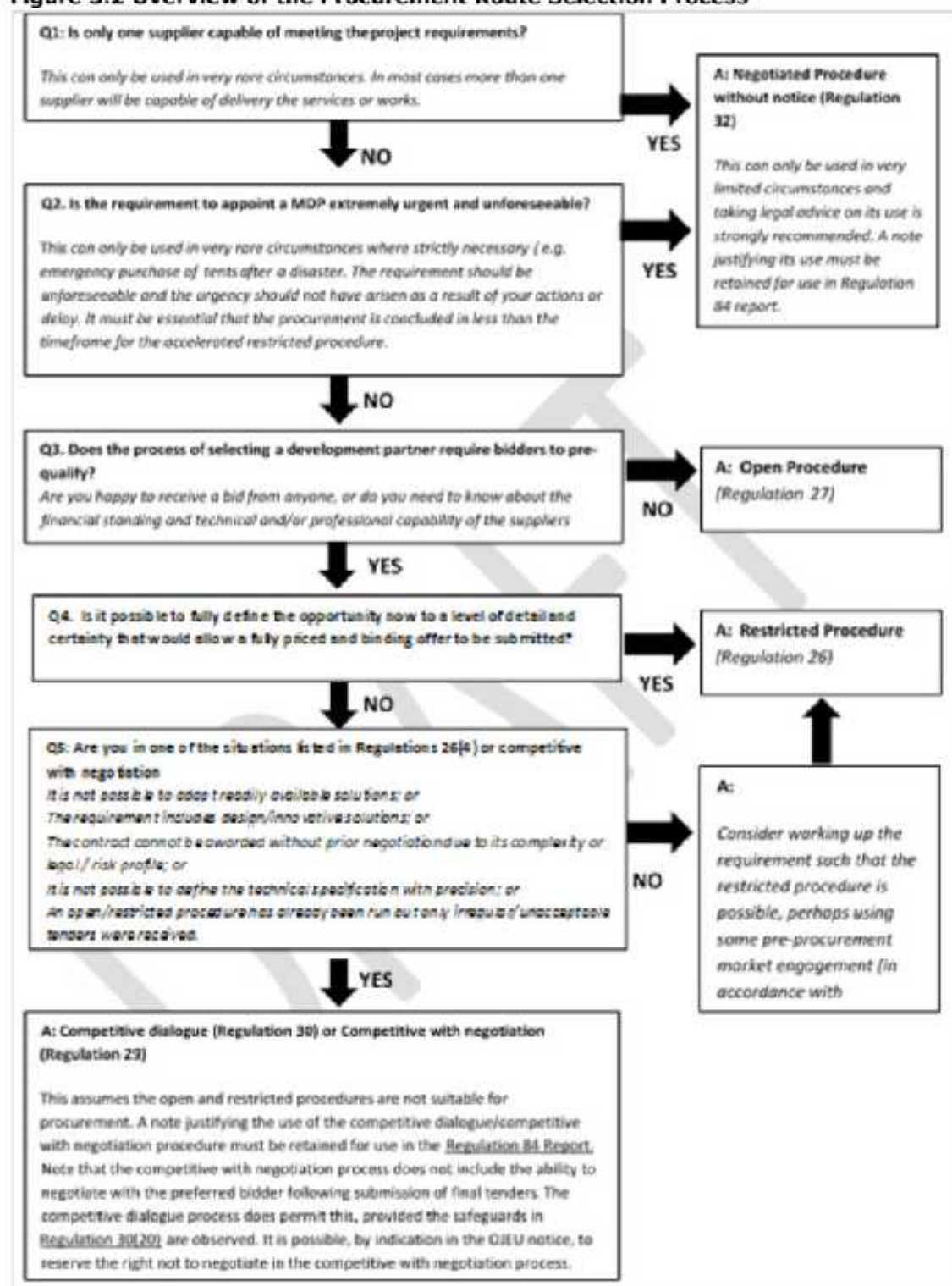
- Open
- Restricted
- Competitive with negotiation



- Competitive dialogue
- Innovation partnership (not considered here as applies for the research and development of an innovative product, service or works that cannot be supplied by the current market)

Selecting the appropriate contract award procedure is a critical decision that must be made prior to commencement of the procurement process. An incorrect choice could result in the risk of a challenge by a supplier or selection of a process which ultimately is not flexible and potentially reduces value for money. Figure 5.2 provides an overview of the decision making required to understand what procurement route is most appropriate for the project.

**Figure 5.2 Overview of the Procurement Route Selection Process**



## 6.4.2 Procurement Routes

Table 5.1 provides an overview of the procurement route, the strengths and weaknesses and the suitability to the regeneration project.

**Table 5.1 Procurement Route Analysis**

Approach	Strengths	Weaknesses	Suitability to Newry City Centre Regeneration
<b>OJEU: Restricted Procedure</b>	<ul style="list-style-type: none"> <li>Open to all parties</li> <li>Shorter process than competitive dialogue</li> <li>Allows for a prescriptive approach</li> </ul>	<ul style="list-style-type: none"> <li>Limits scope for market innovation and alternative commercial structures</li> <li>Requires the procuring authority to be very clear in its requirements and undertake a lot of preparatory work.</li> </ul>	This would be suitable where the Council's requirements are clearly defined and minimal market innovation was required – e.g. procuring a design and build contract for the theatre/conferencing or the civic hub.
<b>OJEU: Competitive Dialogue</b>	<ul style="list-style-type: none"> <li>Open to all parties, albeit less like to appeal to small companies.</li> <li>Designed for complex projects, where the Procuring Authority does not have a defined means of meeting a particular need.</li> <li>The PCR 2015 offers more flexibility for post-tender refinement. The Procuring Authority may clarify, specify and "optimise" (as opposed to "fine-tune") final tenders.</li> </ul>	<ul style="list-style-type: none"> <li>Resource intensive for both the Authority and bidders.</li> <li>Risk of becoming a prolonged process if requirements / parameters are insufficiently defined.</li> </ul>	This is a potential procurement route for testing more innovative solutions, e.g. where the Council is inviting regeneration outputs in addition to delivery of specified works. The principal risk is how this route would be perceived by the market, owing to its perception as being complex and costly.
<b>OJEU: Competitive Procedure with Negotiation</b>	<ul style="list-style-type: none"> <li>Open to all parties</li> <li>Useful for when requirements are well developed but allows for some negotiation during the procurement process.</li> <li>Ability to accept initial tenders without any negotiation (so long as Authority has reserved the right to do so in the contract notice).</li> </ul>	<ul style="list-style-type: none"> <li>Less well suited for complex projects which may require solutions to be developed during the procurement process.</li> <li>No provisions relating to post tender negotiation in the competitive procedure with negotiation.</li> </ul>	The competitive procedure with negotiation could be an attractive option if the Council is uncertain as to whether negotiations are needed, or desirable, from the outset. As a relatively new procedure, there may be less market resistance to this route than Competitive Dialogue.
<b>Non OJEU: Conditional Land Sale Agreement</b>	<ul style="list-style-type: none"> <li>Open to the parties</li> <li>Cost of bidding is lower – likely to be more attractive to the market, particularly local / smaller firms</li> <li>A non-regulated process</li> </ul>	<ul style="list-style-type: none"> <li>Provides very little ability to influence on-going control over the future development</li> <li>Risk of challenge if arrangements are construed to form a public works contract</li> </ul>	On the basis that the Council is proposing to specify public works, with anticipated obligations upon the partner to deliver them and with a resultant economic benefit to the Council, it is highly unlikely that this approach would be suitable for this project.

### 6.4.3 Summary of Preferred Procurement Route

Given the three separate components of the proposed programme of works (theatre/conferencing, civic hub and regeneration), the level of complexity and risk involved it is considered that the procurement approach is managed through two distinct procurements. It is recommended that the theatre/conferencing is managed through OJEU Restricted Procedure. This will enable the Council to be prescriptive in their requirements, complete necessary preparatory work and help manage the construction risk associated with the constrained site. It is recommended that the Civic Hub and Regeneration components are managed through OJEU Competitive Procedure with Negotiation. This will help encourage innovation in the market and will enable developers to respond creatively to the requirements and provide the basis for negotiation.

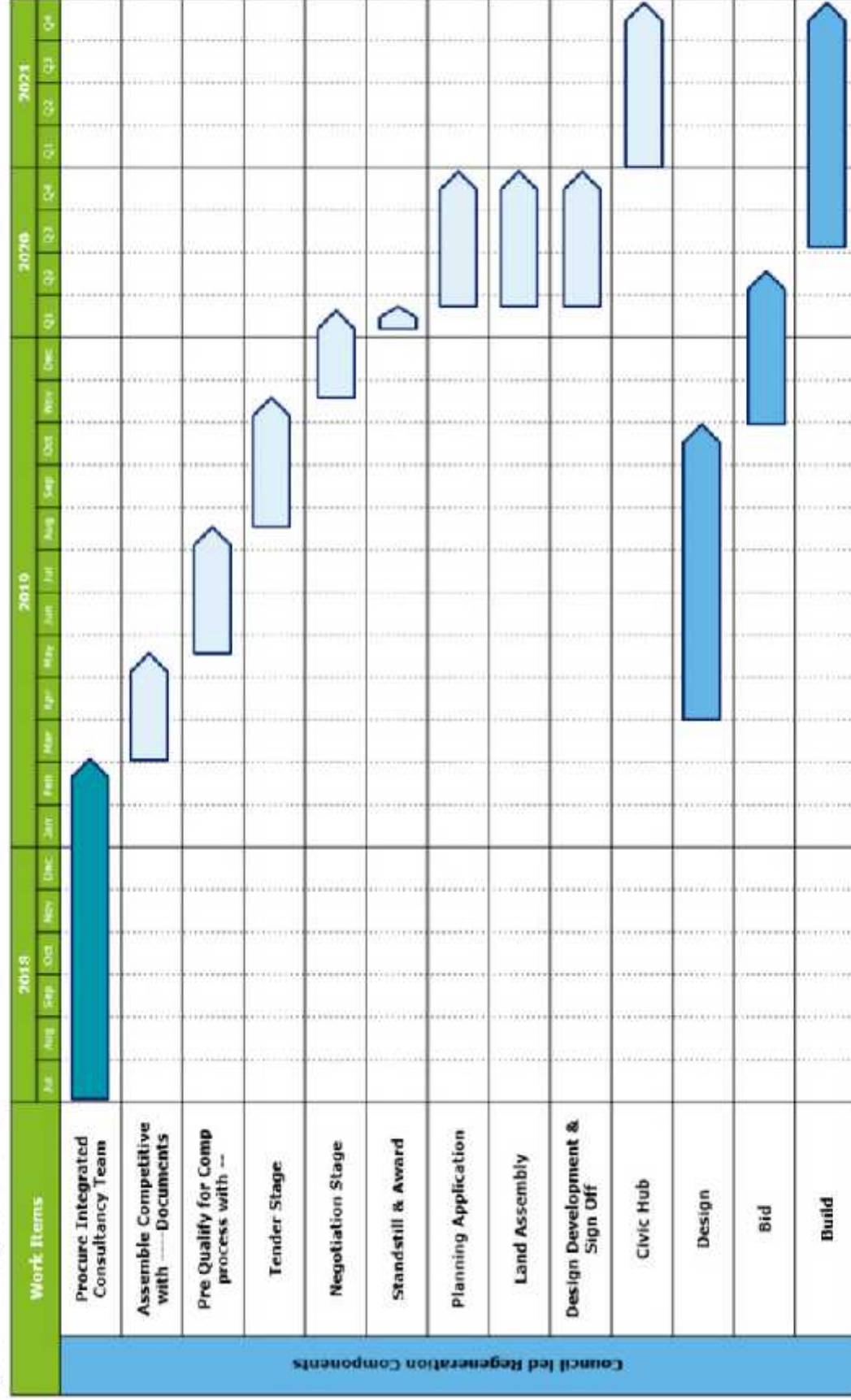
## 6.5 Project Timeline

Figure 5.2 provides an overview of the timeline for the implementation of the preferred option. This assumes business case approval summer 2018 design and procurement throughout 2019, construction beginning in 2020, and opening of the Civic Hub and Theatre/Conferencing by 2021.





Figure 5.2 Project Timeline



## 6.6 Risk management

Table 6.2 provides analysis of key risks associated with the implementation of the preferred option, their likelihood of occurring and their potential impact if realised.

**Table 6.2 Project Implementation Risks**

Risk description	Likelihood	Impact	Risk mitigation
<b>Brexit</b> - Newry is geographically positioned close to the NI/ ROI border, and any Brexit outcomes which effect the current arrangements for the free movement of people, goods and commerce may have an impact on Newry and its environs.	High	Medium	Continue to keep informed of political developments, react and plan accordingly in accordance with wider Council policies.
<b>Land Assembly Issues</b> - Delay and/ or inability to secure land required for works, including the transferred sites from the Department for Infrastructure (Canal Bank 2 & Abbey Way MSCP), leading to requirement to redesign works and/ or additional on costs due to delay in mobilisation.	Medium	High	The current risk approach is associated with the procurement analysis, review and decision. The Council have identified and consulted with contact in Department for Infrastructure regarding prioritisation of potential car park site locations for the Civic Hub building. In addition, check the Ross Thompson title and map and consider Indemnity Insurance implications.
<b>Unknown/ Discovery of Utilities</b> - Previously unknown services are discovered during groundwork's. Leading to potential delays and additional costs.	Medium	High	Perform utility searches as part of any site analysis or currently identified sites.  Establish periodic engagement with utility providers on proposals, allocate budget contingency for this risk issue.
<b>Illegal Site Access &amp; Accident</b> - Access to a working area/ site is gained illegally/ without permission resulting in an accident, serious injury or death.	Low	High	Completed initial assessment of the security, insurance and risks associated with current site use.  Engage community and particularly schools on dangers of site. Ensure that the Supply team make proper provision for site security and patrol arrangements.
<b>Planning Conditions</b> - Non-compliance with planning conditions/ informatives, or likely significant/ onerous requirements leading to non or difficulty complying and additional costs and programme delays.	Low	Medium	Anticipate and review all planning approval conditions and informatives at the earliest opportunity.
<b>Processes and Procedures</b> - Inadequate systems and procedures for measuring, recording, monitoring and evaluating project constraints (time, cost and quality) leading to uninformed decision making, and/ or lack of accurate information to inform decisions.	Medium	Medium	Review, revise and reissue project control and governance documents as required, update budget, risk, quality and programme management documents regularly.

## 6.8 Benefits realisation

It is important that the Council measure whether benefits have been realised and track progress both throughout and post implementation in order to understand the impact of the changes delivered and to enable success to be communicated. The Programme Director will be responsible for measuring and evaluating the expected benefits derived from the project and the Project Sponsor should have overall responsibility for ensuring that the project meets its objectives and delivers the expected outcomes, efficiencies and improved experiences that have been projected. The following steps are recommended in order to determine whether benefits have been realised:

- Agree benefits and targets with service teams responsible for delivery and assign ownership to one individual;
- Document and share the baseline / current position in relation to each benefit;
- Create a benefits dashboard in order to track the delivery of benefits at regular intervals and report progress to the Project Board;
- Complete a Post Project Evaluation one year post implementation to record to what degree the benefits have been delivered. This should be shared with key stakeholders in order to communicate success and highlight lessons that can be learnt for the future.

Whilst the Post Project Evaluation should be completed one year post implementation, we would recommend continual monitoring as a means of ensuring that the project is implemented as intended. While this monitoring would feed into the final evaluation, it is also good practice and a key element of project management.

## 6.9 Post project evaluation

In order to appraise the outcome of the project and measure the achievement of individual objectives, it will be necessary to carry out a Post Project Evaluation (PPE). Whilst most of the benefits will begin to be delivered almost immediately post implementation, it is recommended that the PPE takes place at least twelve months after completion of the project, to allow for sufficient time for the full benefits to be realised. In addition to an evaluation of the achievement of objectives, a Post Project Review workshop should also be conducted, and accompanying reports prepared. This could include a review of the following:

- Whether the project was delivered to budget / timescales;
- The performance of project participants;
- Performance against objectives;
- An assessment of risk / uncertainty;
- An assessment of staff satisfaction and engagement through transition;
- Any lessons learnt;
- Assessment of value for money; and
- What non-monetary benefits were realised, including any unforeseeable benefits.



## 7 Next Steps

### 7.1 Overview of the next steps

Once Council accepts the Strategic Outline Business Case, and in particular secures the relevant Committee approvals, then the recommended next steps are noted below.

Commencement of these next steps will move the programme of works onto a delivery footing, providing the further consideration, professional guidance and outputs that are required to better define the shape of the programme, its various project elements and their delivery.

1. **Procurement of Integrated Consultant Team & Advisors** – commence procurement of an Integrated Consultant Team and other Project Advisor(s) as required to develop the design and employer's requirements.
2. **Surveys & Investigations** - commence procurement of the necessary surveys and inspections of the Town Hall and Sean Hollywood Arts Center buildings, including site and ground investigations on the neighboring Ross Thompson site and environs to gain a proper understanding of the existing assets and conditions.
3. **Establish Baseline Performance information** – the Council should begin collection of baseline information on current visitor numbers, expenditure, attendees at the Town Hall theatre, percentage of tickets sold etc. This will help establish benefits targets for improvement.
4. **Procurement Strategy** – develop the procurement strategy to outline the various potential procurement routes available, and detail the preferred route(s) proposed for the various project elements. The strategy will include details of the selected routes and their proposed tender pack structure.
5. **Soft Market Engagement** – perform further soft market engagement with the supply change and potential delivery partners in considering and settling upon the preferred procurement route(s).
6. **Develop Outline Business Case** – following approval of the Strategic Outline Case commence preparation of the Outline Business Case, include greater detail on the employer's requirements, capital and operational costs as they become available. Secure land valuations and accurate rates information for financial model entry and to fully understand the Council's investment commitments.
7. **Project Management Documentation** – continue to develop project management and project governance documentation, including a Stakeholder Management and Communication & Engagement plans.

# 8 Appendices

## 8.1 Appendix 1 – Soft Market Testing Consultees

Redacted due to commercial sensitivity

## 8.2 Appendix 2 – Optimism Bias Calculations

Optimism Bias calculator for standard buildings.

**MMD Optimism Bias Estimator: Buildings Projects**

☒ Standard Buildings  
☐ Non-Standard Buildings  
☐ Both Standard & Non-Standard

**Upper Bound Optimism Bias**

Non-Standard Buildings		Standard Buildings	
39	51	4	24
Works Duration	Capital Expenditure	Works Duration	Capital Expenditure
Non-Standard Buildings		Standard Buildings	

**Risk Area Contribution**

**Procurement**

**Mitigation of OB \***

<input checked="" type="checkbox"/> Completion of Contract Structure	<input type="text" value="1"/>	<input type="text" value="2"/>	25%
<input checked="" type="checkbox"/> Late Contractor Involvement in Design	<input type="text" value="1"/>	<input type="text" value="2"/>	75%
<input checked="" type="checkbox"/> Poor Contractor Capabilities	<input type="text" value="1"/>	<input type="text" value="2"/>	75%
<input type="checkbox"/> Government Guidelines	<input type="text" value="1"/>	<input type="text" value="2"/>	
<input checked="" type="checkbox"/> Dispute & Claims Occurred	<input type="text" value="1"/>	<input type="text" value="2"/>	10%
<input type="checkbox"/> Information Management	<input type="text" value="1"/>	<input type="text" value="2"/>	
<input type="checkbox"/> Other	<input type="text" value="1"/>	<input type="text" value="2"/>	

**Project Specific**

<input checked="" type="checkbox"/> Design Complexity	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input checked="" type="checkbox"/> Degree of Innovation	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input checked="" type="checkbox"/> Environmental Impact	<input type="text" value="1"/>	<input type="text" value="2"/>	50%
<input type="checkbox"/> Other	<input type="text" value="1"/>	<input type="text" value="2"/>	

**Client Specification**

<input checked="" type="checkbox"/> Inadequacy of the Business Case	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input checked="" type="checkbox"/> Large No. of Stakeholders	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input checked="" type="checkbox"/> Funding Availability	<input type="text" value="1"/>	<input type="text" value="2"/>	50%
<input checked="" type="checkbox"/> Project Management Team	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input checked="" type="checkbox"/> Poor Project Intelligence	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input type="checkbox"/> Other	<input type="text" value="1"/>	<input type="text" value="2"/>	

**Environment**

<input checked="" type="checkbox"/> Public Relations	<input type="text" value="1"/>	<input type="text" value="2"/>	50%
<input checked="" type="checkbox"/> Site Characteristics	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input checked="" type="checkbox"/> Permits / Consents / Approvals	<input type="text" value="1"/>	<input type="text" value="2"/>	50%
<input type="checkbox"/> Other	<input type="text" value="1"/>	<input type="text" value="2"/>	

**External Influences**

<input checked="" type="checkbox"/> Political	<input type="text" value="1"/>	<input type="text" value="2"/>	50%
<input checked="" type="checkbox"/> Economic	<input type="text" value="1"/>	<input type="text" value="2"/>	0%
<input checked="" type="checkbox"/> Legislation / Regulations	<input type="text" value="1"/>	<input type="text" value="2"/>	80%
<input type="checkbox"/> Technology	<input type="text" value="1"/>	<input type="text" value="2"/>	
<input type="checkbox"/> Other	<input type="text" value="1"/>	<input type="text" value="2"/>	

\* At 100% or if deselected, the OB has been fully Allocated, as 0% of OB remains Unmitigated

**Unmitigated Optimism Bias**

Non-Standard Buildings		Standard Buildings	
Duration	Capex	Duration	Capex
		1%	12%



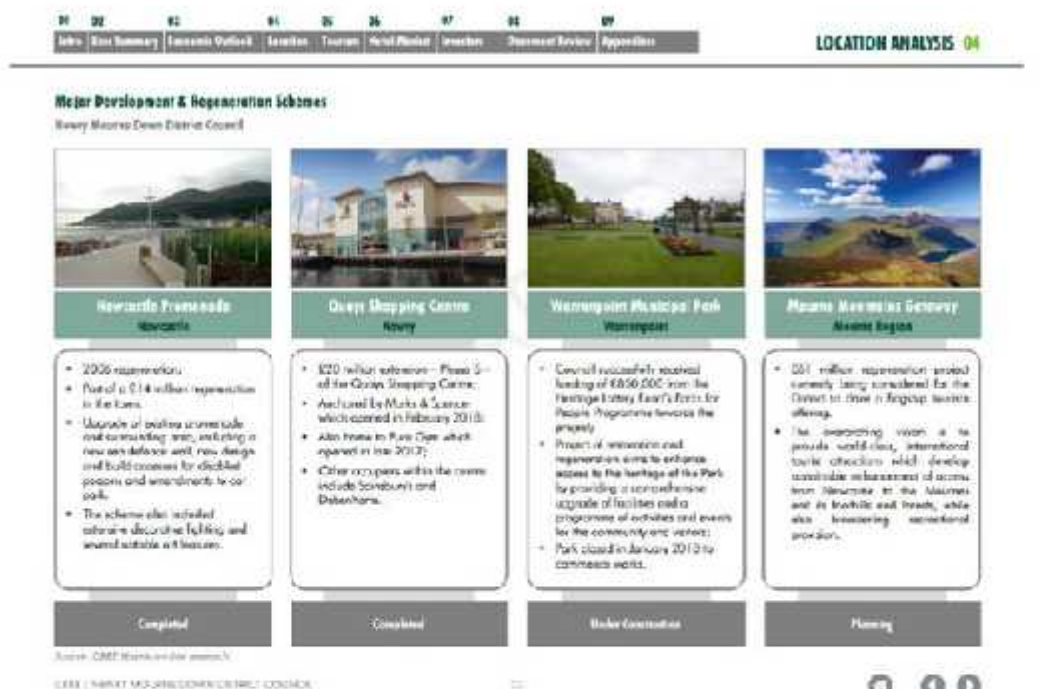
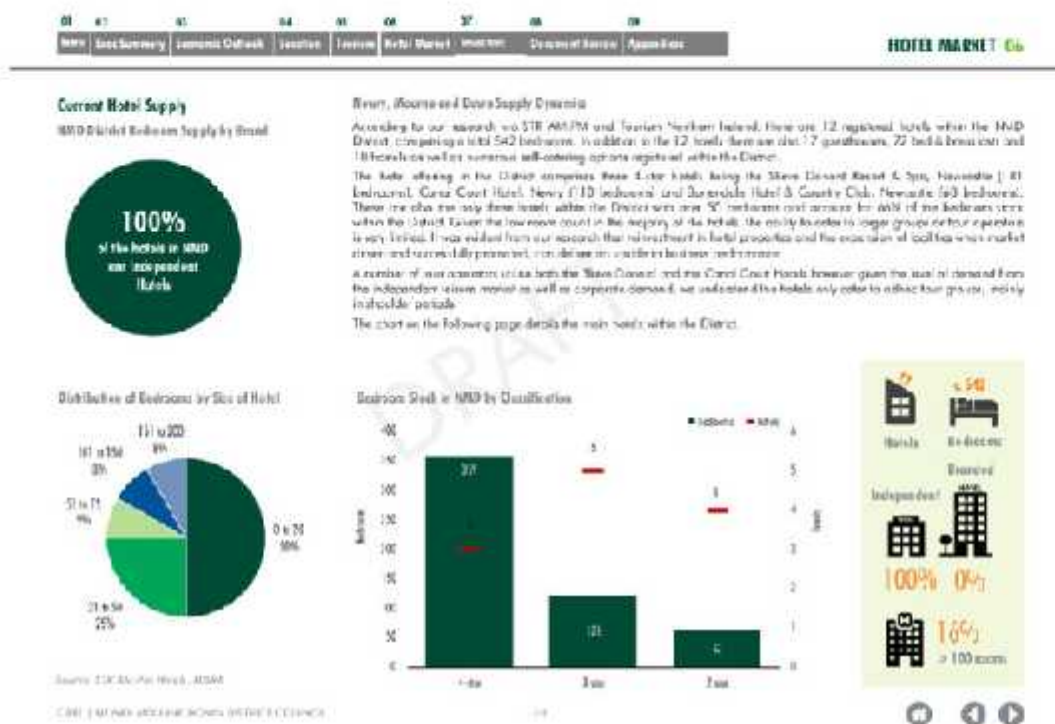


Newry City Centre Regeneration

8.3 Appendix 3 – Net Present Cost Calculations

Redacted due to commercial sensitivity

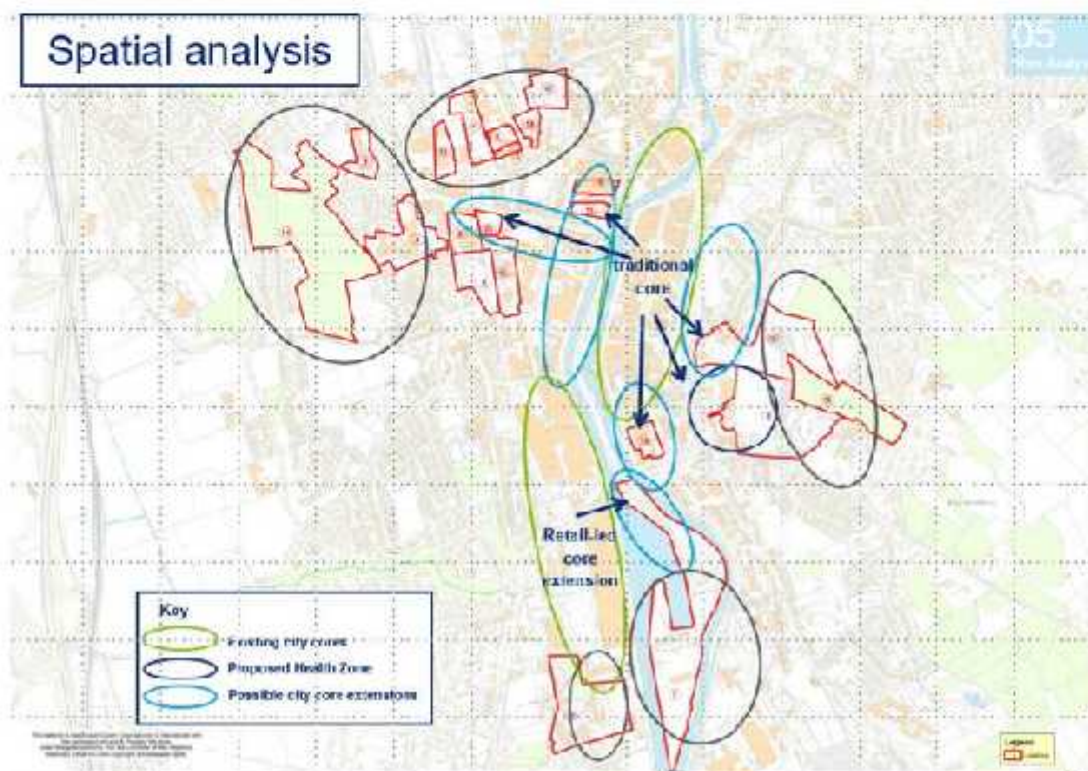
## 8.4 Appendix 3 – Newry, Mourne and Down District – Hotel Market Study, May 2018







## 8.6 Appendix 5 – Newry City Centre Investment Strategy June 2016, potential sites





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# 01 PROJECT INTRODUCTION



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## Introduction

This independent strategic hotel market assessment was prepared for Newry, Mourne and Down District Council (NMDDC) to assess the future demand for hotels of appropriate scale and quality within the District.

The report will focus on and assess the need for additional hotel accommodation developments in key locations, with a focus on Newry, as well as other tourism centres, entry points into the District and on main transport routes.

The report has taken into consideration the vision outlined in the NMD Corporate Plan and the Tourism Strategy Document 2017-2021.

The report will be used to support the future development of the hotel accommodation base and potentially inform investment and funding decisions of NMDDC and private sector stakeholders.

## Sources of Information

In preparing our report, the primary source of information has been internal information and representations made to us by Andy Patterson, Assistant Director Tourism, Culture and Events, NMDDC and Adrian Grimshaw, Project Director, NMDDC. The key sources of information provided were:

- NMDDC Tourism Strategy 2017-2021;
- Theatre & Conference Centre Business Feasibility Study, Charcoalblue LLP (October 2017);
- Tourist Accommodation Scoping Study prepared by ASM (September 2015); and
- Mourne Mountains Gateway Study, LUC (December 2017).

Within Section 7 of this report we provide a review of the documents provided by the NMDDC.

We carried out field research on the 9 and 10 May, which included site visits of operating hotels of relevance in the District, Newry Town Hall and the Sean Hollywood Arts Centre. We met with Andy Patterson, Adrian Grimshaw, the Deputy General Manager of the Slieve Donard, representatives from St Patrick's Centre in Downpatrick and Life - One Great Adventure Centre in Castlewelling Forest Park and held a conference call with Martin Carey, Chief Executive of the Mourne Heritage Trust.

We visited the retail offering in Newry, as well as a number of tourist attractions within the District including Bagenal's Castle, Tollymore Forest Park, Downpatrick Race Course, Down Cathedral and St Patrick's Grave and Down Country Museum.

Prior to, during and after our field research, we:

- Obtained market and operational data on the hotel, leisure and other relevant commercial sectors within the District;
- Determined the existing and future characteristics of markets which we consider to be of relevance within the District;
- Determined the present supply of facilities serving the markets which we consider to be of relevance and obtained further data from authoritative sources on planned developments;
- Obtained other pertinent information relating to the economy, communications infrastructure and general economic development of Newry and the wider District; and
- Issued a questionnaire survey to a number of tour operators, currently active in NI, to understand their hotel accommodation requirements within the District.

In light of this primary and subsequent secondary research, we have assessed the current commercial and economic position of the District and the likely future market environment. This market research has been used to formulate our conclusions and recommendations in relation to assessing the future demand for hotels of appropriate scale and quality within the District.



# 02 EXECUTIVE SUMMARY



## Northern Ireland - Market Environment Highlights



### "Infrastructure"

Economic corridor – excellent accessibility to the north and south via the A1 to Belfast and the M1 to Dublin including linkages to ports of arrival.



### "Mourne Mountains Regeneration Project"

£61 million regeneration project currently being considered for the District to drive a flagship tourism offering.



### "Other Real Estate Market Highlight"

Continued activity in the property sector in NI over the first three months of 2018, with strong occupier demand continuing to prevail for office and industrial accommodation in particular.

### "Unemployment Rate"

The lowest rate on record achieved in March 2018, confirming the improvements in the labour market.

3.1%



"Total population of over 1.8 million (November 2017)"

1.8m

### "Brexit"

How cross-border commerce and migration will be managed will have a major impact on business in NI.



## Northern Ireland - Hotel Market Demand Highlights



### "Tourism Profile"

NI attracts an average 4.66 million overnight trips per annum, with NMD attracting 516,313 (11.1%) (average 2014-2016).



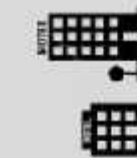
### "Spend & Growth"

Visitor spend reached an unprecedented three quarters of a billion pounds from January to September 2017. Spend in the NMD District reached £61 million in 2016.



### "Key Attractions"

Some very well known attractions within NI including Giant's Causeway, Titanic Belfast and Carrick-A-Rede-Bridge. NMDDC are focused on improving and enhancing the visitor experience to include promoting longer length of stay.



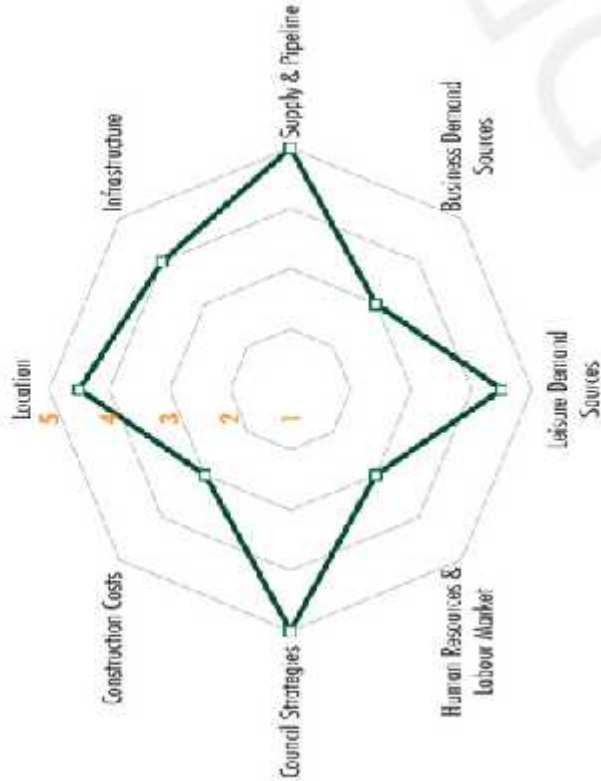
### "Hotel Stock"

Currently 140 hotels within NI, comprising 8,806 bedrooms, 79% are operated on an independent basis. NMD is home to 12 hotels comprising 542 bedroom, all of which are independently operated.



- Two of NI's top ten companies, Narbrook and First Derivatives, are located in Newry;
- Top 100 companies located elsewhere within the District - Rockwell Collins, MJM Group, Nitronica, AVIP Foods and Finnebrogue Venison.

C.O.R.E Analysis (CBRE Opportunity Rating Engine)



C.O.R.E Analysis (CBRE Opportunity Rating Engine)

C.O.R.E provides the reader with a high level overview of CBRE Hotels' analysis of the threats and opportunities associated with investing in the Hotel market in NMDDC. Based on CBRE Hotels' experience we have assessed the NMDDC hotel market and provided a weighted average opportunity score in our conclusion.

5	Exceptional
4	Good
3	Neutral
2	Medium risk
1	Threat

Key Comments

- Based on our research and analysis presented in the following report, we consider there to be a requirement for additional bedroom accommodation within the NMD District.
- This is supported by our C.O.R.E Analysis (average score of 4.0), the stock of current hotels within the District, the limited number of hotels in the development pipeline, the presence of key demand generators and future demand to be generated from the planned regeneration schemes.
- We would recommend further detailed Market and Financial Feasibility studies be completed once specific sites are recognised as potential for a new hotel development.
- A Market and Feasibility Report will recommend the most appropriate product concept to the envisaged markets for a hotel in the chosen location as well as the market positioning and specific target markets appropriate to the proposed hotel.
- As in all hotel developments the construction of the property versus its financial performance and ability to support the level of funding will be crucial. The market value on practical completion will also be key versus the level of investment. Detailed viability appraisals will be required prior to an investor / developer advancing with a hotel development.

Location & Infrastructure

Located in the south of Northern Ireland, NMD District is a location characterised by scenic beauty with the unique combination of mountains, forests, coast, waterways, market towns and fishing villages. The District includes southern County Armagh and large parts of County Down. It incorporates all of the Mourne Mountains and an extensive coastline stretching from Strongford Lough to Carlingford Lough. The District includes the key areas summarised below.

Newry benefits from excellent accessibility from both Belfast and Dublin via the A1 and M1, and is situated as the gateway City for travellers between Belfast and Dublin. Strong road and rail networks allow for easy movement of people.

Newcastle is located on the east coast of the District, approximately 40 minutes from Newry. The town is home to the Slieve Donard Hotel and the world renowned Royal County Down Golf Course.

Downpatrick is located further north, approximately 45 minutes from Belfast. The town is a popular day trip destination, with visitors interested in the St. Patrick Centre as well as Down Cathedral and Saint Patrick's Grave. The town does not have a hotel offering to accommodate overnight stays.



## Supply & Pipeline

The hotel market in the District is characterised by predominantly small independent hotels with 50% of the stock having less than 20 bedrooms. With only two hotels – Slieve Donard Resort & Spa, Newcastle (181 bedrooms) and Canal Court Hotel, Newry (110 bedrooms) – having in excess of 100 bedrooms. There is very limited pipeline of hotel projects in the District with only one hotel under construction being the 45-bedroom Killeavy Castle. A planning application has been submitted for a 51-bedroom hotel, the Inch Abbey Hotel, in Downpatrick. We are also aware of a hotel development of c50 rooms in pre-planning stage for Newcastle. We understand that planning was submitted in 2009 for a 120-bed hotel to be located at the former ATS Garage at Downshire Road, Newry. There is also a part-constructed extension added to the Sheepbridge Restaurant on the A1 Belfast to Dublin Road, constructed has stopped on this project.

## Business Demand Sources

The majority of commercial demand within the District would be generated in Newry with main occupiers within the City being Glen Dimplex, First Derivatives, STATSports and Norbrook Laboratories. We did receive some feedback that corporate demand for Armagh / Newry is being serviced by hotels in Belfast. This can also be said for leisure demand where Belfast is utilised as the base for accommodation due to limited availability in the District.

## Leisure Demand Sources

The leisure market is of particular importance with 51% of visitors (average 2014 - 2016) to the District coming from this market segment. The top 10 tourist attractions within the District attracted 1.2 million visitors in 2016. NMDDC recognises the importance of tourism to the economy, with growing the Tourism Economy being the number one priority of the Council's Corporate Plan.

Newcastle and Downpatrick would be very reliant on the leisure market, while this market would also be important to Newry, however, to a lesser extent.

## Human Resource & Labour Market

The labour market in NI is currently running at an unemployment rate of 3.1%, the lowest rate on record. While this is a positive statistic for the economy, it is widely acknowledged that there is a shortage of some skill-sets within the hotel sector across the entire island of Ireland. With the number of recent hotel openings in Belfast coupled with the future supply pipeline, hotels within the NMDDC will face challenges employing and retaining staff. We understand that one of their biggest challenges for hotel operators in the District is sourcing labour particularly around a shortage of chefs.

Some locations within the District, such as Newcastle and Downpatrick, may find it hard to attract staff due to the rural locations. Newry would have a larger catchment area and may be considered a more attractive proposition for employees. How Brexit plays out in the coming months will also have an impact on the labour market in NI, particularly in the hotel sector where there is a reliance on overseas workers.

## Council Strategies

As mentioned throughout the report, the Council are very supportive and driven to improve the tourism offering within the District. This is particularly evident through our research info and review of the following:

- NMDDC Tourism Strategy 2017-2021;
- Theatre & Conference Centre Business Feasibility Study, Charcoalblue LLP (October 2017); and
- Mourne Mountains Gateway Study, LUC (December 2017).

While the Tourism Strategy focuses on the entire District, the Theatre & Conference Centre is a Newry City project around the extension and renovation of the existing facilities - Newry Town Hall and Sean Hollywood Arts Centre. The Mourne Mountains Gateway project would have a major impact on Newcastle and its surrounds.

## Construction Costs

A major factor in the feasibility of developing a new hotel would be the construction costs. We have not carried out any detailed analysis of construction costs of hotels within the District or NI. We have, however, referred to AECOM Ireland Annual Review 2017, which provides the following indicative building costs for hotels in NI.

Hotels	£ per sq.m.
3 to 4 star	1,450 – 1,950
5 star	2,250 – 3,600

Source: AECOM

## Outlook

Factoring in the above criteria and based on our research and analysis presented in this report, we consider locations within the NMD District a positive hotel market to invest in.

We summarise overleaf a number of key locations where hotel investment should be considered.

- **Newry:** We believe there is capacity for a hotel development in Newry City. The location of Newry as a gateway to both Belfast and Dublin would support additional room nights required to sustain a new hotel. The positioning between these two key cities and the ease of access into Newry City is a key strength and one that can be maximised to draw demand from both locations. Newry also acts as the gateway to the Mourne and therefore can provide a base for those experiencing the Mourne and wider district.
- The plans for the Civic Hub and the Theatre & Conference facility are exciting projects and would further attract visitors to the area, however, we believe a hotel develop could be considered before these projects are completed.

Our research suggests there is a requirement for additional hotel stock in Newry currently with the possibility of additional room stock if the Theatre and Conference Centre project was to be delivered. A consideration could be to develop a hotel in two phases where additional bedrooms can be added as demand increases following the completion of the Theatre and Conference Centre. Alternatively two hotels could be considered depending on the scale, classification and location of each property. In our opinion the development of a budget to mid-scale hotel with 90 – 120 bedrooms with limited F&B facilities in a city centre location could be considered. We would recommend that a detailed Market & Feasibility report be completed for any future hotel development in Newry.

- **Newcastle & Downpatrick:** Throughout our research a common theme was the lack of hotel product in both Newcastle and Downpatrick. While the Slieve Donard is located in Newcastle this is a high-end 4-star product. Downpatrick does not have a hotel located in the town. While our research suggests either location could sustain a viable hotel business, due to the seasonality of the tourism sector a hotel in either location would need to have the ability to attract multiple market segments to deliver business year round.

Scale is an important factor when considering the number of hotels in the Newcastle and Downpatrick area. If future planned development was for hotels of c40-50 rooms the market could take two and consideration could be given to a third. If hotel are in the region of 120 plus more detailed market and feasibility research would be required to ensure multiple properties of this scale are sustainable.

- **South Armagh:** The South Armagh region will benefit from the development of Killeavy Castle, a hotel which will have a strong emphasis on health and wellness. This hotel will assist in improving the awareness of South Armagh. In our research findings there was stronger support for a hotel to be developed in Newry, Downpatrick and Newcastle than that of South Armagh. We would support this location being investigated further following the delivery of the various planned tourism initiatives and when the profile of South Armagh has been raised further, but for now concentrate on the locations of Newry, Downpatrick and Newcastle.





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# Newry City Office Demand Report

*On behalf of Newry, Mourne and Down District Council*



Comhairle Ceantair  
an Iúir, Mhúrn  
agus an Dúin

Newry, Mourne  
and Down  
District Council

**May 2018**

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# 1

## EXECUTIVE SUMMARY

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# 1 EXECUTIVE SUMMARY

## 1.1 Introduction

We have been instructed by Newry, Mourne and Down District Council (NMD) to undertake a review of the office sector within the commercial property market in Newry and provide strategic advices about future demand and development opportunities in the city. NMD intend to stimulate demand with potential direct intervention in regard to their developments. They aim to utilise existing council assets to engage the market and facilitate private investment which is complimentary to the Councils growth and regeneration ambitions.

In particular we have been requested to address the following specific issues:

1. Office Availability
2. Office Demand
3. Forthcoming/On-Site Office Developments
4. Market Rentals

## 1.2 Office Availability

Newry office core has two defined groups of accommodation:

- High-street with offices in upper floors and historic terraced building.
- Purpose built office schemes comprising attached/detached units within self-contained parks, typically containing a range of standalone and multi-let units/blocks usually between one and three storeys in height with on-site car parking.

From our review of the Newry office market, we have recorded a relatively low availability rate of 10.9%, (this is the percentage amount of space currently on the market, measured against total stock). The majority of this availability is historic, city-centre, terraced premises built more than one hundred years ago, lacking high specification features desired by both occupiers and investors. The low availability rates are primarily due to an almost complete absence of modern, Grade A, open-plan accommodation. Most of the space is cellular, as opposed to open plan, and is often arranged over one or more floors, without lift access. These premises often lack the minimum facilities expected of Grade A space such as raised access floors, energy efficient lighting, suspended ceilings, air-conditioning together with 'back of house' facilities such as bike storage and showers etc.

In contrast, we have found that newly developed office schemes have been

successful in attracting employers and investors to the area because of the better specification. It is our view that a large majority of the more recent office park developments are owner-occupied and purchased at a time when bank funding was readily available.

### 1.3 Office Demand

Demand for larger corporate occupiers in Newry is limited due to the relative attractiveness of larger urban cores in Dublin and Belfast, which readily provide higher quality, accessible accommodation.

With regard to Newry, our research suggests there is a clear potential demand for office space, evidenced by low vacancy/high occupational rates, especially as regards purpose-built office schemes.

A number of wider financial and political factors that will positively, and negatively, affect demand in Newry include

- Reduction in Corporation Tax relative to ROI
- Brexit
- Economic Growth
- Rates Revaluation/Vacant Rates

### 1.4 Current/Potential Office Development

Newry, since gaining city status in 2002, has developed a diverse class of property developments and schemes. A number of schemes in particular have directly contributed to the successful growth of the City Core. These include the restoration of The Quays along Newry Canal, the development of Carrmeen Industrial Park as well as smaller office schemes in Downshire Close and Old Gasworks Business Park.

More current examples include Monaghan Street, which in 2018 will see the completion and occupation of c. 5,230 sq.ft. of office space, which forms part of a new build, mixed use, Grade A development totalling 16,560 sq.ft. Another mixed use development nearing full occupation is Custom House at Merchants Quay. After beginning demolition and redevelopment Q4 2016, the £2 million commercial building, developed by Downshire Quay LLP, over 3 floors is now complete.

## 1.5 Market Rental Analysis

From our research we estimate average rental levels for Newry ranging between £7.00 – £12.00 per sq.ft. depending on Grade, specification, build year, etc.

## 1.6 Key Findings and Recommendations

The key findings of our research can be summarised as follows:

- The Newry office sector can be identified in two broad types – low to medium grade historic High Street buildings favoured by indigenous professional occupiers such as solicitors and accountants or campus-style, edge of town, low density, medium grade accommodation typical with open plan layouts, lift access and in many cases air-conditioning. We found relatively low vacancy levels suggesting a pent-up demand, which could be released if a medium to high grade specification building were to be offered in the open market. With these low vacancy rates it is our opinion that there is demand, however this demand is for modern, open plan office space, rather than the historic building, typically found on the high street. High street office space have high availability rates and generally require significant works to reach a standard which would be required by occupiers.
- In the past five to ten years Newry has attracted several high-profile occupiers such as Teleperformance. In our view if suitable premises were available, at rental levels below those being achieved in Belfast, then the expansion of existing businesses or the attraction of new occupiers not already represented, including FDI enterprises, could be attracted to Newry.
- There is a clear disconnect between the rents and other occupation costs that occupiers are prepared to pay for more provincial locations, whether that is Derry-Londonderry, Enniskillen or Newry. The developments of Grade A office accommodation has a viability gap when rents of around £12.00 per sq.ft. are achievable. For example, Belfast it is generally accepted that rents of between £20.00 and £22.00 per sq.ft. are required



to make speculative office development viable (assuming funding is readily available).

- Conventional developers, who are primarily profit-driven, will not become involved in speculative office development in Newry because of the gap in viability. The source of funding for a new office development, along with building costs and rentals rates need to be considered by developers. The level of rent achievable at the present time coupled with the cost of construction produces the gap in viability, unless a project can be pump-primed from external sources such as The Council or Government Department. It is worth noting that in Belfast there are currently no new office buildings being speculatively developed with the market relying on refurbished properties. The only recent speculative development has been carried out by Belfast Harbour Commissioners (BHC) who have statutory powers and duties for the purpose of improving, maintaining and managing the harbour. BHC who have high financial reserves have developed two office buildings at City Quays with a third one planned.
- NMD has a different agenda from property developers in that economic growth, employment levels, business rates income, etc., are all factors which will benefit from new enterprises locating to the city, drawn by low occupation costs and a pool of well-educated labour whose preference to work locally rather than travelling some distances to Belfast or Dublin. The councils motivations for an office development scheme include; long term regeneration, increase in uptake, drawing new occupiers and investors to the area, boosting the local economy and creating new employment opportunities. A developers motivations focus mainly on the rate of return, and are generally unwilling to invest without the security of a guaranteed return.
- While there are limited specific end-users readily identifiable, our experience of office development in Belfast over the past twenty years is that speculative development, especially where there are low vacancy rates and an established office/core will attract new tenants. For example edge-of-core locations such as the Gasworks, Clarendon Dock, City

Quays, the Science Park and Titanic Quarter, which were all developed speculatively, now enjoy very high levels of occupation, with more than one million square feet of exclusively Grade A accommodation.

<b>Report to:</b>	Strategy, Policy and Resources Committee
<b>Date of Meeting:</b>	14 June 2018
<b>Subject:</b>	Revised Privacy Notice (General Data Protection Regulation)
<b>Reporting Officer:</b>	Dorinnia Carville, Director of Corporate Services
<b>Contact Officer:</b>	Patrick Green, Head of Compliance

<b>Decision required:</b>	
For information.	
<b>1.0</b>	<b>Purpose and Background:</b>
1.1	The General Data Protection Regulation came into force on 25 May 2018. On that date the Data Protection Act 1998 was repealed and replaced by the Data Protection Act 2018.
<b>2.0</b>	<b>Key issues:</b>
2.1	While Council had obligations under the Data Protection Act 1998 to provide notice of how it processes personal data, the GDPR requires additional information to be included within an organisation's privacy notices.
2.2	A revised Privacy Notice is attached at Appendix 1, for information. This is a general Privacy Notice and sets out in broad terms the purposes for which Council processes personal information, its legal basis for doing so, how it stores the information and individuals' rights over their personal information processed by Council.
2.3	Privacy Notices tailored to each Service Area are required to be developed to inform data subjects of the purpose of the processing, the specific legal basis for processing, the retention period(s) for the personal information processed and the individual's rights with regard to the particular processing activity.
2.4	The content of each Service Area's Privacy Notice will be informed by the completion of a data and process mapping exercise to be carried out across each Service Area.
2.5	This work is included within Council's Action Plan to achieve GDPR compliance, which it is proposed will be delivered through a Corporate Working Group to be established for this purpose.
<b>3.0</b>	<b>Recommendation:</b>
3.1	For information.
<b>4.0</b>	<b>Resource implications</b>
4.1	None identified.



5.0	Equality and good relations implications:
5.1	None identified.
6.0	Appendices
6.1	Appendix 1 – Updated Privacy Notice

## **Newry, Mourne and Down District Council - Privacy Notice**

7 June 2018

Newry, Mourne and Down District Council delivers a wide range of services to the residents and businesses of Newry, Mourne and Down, and to those who visit our area. We are committed to delivering our services in a way in which your personal information is protected.

This Privacy Notice explains how we use information about you, how we protect your privacy in compliance with the Data Protection Act 2018 and the rights you have over your personal information.

### **Defining personal information?**

Personal information can be anything that identifies and relates to a living person. It can include information that when put together with other information can then identify a person. For example, this could be your name and contact details.

### **'Special Category' personal information**

Some information is classified as 'special category' and needs more protection due to its sensitivity. It's often information you would not want widely known and is very personal to you. This is likely to include anything that can reveal your:

- sexuality and sexual health
- religious or philosophical beliefs
- ethnicity
- physical or mental health
- trade union membership
- political opinion
- genetic/biometric data
- criminal history

### **Data Protection Principles**

The Data Protection Act 2018 contains six principles to protect your personal information and to make sure that we:

1. process all personal information lawfully, fairly and in a transparent manner;
2. collect personal information for a specified, explicit and legitimate purpose;
3. ensure that the personal information processed is adequate, relevant and limited to the purposes for which it was collected;
4. ensure the personal information is accurate and up to date;
5. retain personal data for no longer than necessary for the purpose for which it is processed;
6. keep your personal information safe and secure and protect its integrity and confidentiality.

## **Why we need your personal information**

We may need to use some information about you to:

- deliver services and support to you;
- manage those services we provide to you;
- train and manage the employment of our workers who deliver those services;
- help investigate any worries or complaints you have about our services;
- keep track of spending on services;
- obtain your views on the services we provide;
- inform you of other relevant Council services;
- for regulatory and law enforcement purposes;
- check the quality of services; and
- help with research and planning of new services.

## **How the law allows us to use your personal information**

We process personal data for specific purposes and these purposes will determine the legal basis for the processing. The legal basis for processing by the council as a public authority will be one or more of the following, as contained within the Data Protection Act 2018:

1. Processing is based on the data subject's consent;
2. Processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract.
3. Processing is necessary for compliance with a legal obligation to which we are subject.
4. Processing is necessary in order to protect the vital interests of the data subject or of another natural person.
5. Processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in us.
6. Processing is necessary for the purposes of the legitimate interests pursued by us or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject, which require protection of personal data, in particular where the data subject is a child.

## **Consent**

There may be occasions when consent is the only legal basis we have to process your personal data. When this occurs, we will endeavour to seek your consent at the time we gather your personal data. You will normally be asked to provide a signature or indicate consent by ticking a box but this will only be carried out after a full explanation has been provided and you are clear as to what you are consenting to.



Consent is a core principle of data protection law; it must be freely given, specific, informed and unambiguous indication of the data subject's wishes, by a statement or by a clear affirmative action, signifies agreement to the processing of personal data relating to the individual.

### **How we collect your personal information**

The following are examples of how we collect your personal data:

- interactions with Council staff
- when you apply for a job with us
- when you attend our premises for a specific purpose and provide your details
- through the submission of questionnaires online or via mail
- submitting planning and building control applications
- registering births and marriages
- submitting complaints
- working in partnership with us
- emergency planning
- CCTV covering our property and land, and public spaces
- via enforcement action
- licensing
- interactions with Council staff
- from third party organisations, such as Invest NI.

The personal data may be held in paper and electronic format, and will always be managed in a safe and secure manner.

Some areas of our website require you to actively submit personal data in order for you to benefit from specific features, such as our range of online services, for example, email, online forms or online payments. You will be informed at each of these personal data collection points what data is required and what data is optional. Personal data may be gathered without you actively providing it, through the use of various technologies and methods such as Internet Protocol (IP) addresses and cookies. For further information please visit the Cookie Policy webpage on our website - <http://www.newrymournedown.org/cookie-policy>

### **We only use what we need**

Where we can, we will only collect and use personal information if we need it to deliver a service or meet a requirement.

If we don't need personal information, we will not ask you for it. For example, in a survey we may not need your contact details and we will only collect your survey responses.

If we use your personal information for research and analysis, we will always keep you anonymous unless you've agreed that your personal information can be used for that research.

Information held on Council-owned electronic devices (including desktops, laptops, mobile phones and other electronic devices) may be subject to an information search in the course of processing a Subject Access Request or a request made under the Freedom of Information Act 2000 or Environmental Information Regulations 2004.

### **Information Sharing**

We will not disclose your personal data to any external organisation or person unless we are satisfied that we have a legal basis to do so and proper measures are in place to protect the data from unlawful and unauthorised access.

However, we may be required to share your personal data with other internal council departments to ensure it can manage your issues or requirements appropriately.

We also work closely with Central and Local Government departments throughout Northern Ireland and Great Britain and may share personal data with these departments, including statutory and non-statutory organisations for various projects and initiatives. We may also share information with the Police Service of Northern Ireland, Her Majesty's Revenue and Customs and other law enforcement agencies for lawful purposes including the prevention and detection of crime and animal welfare, etc.

We may also use external organisations to carry out services on its behalf and this requires providing them with access to personal data. These organisations will act as data processors for us and they are legally obliged to keep your personal data secure and only process it under the specific direct instructions of us and in line with the Data Protection Act 2018. Where we have these arrangements in place we always seek to have an agreement in place to make sure the organisation complies with the Data Protection Act.

We will not supply your information to any other organisation for marketing purposes without your prior consent.

### **Data matching**

We are required by law to protect the public funds we administer. We may share information provided for auditing, or administering public funds, or where undertaking a public function, in order to prevent and detect fraud.

The Northern Ireland Audit Office is responsible for carrying out data matching exercises.

Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see if they match. This is usually personal data.

Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found, it may indicate that there is an inconsistency, which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

We participate in the National Fraud Initiative to assist in the prevention and detection of fraud. We are required to provide personal data to the Comptroller and Auditor General or his agent for data matching under legislative powers included in the Audit and Accountability (NI) Order 2003, articles 4A to 4H.

The use of data in a data matching exercise does not require the consent of the individuals concerned under Data Protection legislation.

### **Storing and protecting your information**

The majority of personal information is stored on systems in the UK. But there are some occasions where your information may leave the UK either in order to get to another organisation or if it's stored in a system outside of the EU.

We have additional protections on your information if it leaves the UK ranging from secure ways of transferring data to ensuring we have a robust contract in place with that third party.

We will take all practical steps to make sure your personal information is not sent to a country that is not seen as 'safe' either by the UK or EU Governments.

If we need to send your information to an 'unsafe' location, we will always seek advice from the Information Commissioner first.

We will do what we can to make sure we hold records about you (on paper and electronically) in a secure way, and we will only make them available to those who have a right to see them. Examples of our security include:

- Controlling access to systems and networks allows us to stop people who are not allowed to view your personal information from getting access to it;
- Encryption, meaning that information is hidden so that it cannot be read without special knowledge (such as a password). This is done with a secret code or what's called a 'cypher'. The hidden information is said to then be 'encrypted';
- Training for our staff allows us to make them aware of how to handle information and how and when to report when something goes wrong;
- Regular testing of our technology and ways of working including keeping up to date on the latest security updates (commonly called patches).

### **Retention of your personal information**

There's often a legal reason for keeping your personal information for a set period of time and we try to include all of these in our Retention and Disposal Schedule, which



has been approved by the Public Records Office of Northern Ireland and laid before the Northern Ireland Assembly in 2016.

## **Your information rights**

The law gives you a number of rights to control what personal information is used by us and how it is used by us.

### **You can ask for access to the information we hold on you**

We would normally expect to share what we record about you with you whenever we assess your needs or provide you with services.

However, you also have the right to ask for all the information we have about you and the services you receive from us. When we receive a request from you in writing, we must give you access to everything we've recorded about you.

However, we can't let you see any parts of your record which contain:

- Confidential information about other people; or
- Data a professional thinks will cause serious harm to your or someone else's physical or mental wellbeing; or
- If we think that giving you the information may stop us from preventing or detecting a crime

This applies to personal information that is in both paper and electronic records. If you ask us, we will also let others see your record (except if one of the points above applies).

If you can't ask for your records in writing, we will make sure there are other ways that you can.

If you wish to make a Subject Access Request or if you have any queries about access to your information please contact the Data Protection Officer via [info@nmandd.org](mailto:info@nmandd.org) or 0300 013 2233.

### **You can ask to change information you think is inaccurate**

You should let us know if you disagree with something written on your file.

We may not always be able to change or remove that information but we will correct factual inaccuracies and may include your comments in the record to show that you disagree with it.

### **You can ask to delete information (right to be forgotten)**

In some circumstances you can ask for your personal information to be deleted, for example:

- Where your personal information is no longer needed for the reason why it was collected in the first place
- Where you have removed your consent for us to use your information (where there is no other legal reason us to use it)
- Where there is no legal reason for the use of your information
- Where deleting the information is a legal requirement

Where your personal information has been shared with others, we will do what we can to make sure those using your personal information comply with your request for erasure.

Please note that we can't delete your information where:

- we're required to have it by law
- it is used for freedom of expression
- it is used for public health purposes
- it is for, scientific or historical research, or statistical purposes where it would make information unusable
- it is necessary for legal claims

### **You can ask to limit what we use your personal data for**

You have the right to ask us to restrict what we use your personal information for where:

- you have identified inaccurate information, and have told us of it
- where we have no legal reason to use that information but you want us to restrict what we use it for rather than erase the information altogether

When information is restricted it can't be used other than to securely store the data and with your consent to handle legal claims and protect others, or where it's for important public interests of the UK.

Where restriction of use has been granted, we will inform you before we carry on using your personal information.

You have the right to ask us to stop using your personal information for any council service. However, if this request is approved this may cause delays or prevent us delivering that service.

Where possible we will seek to comply with your request, but we may need to hold or use information because we are required to by law.

## **You can ask to have your information moved to another provider (data portability)**

You have the right to ask for your personal information to be given back to you or another service provider of your choice in a commonly used format. This is called data portability.

However, this only applies if we're using your personal information with consent (not if we're required to by law) and if decisions were made by a computer and not a human being.

It's likely that data portability won't apply to most of the services you receive from the Council.

You can ask to have any computer made decisions explained to you, and details of how we may have 'risk profiled' you.

You have the right to question decisions made about you by a computer, unless it's required for any contract you have entered into, required by law, or you've consented to it.

You also have the right to object if you are being 'profiled'. Profiling is where decisions are made about you based on certain things in your personal information, e.g. your health conditions.

If and when Council uses your personal information to profile you, in order to deliver the most appropriate service to you, you will be informed.

If you have concerns regarding automated decision making, or profiling, please contact the Data Protection Officer who'll be able to advise you about how we using your information.

## **Where can I get advice - ICO**

If you have any worries or questions about how your personal information is handled please contact our Data Protection Officer at [info@nmannd.org](mailto:info@nmannd.org) or by calling 0300 013 2233 or by writing to:

Data Protection Officer  
Newry, Mourne and Down District Council  
Downshire Civic Centre  
Ardglass Road  
Downpatrick  
BT30 6GQ

For independent advice about data protection, privacy and data sharing issues, you can contact the Information Commissioner's Office (ICO) at:



Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire SK9 5AF

Tel: 0303 123 1113 (local rate) or 01625 545 745 if you prefer to use a national rate number.

Alternatively, visit [ico.org.uk](https://ico.org.uk) or email [casework@ico.org.uk](mailto:casework@ico.org.uk).

<b>Report to:</b>	Strategy, Policy and Resources Committee
<b>Date of Meeting:</b>	14 June 2018
<b>Subject:</b>	Performance Improvement Plan 2018-19
<b>Reporting Officer:</b>	Johnny McBride - Assistant Director: Community Planning and Performance
<b>Contact Officer:</b>	Kate Bingham – Head of Performance and Improvement

### Decisions Required:

Members are asked to note the contents of the report, and to give consideration and agreement to:

- The Performance Improvement Plan 2018-19, including the five performance improvement objectives and summary document entitled 'Our Performance, Looking Back, Going Forward'
- The publication of the Performance Improvement Plan 2018-19 by 29 June 2018, before full Council ratification, in order to meet the statutory deadline

### 1.0 Purpose & Background

1.1 Part 12 of the Local Government (NI) Act 2014 sets out a General Duty of Improvement for local government, whereby all District Councils are required to put in place arrangements to secure continuous improvement in the exercise of their functions. Each financial year, Councils are required to set performance improvement objectives for the services they provide. The guidance states that performance improvement is more than quantifiable gains in service output or efficiency, or in the internal effectiveness of an organisation. Improvement should focus on activity that enhances the sustainable quality of life and environment for communities.

The purpose of this report is recommend the final version of the Performance Improvement Plan 2018-19, which has been completed based on the feedback from the public consultation and engagement process.

### 2.0 Key Issues

#### 2.1 Stakeholder Consultation and Engagement Process

2.2 Between 23 March – 18 May 2018, Newry, Mourne and Down District Council carried out an eight week consultation and engagement programme on the proposed performance improvement objectives. Key stakeholders, including residents, statutory and community planning partners, businesses and Elected Members were consulted through the following mechanisms:

- Electronic documentation and survey on the Council's website and social media

	<p>channels</p> <ul style="list-style-type: none"> <li>• Hard copies of the documentation and survey at the Council's public receptions in Monaghan Row (Newry), Downshire Civic Centre (Downpatrick) and the Ethnic Minority Support Centre (Town Hall, Newry)</li> <li>• Email distribution to Community Planning Partners and Equality Scheme Consultees</li> <li>• Public Notices in local newspapers</li> <li>• Engagement with the seven DEA Fora through public events and private meetings</li> <li>• Engagement with Section 75 groups, including the Youth Councils and Older Person's Forum</li> </ul>
2.3	<p>A total of 92 completed surveys were received, in addition to ongoing engagement with around 80 stakeholders through Council meetings, DEA Fora and Older Person's Forum. Consultation feedback revealed widespread support for the five proposed performance improvement objectives 2018-19, with almost all respondents agreeing with each objective.</p> <p>As part of the consultation and engagement, respondents were also asked to put forward their comments on each of the proposed performance improvement objectives 2018-19. Following an analysis of the feedback, many of the issues put forward by consultees relate to, and will be addressed through the 'supporting actions' and 'measures of success' which underpin each objective.</p> <p>However, based on the consultation and engagement feedback, as well as ongoing work in finalising the performance improvement objectives, some amendments have been recommended to the 'supporting actions' and 'measures of success', as outlined in the Consultation and Engagement Report attached at <b>Appendix 3</b>.</p>
<b>2.4</b>	<b>Performance Improvement Plan 2018-19</b>
2.5	<p>In accordance with statutory requirements, the Council is required to publish it's performance improvement objectives 2018-19 and statutory performance indicators for Economic Development, Planning and Waste Management by 29 June 2018. This information is included in the final version of the Performance Improvement Plan 2018-19 which is attached at <b>Appendix 1</b>.</p>
2.6	<p>The Council has also developed a summary document entitled 'Our Performance, Looking Back, Going Forward', which is attached at <b>Appendix 2</b>. This is a user friendly and accessible document which will be promoted through the Council's website and social media channels. It provides an overview of:</p> <ul style="list-style-type: none"> <li>• Progress in delivering the performance improvement objectives 2017-18</li> <li>• The performance improvement objectives 2018-19, including some of the key 'supporting actions'</li> </ul>
<b>3.0</b>	<b>Recommendations</b>
3.1	To consider and agree:



	<ul style="list-style-type: none"> <li>• The Performance Improvement Plan 2018-19, including the five performance improvement objectives and summary document entitled 'Our Performance, Looking Back, Going Forward'</li> <li>• The publication of the Performance Improvement Plan 2018-19 by 29 June 2018, before full Council ratification, in order to meet the statutory deadline</li> </ul>
<b>4.0</b>	<b>Resource Implications</b>
4.1	<p>The development, publication and implementation of the Performance Improvement Plan 2018-19 will be delivered within existing resources across the organisation.</p> <p>The Northern Ireland Audit Office has indicated that the Performance Audit and Assessment arrangements for 2018-19 will incur an approximate fee of £22,000.</p>
<b>5.0</b>	<b>Equality &amp; Good Relations Implications</b>
5.1	An equality screening exercise was completed for the Performance Improvement Plan 2018-19 and it is recommended that it is not subject to an equality impact assessment (with no mitigating measures required).
<b>6.0</b>	<b>Appendices</b>
6.1	<ul style="list-style-type: none"> <li>• <b>Appendix 1</b> – Performance Improvement Plan 2018-19</li> <li>• <b>Appendix 2</b> – 'Our Performance, Looking Back, Going Forward'</li> <li>• <b>Appendix 3</b> – Consultation and Engagement Report 2018-19</li> </ul>

# Newry, Mourne and Down District Council

## Performance Improvement Plan

2018-19



Comhairle Ceantair  
an Iúir, Mhúrn  
agus an Dúin  
**Newry, Mourne  
and Down**  
District Council

Contents	Page
Foreword	3
Introduction and Context	4
Performance Improvement Objectives 2018-19	4
<b>Performance Improvement Objective 1</b>	5
Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities	
<b>Performance Improvement Objective 2</b>	7
Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination	
<b>Performance Improvement Objective 3</b>	10
Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in	
<b>Performance Improvement Objective 4</b>	13
Create a cleaner, greener, more attractive District	
<b>Performance Improvement Objective 5</b>	15
Encourage and empower local communities to participate in Council engagement structures and initiatives	
Statutory Performance Indicators and Standards	18
Self Imposed Performance Indicators	19
<b>Appendices:</b>	
<b>Appendix 1: Identifying the Performance Improvement Objectives 2018-19</b>	21
<b>Appendix 2: Business Planning and Performance Management Framework</b>	27
<b>Appendix 3: Achieving Continuous Improvement</b>	30
<b>Appendix 4: Governance Arrangements</b>	31
How to propose new Performance Improvement Objectives	32



## Foreword

When we look back on what the Council has delivered in the past year, we can be proud of our achievements. We have continued to deliver our performance improvement objectives, and have seen positive change across a number of key areas including health and well-being, tourism, economic development, regeneration, environment and community engagement.

One of our flagship achievements last year was the opening of the new Newry Leisure Centre, a £22m centre that is already transforming the way we provide sporting, wellbeing and exercise opportunities to our citizens. The introduction of the 'Be Active' campaign will go a long way to fulfilling our goal of promoting a prosperous, healthy and sustainable District.

We have also worked closely with our partners in government, the EU and across the island of Ireland to improve transport links and the way our towns and cities look. We have ambitious plans for Ballynahinch, Downpatrick, Newry, Warrenpoint and Kilkeel which will help us fulfil our potential as a premier district for both business and residents alike.

We have continued to deliver essential services to all the district's citizens and have made strenuous efforts to improve the performance of everything we do. The amount of waste going to landfill has reduced whilst the rate of recycling across the district continues to increase. Our five Giant Adventure Festivals remain hugely successful and we awarded over £1.3m towards a range of community based initiatives, including summer schemes, Christmas illuminations and capital projects.

However, we know we can do more. With a strong track record for innovation and partnership working, we are confident that the Council will continue to deliver positive outcomes and improve the quality of life for all our local communities through this year's performance improvement objectives.



**Cllr Mark Murnin**  
Chairperson



**Liam Hannaway**  
Chief Executive

## Introduction and Context

Part 12 of the Local Government Act (NI) 2014 sets out a General Duty of Improvement for local government, whereby all district councils must put in place arrangements to secure continuous improvement in the exercise of their functions. The Council is required to set annual improvement objectives for the services it provides and to also have in place arrangements to achieve these objectives. The Council recognises 'improvement' to mean activity that enhances the sustainable quality of life for ratepayers and local communities.

The performance improvement objectives do not describe every improvement the Council plans to make during 2018-19. Alternatively, they provide an overview of where the Council will focus its efforts to address the issues which matter most to local communities. The Performance Improvement Plan outlines the Council's priorities for improvement, how performance will be measured and what positive outcomes stakeholders can expect as a result of improvement activity. It represents the Council's commitment to achieving continuous improvement in the delivery of services.

## Performance Improvement Objectives 2018-19

Newry, Mourne and Down District Council has identified five performance improvement objectives for 2018-19.

1. **Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities**
2. **Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination**
3. **Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in**
4. **Create a cleaner, greener, more attractive District**
5. **Encourage and empower local communities to participate in Council engagement structures and initiatives**

These objectives have been carried forward from 2017-18 and developed within the context of the Business Planning and Performance Management Framework. They are:

Linked to the Community Plan, Corporate Plan and Directorate Business Plans	✓
Based on existing performance information	✓
Aligned to the seven strategic aspects of improvement	✓
Based on stakeholder consultation and engagement	✓



# Performance Improvement Objective 1

## Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities

**Senior Responsible Officer: Director, Active and Healthy Communities**

### Why this matters

Good health is one of the most valued aspects of our lives. It influences many dimensions of well-being, such as employment, income, social connections, participation in community life and educational attainment. Newry, Mourne and Down District Council plays a key role in helping local communities to live long and healthy lives. The Council remains committed to collaborating with community planning partners to promote physical, mental and emotional well-being and encouraging residents to make healthy and informed lifestyle choices.

The demographic profile of our community not only has an impact on the services the Council provides, but on the way these services will be delivered in the future. With the population of the District projected to grow by 4% by 2022, including a 17% increase in residents aged 65 years and above, the overall health and wellbeing needs of local communities are set to change and evolve. Whilst the majority of residents are currently in good health, with no long term health problems, over a third of those aged 65 years and above have a long term health problem or disability which limits their day to day activities.

As life expectancy rises, health inequalities remain a key issue within our most deprived communities. Newry, Mourne and Down currently has the third highest number of neighbourhoods within the top 100 most deprived across Northern Ireland, and these neighbourhoods are more likely to experience health inequalities in terms of obesity rates, drug and alcohol related conditions and self harm.

### Your views

Our performance improvement objectives are based on the issues that matter most to you. Over the past two years, almost all respondents to the consultations on the performance improvement objectives agreed with the inclusion of this objective, and 'parks and open spaces' and 'leisure and recreation' are amongst the top priority areas for improvement. The consultation also reinforced the public appetite for a park in Newry City, and the Council has made a commitment to explore potential options further.

### Our performance during 2017-18

- New premier Newry Leisure Centre complete and 'Be Active' campaign launched
- Online booking and joining facility for leisure centres launched
- Customer satisfaction surveys carried out at six leisure facilities
- Implementation of the Play Strategy and Sports Facility Strategy underway
- 1,175 children and young people took part in the Community Play initiatives



However, we know we can do more. This performance improvement objective has therefore been carried forward to 2018-19 and the 'supporting actions' and 'measures of success' have been reviewed and updated to reflect where progress has been made, where projects have been subject to delay and the key improvement activities planned for the coming year.

### Supporting actions

- Provide and operate high quality leisure facilities through the implementation of the Indoor Leisure Business Plan:
  - Complete the refurbishment of Downpatrick Leisure Centre by Q3 2018-19
  - Improve the customer experience at all leisure facilities by rolling out the 'Be Active' campaign and mobile technology solutions
- Undertake a review of outdoor leisure facilities to determine the condition, current usage type and number of users at each location
- Upgrade and improve existing sports facilities through the implementation of year two of the Sports Facility Strategy
- Provide and improve fixed and non-fixed play opportunities for children and young people through the continued implementation of the Play Strategy
- Engage children and young people in Community Play and other health and wellbeing initiatives across the District
- Provide opportunities for women, girls, people with a disability and people from areas of high social need to participate in physical activity programmes
- Consider options to progress the development of a park at the Albert Basin, Newry
- Through the Play and Leisure Partnership, produce a multi-stakeholder Activity, Promotion and Development Plan, which maps out the provision of physical activity across the District, suitable for all ages and abilities

### Measures of Success

- 2.6% increase in attendances at indoor leisure facilities, reaching a 14% increase by 2019-20
- 9% increase in attendances at Downpatrick Leisure Centre, reaching a 72% increase by 2019-20 (when the new leisure centre completes)
- Level of user satisfaction with indoor leisure facilities
- Number of children and young people engaged in Community Play and other health and wellbeing initiatives
- Number of participants from targeted groups involved in physical activity programmes

### Outcomes for local communities and stakeholders

- Improved and accessible provision of indoor and outdoor sport, leisure and recreational facilities and activities
- Increase in the number of residents making healthy lifestyle choices by using sport, leisure and recreational facilities
- Improved customer satisfaction with indoor leisure facilities
- Improved levels of health and wellbeing for local communities

### Corporate Plan

Support improved health and wellbeing outcomes



<b>Priority</b>	
<b>Community Plan Outcome</b>	All people in Newry, Mourne and Down enjoy good health and wellbeing
<b>Outcomes Delivery Plan 2018-19 (NICS)</b>	We enjoy long, healthy, active lives
<b>Alignment with the 7 aspects of improvement</b>	Strategic effectiveness / Service quality / Service availability / Fairness / Sustainability / Efficiency / Innovation

## Performance Improvement Objective 2

**Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination**

**Senior Responsible Officer: Director, Enterprise, Regeneration and Tourism**

### **Why this matters**

A thriving economy is central to the quality of life in Newry, Mourne and Down. Located on the economic corridor between Belfast and Dublin, our District has a real opportunity to compete, by driving growth in the existing business base, increasing productivity and attracting new businesses. We will continue to work with partners to create a climate for innovation and competitiveness and progress the Belfast Region City Deal which is focused on extending domestic and international investment across our District.

The challenges and opportunities presented through Brexit will have an impact on the communities we serve, and the Council has taken a proactive role in lobbying and advocating for the needs of the region, as well as the future nature of the Irish border. Deprivation also remains a growing issue across the District. Three neighbourhoods are now ranked as the most deprived in terms of income across Northern Ireland and a further 34 fall within the 25% most deprived in terms of 'employment and education' and 'skills and training'. Whilst the median gross annual salary of £19,928 falls below the regional average of £21,245, 76% of residents are economically active, which is above the regional average of 74%.

Worth £61m to the local economy, tourism is also a critical driver for economic growth in Newry, Mourne and Down, supporting almost 5,000 jobs. As a popular destination for domestic tourists, the District is rich with tourism assets and scenic beauty, which contributed to a 40% increase in the number of visitors and a 27% increase in visitor spend between 2015 and 2016. The continued implementation of the Tourism Strategy will be instrumental in promoting Newry, Mourne and Down as a premier, year-round mountain and maritime destination, recognised for its EPIC experiences in outdoor adventure, its rich tapestry of cultural heritage, myths and stories, as well as its authentic local life.

### **Your views**

Our performance improvement objectives are based on the issues that matter most to you. Over the past two years, almost all respondents to consultations on the performance improvement objectives agreed with the inclusion of this objective and many identified 'arts, culture and events' as a priority area for improvement. The consultations also highlighted the importance of investing in coastal areas, bridging the skills gap between education and employment and recognising the positive contribution a thriving arts scene can have on community life, all of which the Council will focus on during 2018-19.

### **Our performance during 2017-18**

- 168 new jobs promoted and 167 new business starts supported through business start up activity
- The Carlingford Lough Greenway between the Weir and Victoria Lock complete
- Destination Experience Development Plan for the Mourne and Ring of Gullion and the Mourne Coast launched
- The five Giant Adventure Festivals attracted over 139,000 visitors and generated an estimated direct spend of £4m

However, we know we can do more. This performance improvement objective has therefore been carried forward to 2018-19 and the 'supporting actions' and 'measures of success' have been reviewed and updated to reflect where progress has been made and the key improvement activities planned for the coming year.

### **Supporting actions**

Improve economic growth by:

- Promoting new jobs and supporting new business starts through the NI 'Go For It' programme
- Supporting the growth of the existing business and social enterprise base by delivering a programme of activity to increase turnover, secure new contracts and create new employment opportunities
- Supporting the establishment and growth of small and micro businesses and the creation of new jobs in rural areas, through the Rural Business Investment Scheme
- Providing proposals to invest in the fishing dependent communities of Kilkeel, Annalong and Ardglass through the European Maritime and Fisheries Fund (SEAFLAG 2)
- Addressing the skills gap between education and employment in traditional and key growth sectors through the Skills Forum
- Working in partnership with the Belfast Region City Deal Councils, HM Treasury and the Northern Ireland Office to develop an investment proposal for submission to the Department for Communities and Local Government in Q3 2018-19



### Become a premier tourism destination by:

- Submitting a revised application to the UK National Commission for UNESCO for Global Geopark status for the Mourne and Ring of Gullion by November 2019, and operating as a de facto Geopark by September 2018
- Completing the Carlingford Lough Greenway by June 2020, including the design of phase 2 from Victoria Lock to Omeath and Carlingford Marina to Carlingford in 2018-19
- Developing an Arts, Culture and Heritage Strategy to increase participation in cultural activities
- Identifying three pilot destination experiences across the Mourne and Ring of Gullion to create 'epic' moments
- Organising five Giant Adventure Festivals across the District:
  - Footsteps in the Forest (Slieve Gullion)
  - Skiffie Festival (Strangford Lough)
  - Wake the Giant Festival (Warrenpoint)
  - Festival of Flight (Newcastle)
  - City of Merchants Festival (Newry)

### Measures of Success

- 284 business plans approved, 193 new business starts and 155 new jobs promoted
- 8 new social enterprise starts, 12 new jobs created and 30 new volunteers recruited
- 40 community groups and organisations provided with business planning, start-up and business development support
- 55 new micro and small rural businesses created by March 2020
- 30 micro and small businesses in rural areas supported by March 2020
- 147 new jobs created in rural areas by March 2020
- 55 new jobs created in fishing dependent communities by 2020
- 22 new businesses created in fishing dependent communities by 2020
- 130 new qualifications and skills achieved through SEAFLAG 2 by 2020
- Overall growth rate of 6% per annum in overnight expenditure in Newry, Mourne and Down
- Number of visitors to Giant Adventure festivals
- Total estimated spend associated with the Giant Adventure festivals, including direct spend
- Level of visitor satisfaction with Giant Adventure festivals

### Outcomes for local communities and stakeholders

- The local economy benefits from an increase in business starts, the growth of local businesses and support for social enterprises
- The rural economy and coastal areas benefit from significant inward investment and the creation and growth of new businesses and jobs
- Local communities, businesses and social enterprises benefit from improved access to job investment, training and mentoring opportunities
- Newry, Mourne and Down becomes a more economically active and prosperous District

<ul style="list-style-type: none"> <li>• There is an improved level of tourism and an increase in the number of tourists to the District</li> <li>• The Carlingford Lough Greenway creates a world class, cross border green travel route which improves the local living environment</li> <li>• Newry, Mourne and Down is recognised as a premier domestic and international tourist destination</li> </ul>	
<b>Corporate Plan Priorities</b>	Attract investment and support the creation of new jobs Become one of the premier tourist destinations on the island of Ireland
<b>Community Plan Outcome</b>	All people in Newry, Mourne and Down benefit from prosperous communities
<b>Outcomes Delivery Plan 2018-19 (NICS)</b>	We prosper through a strong, competitive, regionally balanced economy We are an innovative and creative society, where people can fulfil their potential We have more people working in better jobs We have created a place where people want to live and work, to visit and invest
<b>Alignment with the 7 aspects of improvement</b>	Strategic effectiveness / Service quality / Service availability / Innovation

## Performance Improvement Objective 3

**Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in**

**Senior Responsible Officer: Director, Enterprise, Regeneration and Tourism**

### **Why this matters**

Newry, Mourne and Down is a predominantly rural District with a number of urban settlements around Newry, Downpatrick, Ballynahinch, Kilkeel, Warrenpoint, Crossmaglen and Newcastle. The heritage and landscape of our District is unique and diverse, and protecting the natural and built environment is a key priority for the Council and its citizens, as it creates a sense of place and plays an important role in improving the health and wellbeing of all.

The Council's ambition is for Newry, Mourne and Down to be a vibrant, attractive and better place to live. We are working closely with our partners in government, the EU and across the island of Ireland to renew our city, towns and villages, transforming them into places where people want to live, work and invest in. As a 'place shaper', the Council has ambitious plans for Ballynahinch, Downpatrick, Newry, Warrenpoint and Kilkeel, which are set to benefit from improved transport links, street lighting, pavements, signage and shop fronts.



We are also supporting a number of major developments across the District, including Killeavy Castle, Southern Relief Road in Newry, Ballynahinch Bypass and the Downpatrick hotel, all of which will help fulfil our potential as a premier District for businesses, residents and visitors. Advancing the production of the Local Development Plan will also support the economic and social needs of the district in line with regional strategies and policies, whilst providing for the delivery of sustainable development.

Road, transport and digital connectivity are instrumental in supporting access to services, tackling social isolation and ensuring the District can compete locally, nationally and internationally. The Council has identified a number of projects to improve road and transport connections, and will continue to address the challenge of improving digital connectivity, so that rural communities can participate fully in all aspects of civic, community and business life.

### **Your views**

Our performance improvement objectives are based on those things that matter most to you. Over the past two years, all respondents to the consultations on the performance improvement objectives agreed with the inclusion of this objective and many identified 'planning' and 'urban and rural regeneration' as priority areas for improvement. The consultation also reinforced the need to improve accessibility to Council facilities by offering better public transport options from rural areas, and the Council is working with Translink and Newry BID (Business Improvement District) to pilot a night time bus service in 2018.

### **Our performance during 2017-18**

- The physical re-development of Warrenpoint Municipal Park has commenced
- Completion of the Forkhill Greenspace Pathway Project
- 25 Village Plans updated and 20 new Village Plans created
- Multiple initiatives launched to improve digital connectivity across the District
- Improved processing time for local planning applications

However, we know we can do more. This performance improvement objective has therefore been carried forward to 2018-19 and the 'supporting actions' and 'measures of success' have been reviewed and updated to reflect where progress has been made, where projects have been subject to delay and the key improvement activities planned for the coming year.

### **Supporting actions**

- Restore the physical and cultural heritage of Warrenpoint Municipal Park by:
  - Completing the physical re-development of the park by Q2 2018-19
  - Obtaining the Green Flag award for environmental sustainability by Q3 2018-19
- Implement the Areas of Outstanding Natural Beauty (AONB) Action Plans for the Ring of Gullion and Strangford and Lecale
- Work with the Department for Communities to commence the delivery of the environmental improvement scheme in Downpatrick and the revitalisation



schemes in Newry and Warrenpoint

- Work with partners to progress the final phase of the Forkhill Masterplan, including an on-site mixed use development
- Develop a programme of future regeneration initiatives, incorporating Warrenpoint Baths, Lisburn Street carparks in Ballynahinch, Newry Civic Centre and the former police station and adjacent lands in Downpatrick
- Develop 3-5 applications to secure £3.1m Rural Development Village Renewal funding towards the delivery of physical and environmental improvement projects identified through the Village Plans
- Secure funding to progress the regeneration of the Derrymore demesne through a play area, trail development, interpretation and other infrastructural projects
- Work in partnership with the relevant Departments to improve digital connectivity across the District
- Improve accessibility to Council facilities by working in partnership with Translink and Newry BID to pilot a night time bus service from Newry City to Crossmaglen and Kilkeel
- Consult on the Preferred Options Paper to advance the production of the Local Development Plan
- Improve the processing times of major and local planning applications and planning enforcement cases

### Measures of success

- 34% increase in the number of visitors to Warrenpoint Municipal Park, reaching 27,900 per annum by Q2 2019-20
- 6% increase in visitor satisfaction with Warrenpoint Municipal Park, reaching 74% by Q2 2019-20
- 9% increase in the number of people who believe Warrenpoint Municipal Park enhances their quality of life, reaching 40.5% by Q2 2019-20
- Level of footfall, improved business/visitor perception and reduced/sustained vacant properties by 2020-21, following the completion of the Downpatrick, Newry and Warrenpoint environmental improvement and revitalisation schemes
- Percentage of planning enforcement cases that are processed within 39 weeks
- Average processing time of major planning applications
- Average processing time of local planning applications

### Outcomes for local communities and stakeholders

- Warrenpoint Municipal Park and the AONB's enhance the quality of life in the local and surrounding areas
- Enhanced built and natural environment in urban and rural areas, with improved appearance and sense of place
- Urban and rural regeneration projects improve local areas and the quality of life for local communities
- The Rural Development Programme has a positive impact on rural communities and the rural economy

<ul style="list-style-type: none"> <li>• Regeneration and renewal of selected villages across the District</li> <li>• Improved rural digital connectivity across the District</li> <li>• The Council provides a more efficient and effective Planning Service</li> </ul>	
<b>Corporate Plan Priorities</b>	<p>Lead the regeneration of our urban and rural areas</p> <p>Become one of the premier tourist destinations on the island of Ireland</p> <p>Attract investment and support the creation of new jobs</p> <p>Protect our natural and built environment</p> <p>Advocate on your behalf specifically in relation to those issues which really matter to you</p> <p>Transform and modernise the Council, providing accessible as well as value for money services</p>
<b>Community Plan Outcomes</b>	<p>All people in Newry, Mourne and Down benefit from prosperous communities</p> <p>All people in Newry, Mourne and Down get a good start in life and fulfil their lifelong potential</p>
<b>Outcomes Delivery Plan 2018-19 (NICS)</b>	<p>We are an innovative and creative society, where people can fulfil their potential</p> <p>We connect people and opportunities through our infrastructure</p> <p>We live and work sustainably – protecting the environment</p> <p>We have created a place where people want to live and work, to visit and invest</p>
<b>Alignment with the 7 aspects of improvement</b>	<p>Strategic effectiveness / Service quality / Service availability / Fairness / Sustainability / Innovation</p>

## Performance Improvement Objective 4

### Create a cleaner, greener, more attractive District

**Senior Responsible Officer: Director, Neighbourhood Services**

#### Why this matters

The environment is one of the three strategic pillars which underpin the process of community planning. Living in a clean, green, quality environment has a direct impact on the general wellbeing of those who live, work and visit an area. The Council has a key role to play in working with local communities to protect the environment and ensure that streets, parks and open spaces are kept clean and tidy, so that Newry, Mourne and Down is a District we can all be proud of. Through the 'Neighbourhood Services' initiative, the Council is exploring ways to make it easier for customers to report environmental issues around refuse collection, street cleansing, graffiti and fly posting.

Managing municipal waste is also a key responsibility of local government and



Newry, Mourne and Down District Council has made significant progress in reducing the amount of waste going to landfill and increasing the rate of recycling. In order to meet the recycling target of 50% by 2020, the Council has introduced a range of schemes which have been instrumental in reducing the amount of black bin waste whilst increasing the amount of blue and brown bin waste.

### **Your views**

Our performance improvement objectives are also based on those things that matter most to you. Over the past two years, almost all respondents to the consultations on the performance improvement objectives agreed with the inclusion of this objective and many identified 'waste collection and recycling' and 'street cleansing' as priority areas for improvement.

### **Our performance during 2017-18**

- Decrease in black bin waste and an increase in blue and brown bin waste
- Reduction in the amount of biodegradable municipal waste sent to landfill
- Increase in the amount of household waste that is recycled
- Over £39k awarded to 18 environmental improvement projects through 'Down Your Street – Live Here, Love Here'

However, we know we can do more. This performance improvement objective has therefore been carried forward to 2018-19 and the 'supporting actions' and 'measures of success' have been reviewed and updated to reflect where progress has been made, where projects have been subject to delay and the key improvement activities planned for the coming year.

### **Supporting actions**

- Develop the 'Neighbourhood Services' initiative, including the launch of a dedicated telephone number and online channels to report issues around street cleanliness, refuse collection and environmental crime
- Increase and support public participation in local Clean Up Campaigns and initiatives such as 'Down Your Street - Live Here Love Here'
- Monitor levels of street cleanliness across the District
- Undertake targeted awareness raising to communicate the detrimental impact of environmental crime and the importance of recycling
- Increase the recycling rate and reduce the amount of waste going to landfill
- Standardise how glass is collected across the District
- Open the Downpatrick Household Recycling Centre in Q4 2018-19
- Review Household Recycling Centres across the District, in relation to opening hours, entrance and usage, receipt of waste and license conditions

### **Measures of Success**

- 50% of household waste collected by the Council that is sent for recycling by 2020 (including waste prepared for reuse)
- Reduction in the amount of biodegradable Local Authority collected municipal waste that is landfilled to <22,314 tonnes
- Amount of Local Authority Collected Municipal Waste Arisings



<ul style="list-style-type: none"> <li>• Reduction in black bin waste and increase in blue and brown bin waste</li> <li>• Amount of general waste arisings at Household Recycling Centres</li> <li>• Percentage of bins collected on their scheduled day</li> <li>• Level of street cleanliness across the District</li> </ul>	
<b>Outcomes for local communities and stakeholders</b>	
<ul style="list-style-type: none"> <li>• The Council meets landfill and recycling targets</li> <li>• Efficient and effective recycling, composting, bin collection and cleansing services</li> <li>• Local communities benefit from living in a cleaner, greener environment</li> <li>• Improved civic and community pride in the District</li> </ul>	
<b>Corporate Plan Priorities</b>	Protect our natural and built environment Transform and modernise the Council, providing accessible as well as value for money services
<b>Community Plan Outcome</b>	All people in Newry, Mourne and Down benefit from a clean, quality and sustainable environment
<b>Outcomes Delivery Plan 2018-19 (NICS)</b>	We live and work sustainably – protecting the environment
<b>Alignment with the 7 aspects of improvement</b>	Strategic effectiveness / Service quality / Service availability / Sustainability / Efficiency / Innovation

## Performance Improvement Objective 5

### Encourage and empower local communities to participate in Council engagement structures and initiatives

**Senior Responsible Officer: Director, Active and Healthy Communities**

#### Why this matters

Social connections and interactions are fundamental drivers for improving the physical, mental and emotional well-being of local people. Newry, Mourne and Down District Council is committed to investing in communities, building their capacity and empowering them to participate in shaping and designing the policies and services which have an impact on their quality of life. Through the DEA Fora, Policing and Community Safety Partnership, Neighbourhood Renewal Partnerships and PEACE IV Partnership, the Council is empowering local people to have a voice in shaping their future and their District.

Community safety remains a key issue across the District, as the number of residents taking responsibility for their personal safety through our Neighbourhood Watch, 'Home Secure' and 'Good Morning Good Neighbour' Schemes continues to grow. Home to many different communities, the Council also recognises the significant and diverse role the voluntary and community sector plays in connecting

communities, facilitating a sense of belonging to the area and investing in the capacity of local people. 6,849 local volunteers are currently registered with Volunteer Now, 417 of whom were recruited during 2017. The Council remains committed to supporting local voluntary and community groups through its annual Financial Assistance Scheme.

### **Your views**

Our performance improvement objectives are also based on the issues that matter most to you. Over the past two years, almost all respondents to the consultations on the performance improvement objectives agreed with the inclusion of this objective and many identified 'community services' as a priority area for improvement. The consultation also reinforced the need for effective engagement with young people and targeted support for the most vulnerable groups within society, both of which will be addressed during 2018-19.

### **Our performance during 2017-18**

- Corporate Consultation and Engagement Strategy adopted
- Over 40% of places currently occupied on the DEA Fora, PCSP, Neighbourhood Renewal Partnerships and PEACE IV Partnership are taken by representatives from the community, voluntary and business sectors
- Over £1.3m awarded towards a range community based initiatives, including summer schemes, Christmas illuminations and capital projects
- Audit of Effectiveness for Community Centres complete

However, we know we can do more. This performance improvement objective has therefore been carried forward to 2018-19, and the 'supporting actions' and 'measures of success' have been reviewed and updated to reflect where progress has been made and the key improvement activities planned for the coming year.

### **Supporting actions**

- Strengthen the level of engagement and participation in the following structures:
  - Policing and Community Safety Partnership
  - Neighbourhood Renewal Partnerships
  - DEA Fora
  - Peace IV Partnership
  - Community and Voluntary Sector Strategic Stakeholder Forum
- Reduce the risk of being burgled and address the fear of crime by encouraging residents to access the following schemes:
  - Neighbourhood Watch Scheme
  - 'Good Morning, Good Neighbour' Scheme
  - 'Home Secure' Scheme
- Through the Financial Assistance Scheme, support local community and voluntary groups to deliver projects across key areas including festivals, sports development, community engagement, good relations, community safety and Irish Language
- Positively engage minority groups in Council initiatives, including young



<p>people, older people and black and minority ethnic communities</p> <ul style="list-style-type: none"> <li>Strengthen community engagement in local decision-making through 'participatory budgeting' pilot projects</li> </ul>	
<b>Measures of success</b>	
<ul style="list-style-type: none"> <li>Number of meetings, events and capacity building programmes, including attendance levels and participation evaluation</li> <li>The effectiveness of Council run community engagement structures in facilitating stakeholder participation</li> <li>Number of Neighbourhood Watch Schemes</li> <li>Number of beneficiaries of the 'Good Morning, Good Neighbour' and 'Home Secure' Schemes</li> <li>Number and percentage of financial assistance projects funded and successfully delivered</li> <li>Number of visits to the Ethnic Minority Support Centre</li> </ul>	
<b>Outcomes for local communities and stakeholders</b>	
<ul style="list-style-type: none"> <li>More informed decision-making, policy development and service provision</li> <li>Local communities and stakeholders are actively engaged in supporting the work of the Council and its partners</li> <li>Decrease in the number of people reporting to live in fear and a reduction in the incidents of burglary</li> <li>Community groups receive financial support towards meeting their objectives and delivering projects across a range of themes, including community safety, good relations, community engagement, Christmas illuminations and capital projects</li> <li>Newry Mourne and Down is a more inclusive, cohesive and vibrant District, with confident and empowered communities</li> </ul>	
<b>Corporate Plan Priority</b>	Empower and improve the capacity of our communities
<b>Community Plan Outcome</b>	All people in Newry, Mourne and Down live in respectful, safe and vibrant communities
<b>Outcomes Delivery Plan 2018-19 (NICS)</b>	<p>We have a more equal society</p> <p>We have a safe community where we respect the law and each other</p> <p>We are a shared, welcoming and confident society that respects diversity</p>
<b>Alignment with 7 aspects of improvement</b>	Strategic effectiveness / Service quality / Service availability / Fairness / Innovation



## Statutory Performance Indicators and Standards

Section 89 of the Local Government Act (NI) 2014 requires the Council to publish the results of the performance indicators and standards that are set by central government around economic development, planning and waste management.

The seven statutory performance indicators and standards, as outlined in the Local Government Performance Indicators and Standards Order (2015), are set out below:

Ref	Statutory Performance Indicator	Annual Standard
<b>Economic Development</b>		
ED1	The number of jobs promoted through business start-up activity	>155
<b>Planning</b>		
P1	The average processing time of major planning applications	<30 weeks
P2	The average processing time of local planning applications	<15 weeks
P3	The percentage of enforcement cases processed within 39 weeks	70%
<b>Waste Management</b>		
W1	The percentage of household waste collected by District Councils that is sent for recycling (including waste prepared for reuse)	50% by 2020
W2	The amount (tonnage) of biodegradable Local Authority Collected Municipal Waste that is landfilled	<22,314 tonnes
W3	The amount (tonnage) of Local Authority Collected Municipal Waste arisings	85,500 tonnes

The Council has put in place the following arrangements to monitor progress against the standards set for the statutory performance and indicators:

- Inclusion within the Performance Improvement Plan, with progress being monitored and reported on a bi-annual basis to the Strategy, Policy and Resources Committee and Audit Committee.
- Inclusion within Directorate Business Plans, with progress being monitored and reported on an annual basis to the relevant Council Committee.
- Data submissions to Government Departments, with reports being issued to monitor the performance of each Council, identifying regional trends and comparisons.

## Self Imposed Performance Indicators

The Council has identified the following self imposed performance indicators to measure progress in delivering the Corporate Plan 2015-19.

Corporate Priority	Measure of Success
Become one of the premier tourist destinations on the island of Ireland	Increased number of visitors
	Increased dwell time of visitors
	Increased visitor spend
Attract investment and support the creation of new jobs	Increased number of new businesses started
	Increased levels of employment
	Major planning applications processed within 30 weeks
Support improved health and wellbeing outcomes	Two leisure centres constructed and operational
	Increase in the number of people using Council leisure facilities
Protect our natural and built environment	Level of waste to landfill – zero waste to landfill across the District
	Completion of flood defences at Camlough Lake
	70% of planning enforcement cases processed within 39 weeks
Lead the regeneration of urban and rural areas	Increased number of new jobs and businesses created in rural areas
Advocate on your behalf, specifically in relation to those issues that really matter to you	Increased broadband and mobile coverage
	Improved roads infrastructure
Empower and improve the capacity of our communities	Community Plan completed and published by mid 2016
	7 Community Fora established across the entire District with associated action plans
Transform and modernise the Council, providing accessible as well as value for money services	Increased citizen satisfaction
	Increased employee satisfaction
	Reduced absenteeism
	IIP/CSE accreditation
	Annual Improvement Plan validated by the Local Government Auditor

The Council has put in place the following arrangements to monitor progress against the self imposed performance indicators:

- Inclusion within the Performance Improvement Plan, with progress being monitored and reported to the Strategy, Policy and Resources Committee and Audit Committee through the annual Assessment of Performance.

- Some performance indicators are included within Directorate Business Plans, with progress being monitored and reported on annual basis to the relevant Council Committee.

As the Council's performance management arrangements continue to strengthen and embed, the current suite of self imposed performance indicators will be reviewed as part of the development of the Corporate Plan 2019-23, and aligned to community planning outcomes. This will ensure the Council continues to address the needs and aspirations of local communities and deliver sustainable outcomes for all, now and in the future.



## Appendix 1

### Identifying the Performance Improvement Objectives

In 2017-18, Newry, Mourne and Down District Council set performance improvement objectives which covered a number of years and have therefore been carried forward to 2018-19. Each objective is underpinned by 'supporting actions' and 'measures of success', with annual milestones included where appropriate.

The performance improvement objectives have been developed in close liaison with elected members and staff across the organisation. Each objective is clearly aligned to the district's community planning outcomes and corporate priorities, as well as other regional and local plans. These plans are outlined below and have been developed using a robust and reliable evidence base, as well as consultation and engagement feedback from key stakeholders. They influence and guide the overall direction of travel for the organisation.

- Outcomes Delivery Plan 2018-19 (NI Civil Service)
- Newry, Mourne and Down Community Plan 2017-2030, Thematic Delivery Plans and District Electoral Area (DEA) Action Plans
- Newry, Mourne and Down District Council Corporate Plan 2015-2019
- Thematic plans and strategies, including the Tourism Strategy, Economic Regeneration and Investment Strategy and Play Strategy
- Annual Directorate Business Plans

The Council has also taken into consideration performance information from the following sources to support the development of the performance improvement objectives:

- The Northern Ireland Audit Office Audit and Assessment Reports and the subsequent 'proposals for improvement'
- The Assessment of Performance 2016-17, including progress against corporate priorities, performance improvement objectives and statutory performance indicators and standards for economic development, planning and waste management
- The Mid Year Progress Report for the Performance Improvement Plan 2017-18

### Community Planning Outcomes

The Community Plan for Newry, Mourne and Down provides a framework for collaborative working to deliver positive change for our communities. It sets out the following long term overarching vision and five positive outcomes for the District:

**'Newry, Mourne and Down is a place with strong, safe and vibrant communities where everyone has a good quality of life'**

**and access to opportunities, choices and high quality services which are sustainable, accessible and meet people's needs'.**

## Our Outcomes

These are the positive outcomes we all wish to see in our community:



## Corporate Priorities

The Corporate Plan 2015-19 sets out the Council's vision for the district. It ties together a number of plans and strategies that will enable the Council to deliver the following mission and eight priorities. The Corporate Plan will contribute to achieving the overarching vision and outcomes within the Community Plan.

**'Lead and serve a District that is prosperous, healthy and sustainable'**



## Alignment with the Strategic Aspects of Improvement

In accordance with the Local Government Act (NI) 2014, each performance improvement objective seeks to bring about improvement in at least one of the following aspects:

- Strategic effectiveness
- Service quality
- Service availability
- Fairness
- Sustainability
- Efficiency
- Innovation

The table below provides an overview of how Newry, Mourne and Down District Council's performance improvement objectives 2018-19 are aligned with the seven specified aspects of improvement:



Performance Improvement Objective	Seven Aspects of Improvement						
	Strategic Effectiveness	Service Quality	Service Availability	Fairness	Sustainability	Efficiency	Innovation
Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities	✓	✓	✓	✓	✓	✓	✓
Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination	✓	✓	✓				✓
Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in	✓	✓	✓	✓	✓		✓
Create a cleaner, greener, more attractive District	✓	✓	✓		✓	✓	✓
Encourage and empower local communities to participate in Council engagement structures and initiatives	✓	✓	✓	✓			✓

The Council has also assessed the performance improvement objectives against the following criteria, and considers them to be:

- Legitimate
- Clear
- Robust
- Deliverable
- Demonstrable

## Equality Screening

In accordance with the Section 75 requirements of the Northern Ireland Act (1998), whereby the Council must carry out its functions having due regard to the need to promote equality of opportunity and regard for the desirability to promote good relations, the performance improvement objectives have been subject to an equality screening. The outcome of the equality screening process determined that the performance improvement objectives 2018-19 are not subject to an equality impact assessment.

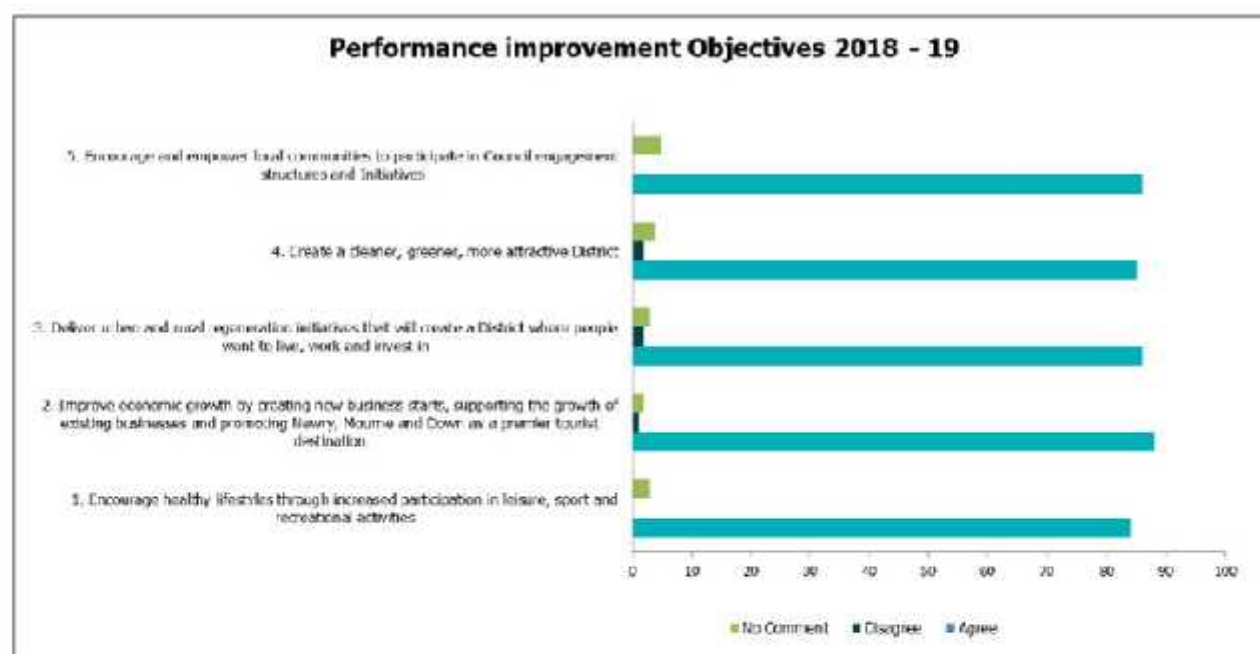
## Consultation and Engagement

The Council is committed to listening to local people and their views. Over the past two years, the Council carried out extensive consultation and engagement, inviting key stakeholders, including Elected Members, residents, local businesses and community planning partners to put forward their views on the proposed performance improvement objectives.

The 2018-19 consultation and engagement process was made up of the following elements which resulted in a total of 92 completed surveys, in addition to engagement with around 80 stakeholders

- Electronic documentation and survey on the Council's website and social media channels, and at public reception areas in Newry and Downpatrick
- Email distribution to statutory and community planning partners
- Public Notices in local newspapers
- Engagement with the District Electoral Area (DEA) Fora, which are made up of Elected Members and independent members representing the voluntary, business and community sectors
- Engagement with Section 75 groups, including Youth Councils, Older Person's Forum and Ethnic Minority Support Centre

Over the past two years, the consultation and engagement process revealed widespread support for the proposed performance improvement objectives, with almost all respondents agreeing with each of the five objectives.

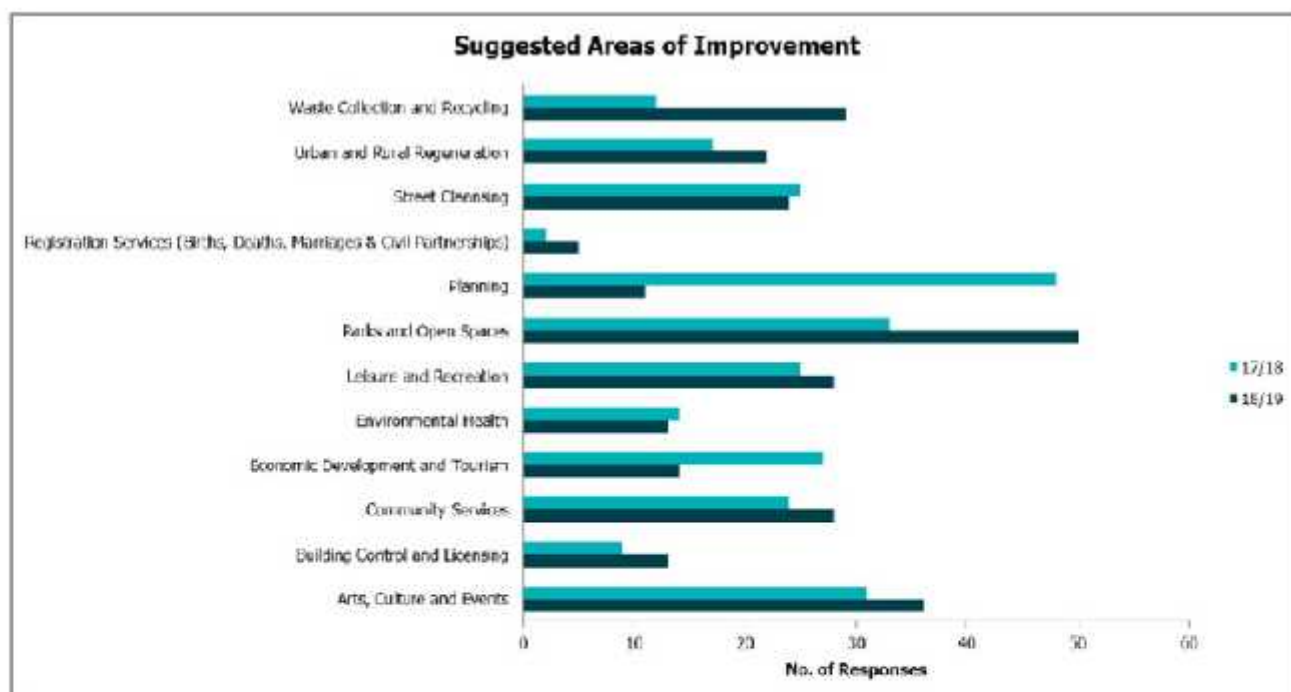


The Council has also considered the views put forward by stakeholders over the past two years by including the following 'supporting actions':

- Consider options to progress the development of a park at the Albert Basin, Newry
- Provide proposals to invest in the fishing dependent communities of Kilkeel, Annalong and Ardglass through the European Maritime and Fisheries Fund
- Address the skills gap between education and employment
- Develop an Arts, Culture and Heritage Strategy to increase participation in cultural activities
- Improve accessibility to Council facilities by working in partnership with Translink and Newry BID to pilot a night time bus service from Newry City to Crossmaglen and Kilkeel
- Secure funding to progress the regeneration of the Derrymore demesne through a play area, trail development, interpretation and other infrastructural projects
- Positively engage minority groups in Council initiatives, including young people, older people and people from black and minority ethnic communities

As part of the consultation and engagement, the Council also sought the views of stakeholders on the future areas of improvement. The survey results indicate that the areas which most need improving in 2018-19 are:

- Parks and Open Spaces
- Arts, Culture and Events
- Waste Collection and Recycling
- Community Services





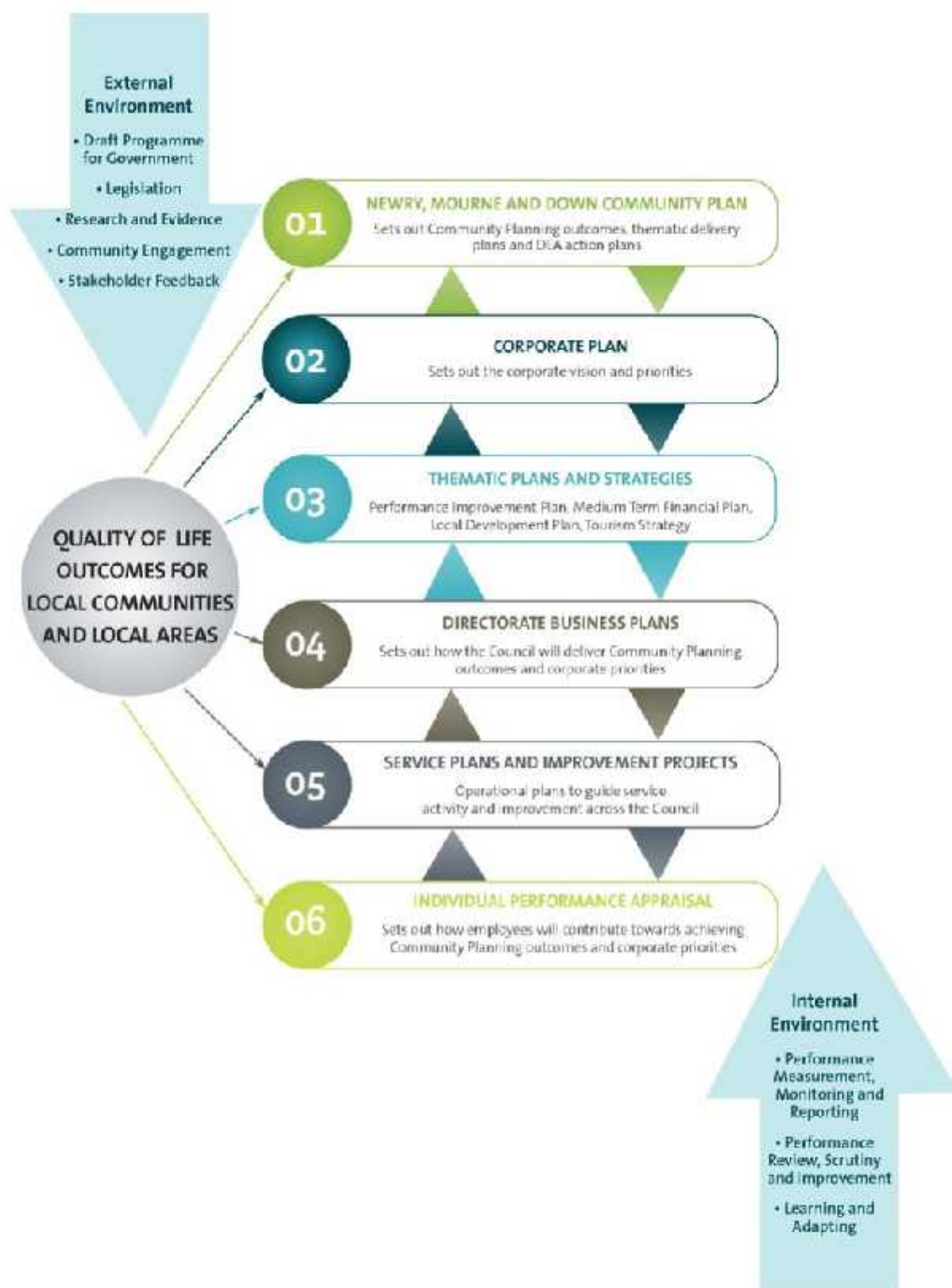
## Appendix 2

### Business Planning and Performance Management Framework

The Council's Business Planning and Performance Management Framework drives and provides assurance that community planning outcomes, corporate priorities and performance improvement objectives are being delivered.

The Community Plan and Corporate Plan sit within a hierarchy of plans that informs the Council's overall direction of travel and guides all activity within the organisation. Community planning outcomes and corporate priorities are cascaded across the organisation through thematic plans and strategies and Directorate Business Plans. The Council remains committed to developing and embedding Service Plans and Individual Performance Appraisals which will demonstrate how employees contribute to the achievement of community planning outcomes and corporate priorities.

Through the Business Planning and Performance Management Framework, the Council will manage performance at all levels across the organisation, in order to ensure the necessary steps are taken to secure continuous improvement in the exercise of functions. Each level of the Business Planning and Performance Management Framework is, and will be, accompanied by a relevant set of performance indicators to monitor and assess the Council's progress in improving the quality of life for local communities.



The table below provides a description of the various plans and strategies that form part of the Council's Business Planning and Performance Management Framework.

Community Plan	The Community Plan for Newry, Mourne and Down sets out the long term vision for improving the economic, social and environmental wellbeing of the District. Developed in collaboration with partners across the statutory, business and voluntary sectors, the Community Plan is supported by four Thematic Delivery Plans and seven DEA Action Plans, which seek to deliver the five community planning outcomes at a local level. Progress in implementing the Community Plan is reviewed on a biennial basis.
Corporate Plan	The Corporate Plan 2015-19 sets out the vision, values and corporate priorities for the Council. Each corporate priority is underpinned by 'supporting actions' and 'measures of success'. Progress in delivering the Corporate Plan is reported annually through the NMD Connect Newsletter and Assessment of Performance.
Thematic Plans and Strategies	The Council has put in place a number of Thematic Plans and Strategies to support the implementation of the Community Plan and Corporate Plan, including the Performance Improvement Plan, Medium Term Financial Plan, Tourism Strategy and Play Strategy. These plans provide the strategic context for multiple programmes of work across the organisation.
Directorate Business Plans	Business Plans are developed annually and seek to demonstrate how Directorates contribute to the achievement of community planning outcomes, corporate priorities and performance improvement objectives. Directorate Business Plans include suites of key performance indicators to measure progress and drive continuous improvement, with performance being monitored and reviewed annually by the relevant Committee.
Service Plans and Improvement Projects	Service Plans and Improvement Projects are operational and will set the direction for service areas across the Council. They will outline how each service supports the delivery of community planning outcomes, corporate priorities and performance improvement objectives, and will include key performance indicators. Service Plans will provide a mechanism to manage performance consistently across the organisation and identify operational improvement projects on a continuous basis.
Individual Performance Appraisal	The Council recognises the significant role employees play in contributing to the achievement of the Community Plan, Corporate Plan, Thematic Plans and Strategies and Directorate Business Plans. The Council remains committed to progressing Individual Performance Appraisal further, in order to demonstrate the crucial



	link between the work of employees and the outcomes experienced by local communities and other key stakeholders.
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## Appendix 3

### Achieving Continuous Improvement

Transforming and improving how the Council delivers services and how it is organised is a key priority within the Corporate Plan. Newry, Mourne and Down District Council is committed to developing a 'can do' culture, where managing performance and achieving improvement is everyone's responsibility. In pursuing the corporate vision and priorities, the Council has adopted five core values which are fundamental to everything it does.

We will be:	What this means:
Citizen focused	The Council will actively encourage citizen and community engagement, as well as be a listening and responsive Council
Accountable	The Council will make decisions based on an objective assessment of need and operate in a transparent way as well as openly reporting on our performance
Collaborative	The Council will actively encourage and pursue working in partnership at all levels to deliver for our District
Sustainable	The Council will take into account the social, economic and environmental impacts of our decisions on current and future generations
Fair	The Council will proactively target actions at those which are marginalised in our community

The Performance Improvement Plan 2018-19 underpins the Council's overall approach to effective performance management. It will support the Council in identifying more efficient and effective ways of working to facilitate the achievement of community planning outcomes, corporate priorities and Directorate objectives, which together will support the implementation of the Business Planning and Performance Management Framework.

The Council is also required to assess how performance compares with other Councils. Newry, Mourne and Down District Council is working with the Association of Public Service Excellence to benchmark our performance against the performance of Councils across Northern Ireland and other jurisdictions, and this information will be used to identify and address future areas for improvement

## Appendix 4

### Governance Arrangements

Reviewing performance and reporting progress to elected members and other key stakeholders is very important, as it facilitates transparency, accountability and improvement in everything the Council does. The governance arrangements to develop, monitor, report and review the Council's progress in implementing the Performance Improvement Plan 2018-19 are outlined below:



The Council must publish an Assessment of Performance by 30 September 2018. This assessment will provide an overview of how the Council has performed during 2017-18, against its performance improvement objectives, statutory performance indicators and standards for economic development, planning and waste management and self imposed performance indicators. The Assessment of Performance will be published on the Council's website and supplemented by the Mid Year Progress Report for the Performance Improvement Plan 2018-19.

The arrangements the Council has put in place to secure continuous improvement are subject to an annual audit and assessment by the Northern Ireland Audit Office. The outcome of the Performance Audit and Assessment is expected in November 2018. Subject to the General Duty of Improvement being met, the Northern Ireland Audit Office will issue a Letter of Assurance to both the Council and Department for Communities.

## How to Propose New Performance Improvement Objectives

Newry, Mourne and Down District Council welcomes your ongoing feedback on the performance improvement objectives 2018-19, as well as any suggestions you may have on how it can improve services in the future.

The Council can be contacted in the following ways:

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# Our Performance

## Looking Back, Going Forward

The Local Government (NI) Act 2014 sets out a general duty of improvement for local government, whereby all District Councils must put in place arrangements to secure continuous improvement in the exercise of their functions.






## Looking Back

### Assessment of Performance 2017-18


Every year, we are required to publish an Assessment of Performance to demonstrate whether planned improvements have been achieved. The Assessment of Performance sets out the Council's progress in delivering the:

- Performance Improvement Objectives 2017-18
- Statutory performance indicators and standards for economic development, planning and waste management
- Self imposed performance indicators, as outlined in the Corporate Plan 2015-19

Our performance has been tracked against set targets and trends over time, using the legend below. Some of the performance information within this document remains provisional and will be updated and published through the Assessment of Performance in September 2018.

Status		Trend	
	Target or objective achieved / on track to be achieved		Performance has improved since the previous year
	Target or objective partially achieved / likely to be achieved / subject to delay		Performance is similar to the previous year
	Target or objective not achieved / unlikely to be achieved		Performance has declined since the previous year

### Progress at a Glance

Performance Improvement Objective	Progress	Status
<b>Encourage healthy lifestyles through increased participation in leisure, sport and recreational</b> 	Newry Leisure Centre complete	
	Downpatrick Leisure Centre delayed	
	Increased attendances at Council leisure facilities*	
	Customer satisfaction surveys carried out at six Council leisure facilities	
	Implementation of the Play Strategy and Sports	

<b>activities</b>	Facility Strategy underway	
	1,175 children and young people took part in Community Play initiatives	
<b>Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination</b>  <b>£</b>	168 new jobs promoted and 167 new business starts supported through business start up activity	
	The Carlingford Lough Greenway between the Weir and Victoria Lock complete	
	Our five Giant Adventure Festivals attracted 139,000 visitors and generated an estimated £4m for the local economy	
	41% increase in visitor numbers**	
	27% increase in visitor spend**	
<b>Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in</b>  	The restoration of Warrenpoint Town Park commenced	
	Delay in commencing three environmental improvement and revitalisation schemes	
	Forkhill Greenspace Project complete	
	45 Village Plans updated and created	
	Improved processing time for local planning applications	
	Increased processing time for major planning applications	
<b>Create a cleaner, greener, more attractive District</b>	Increase of 5% in the rate of recycling***	
	50% reduction in the amount of waste going to landfill***	
	14% reduction in black bin waste, 4% increase in blue bin waste and 58% increase in brown bin	



	waste****	
	Downpatrick Household Recycling Centre delayed	😞
	£39,988 awarded through 'Down Your Street – Live Here, Love Here'	😊
<b>Encourage and empower local communities to participate in Council engagement structures and initiatives</b> 	Corporate Consultation and Engagement Framework adopted	😊
	Significant representation from the community, voluntary and business sectors on Council engagement structures	😊
	Over £1.3m awarded to 380 projects through the Financial Assistance Scheme	😊
	Review of community centres complete	😊

\*Comparisons for leisure centre attendances relate to 2015-16 and 2016-17

\*\*Comparisons for tourism figures relate to 2015 and 2016

\*\*\*Comparisons for recycling and landfill figures relate to Q1, Q2 and Q3 2016-17 and 2017-18

\*\*\*\*Comparisons for black, blue and brown bin waste relate 2016-17 and 2017-18 (data not yet validated)

## Going Forward

### Performance Improvement Objectives 2018-19

Every year, we are required to set performance improvement objectives for the services we provide, and to have in place arrangements to achieve these objectives. The Council has identified five performance improvement objectives for 2018-19 which are supported by a range of actions, some of which are summarised below. These objectives seek to address the issues which matter most to local people, and are:

Linked to the Community Plan, Corporate Plan and Directorate Business Plans	✓
Based on existing performance information	✓
Aligned to the seven strategic aspects of improvement	✓
Based on stakeholder consultation and engagement	✓

## Objective 1

**Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities**

### What we will do:

- Complete the refurbishment of Downpatrick Leisure Centre
- Upgrade and improve existing sports facilities through the implementation of the Sports Facility Strategy
- Provide and improve fixed and non fixed play opportunities through the implementation of the Play Strategy
- Engage children and young people in Community Play and other health and wellbeing initiatives
- Consider options to progress the development of a park at the Albert Basin, Newry
- Produce an Activity, Promotion and Development Plan to map out the provision of physical activity across the District

## Objective 2

**Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination**

### What we will do

- Promote 155 new jobs and support 193 new business starts across the District
- Support the establishment and growth of local businesses and social enterprises
- Provide proposals to invest in the fishing dependent communities of Kilkeel, Annalong and Ardglass
- Progress the Belfast Region City Deal by working in partnership with participating Councils, HM Treasury and the Northern Ireland Office to submit an investment proposal to the Department for Communities and Local Government
- Submit an application for Global Geopark status for the Mourne and Ring of Gullion by November 2019
- Develop an Arts, Culture and Heritage Strategy to increase participation in cultural activities
- Organise the five Giant Adventure Festivals across the District

## Objective 3

**Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in**

### What we will do

- Restore the physical and cultural heritage of Warrenpoint Town Park
- Work with the Department for Communities to commence the delivery of the environmental improvement and revitalisation schemes in Downpatrick, Newry and Warrenpoint



- Secure funding towards the physical and environmental improvements identified within Village Plans
- Work in partnership with the relevant Departments to improve digital connectivity across the District
- Secure funding to progress the regeneration of the Derrymore Demesne
- Consult on the Preferred Options Paper to advance the production of the Local Development Plan
- Improve the processing times for planning applications and enforcement cases

#### **Objective 4**

##### **Create a cleaner, greener, more attractive District**

#### **What we will do**

- Develop the 'Neighbourhood Services' initiative, including the launch of a dedicated telephone number and online channels to report issues around street cleanliness, refuse collection and environmental crime
- Increase and support public participation in local clean up campaigns
- Raise awareness of the detrimental impact of environmental crime and the importance of recycling
- Increase the rate of recycling to 50% by 2020 and continue to reduce the amount of waste going to landfill
- Standardise how glass is collected across the District
- Open the Downpatrick Household Waste Recycling Centre

#### **Objective 5**

##### **Encourage and empower local communities to participate in Council engagement structures and initiatives**

#### **What we will do**

- Strengthen the level of engagement and participation in the Council's partnerships, including District Electoral Area Fora and Neighbourhood Renewal Partnerships
- Promote the 'Neighbourhood Watch', 'Good Morning, Good Neighbour' and 'Home Secure' Schemes
- Through the Financial Assistance Scheme, support community groups to deliver projects across key areas including festivals, sports development and good relations
- Engage minority groups in Council initiatives, including young people, older people and black and minority ethnic communities

#### **Have your say**

We welcome your feedback and suggestions on how Council services can be improved in the future. Full copies of the following documents are available to download from our website [www.newrymouredown.org](http://www.newrymouredown.org) as follows:



- **Performance Improvement Plan 2018-19 - 29 June 2018**
- **Assessment of Improvement 2017-18 – 28 September 2018**

For more information, contact:

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This document is available in alternative formats upon request.

# Newry, Mourne and Down District Council

## Consultation and Engagement Report on the Performance Improvement Objectives 2018-19



## Introduction

The Local Government Act (NI) 2014 sets out a General Duty of Improvement, whereby all District Councils must put in place arrangements to secure continuous improvement in the exercise of their functions and set performance improvement objectives for each financial year.

Newry, Mourne and Down District Council's draft performance improvement objectives 2018-19 have been carried forward from 2017-18 and were considered by the Strategy, Policy and Resources Committee on 15 March 2018. This was followed by extensive consultation and engagement activity which encouraged key stakeholders, including residents, businesses, statutory and community planning partners and Elected Members, to have their say on the proposed draft performance improvement objectives.

This report provides an overview of the consultation and engagement methodology and an analysis of the responses which were received.

## Consultation and Engagement Activity

Between 23 March – 18 May 2017, Newry, Mourne and Down District Council carried out an eight week consultation and engagement process with key stakeholders on the draft performance improvement objectives 2018-19, through the following mechanisms:

- Electronic documentation and survey on the Council's website and social media channels
- Hard copies of the documentation and survey at the Council's public receptions in Monaghan Row (Newry), Downshire Civic Centre (Downpatrick) and the Ethnic Minority Support Centre (Town Hall, Newry)
- Email distribution to Community Planning Partners and Equality Scheme consultees
- Public Notices in local newspapers
- Engagement with the DEA Fora through public engagement events and private meetings
- Engagement with Section 75 groups including the Older Persons Forum and Youth Councils\*

\*Following ongoing liaison with the Newry and Mourne Youth Council and Down Youth Council, a meeting is scheduled to take place on 27 June 2018 between Youth Councillors, Chairperson of Council, Chief Executive and Council Officials. The purpose of this meeting is to provide Youth Councillors with an opportunity to consider the Performance Improvement Plan 2018-19 in a similar format to Council meetings. Feedback from this meeting will be used to inform the Council's future performance improvement objectives.



## Analysis Methodology

A total of 92 completed surveys were received in response to the consultation and engagement on the Council's draft performance improvement objectives 2018-19. Respondents were asked whether they agreed or disagreed with the draft performance improvement objectives, if they had any comments to make regarding each objective and to put forward their suggested priorities for future improvement. In addition to the survey, engagement was also carried out with Elected Members, statutory partners, community, voluntary and business sectors and Section 75 groups through meetings of the DEA Fora and Older Persons Forum.

In carrying out the quantitative and qualitative consultation and engagement, a structured process was used to capture responses around each of the five draft performance improvement objectives 2018-19. All consultation and engagement responses have been considered and amendments have been recommended in relation to the 'supporting actions' for some performance improvement objectives.

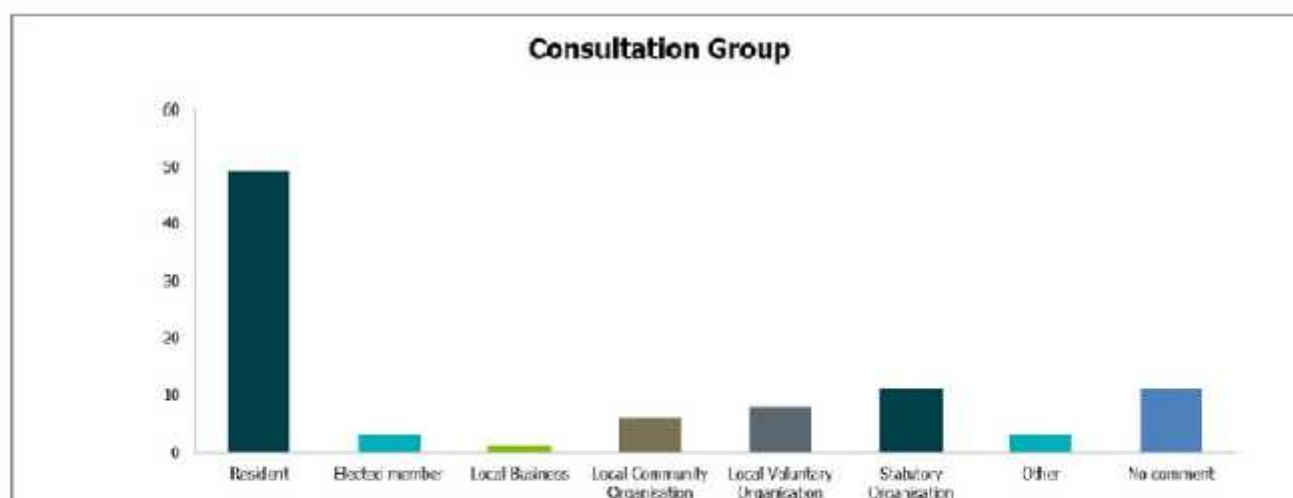
Feedback from the consultation and engagement process has been circulated to the Council's Strategy, Policy and Resources Committee, Senior Management Team, Corporate Management Team and Community Planning partners for their consideration as part of the business planning process.

The Performance Improvement Plan 2018-19 and summary document entitled 'Our Performance, Looking Back, Going Forward' will also be circulated to consultees and published on the Council's website.

## Consultation and Engagement Findings

### Profile of Respondents

Responses to the draft performance improvement objectives 2018-19 were received from a range of key stakeholders, with the highest number of responses from residents, local community and voluntary organisations and statutory partners, as outlined in the following chart.



Eight survey responses were submitted on behalf of the following organisations:

- Southern Regional College (SRC)
- Mourne Heritage Trust
- Volunteer Now
- Kildief Residents Association
- Shopmobility Newry
- Children and Young People's Strategic Partnership (CYPSP)
- Early Years
- Down Senior Citizens Consortium
- Down Youth Council

The Council also attended the following events to consult key stakeholders:

- Silver Surfers Event, 28 March, Newry
- Mourne Mountain Adventure, 21 April, Kilkeel

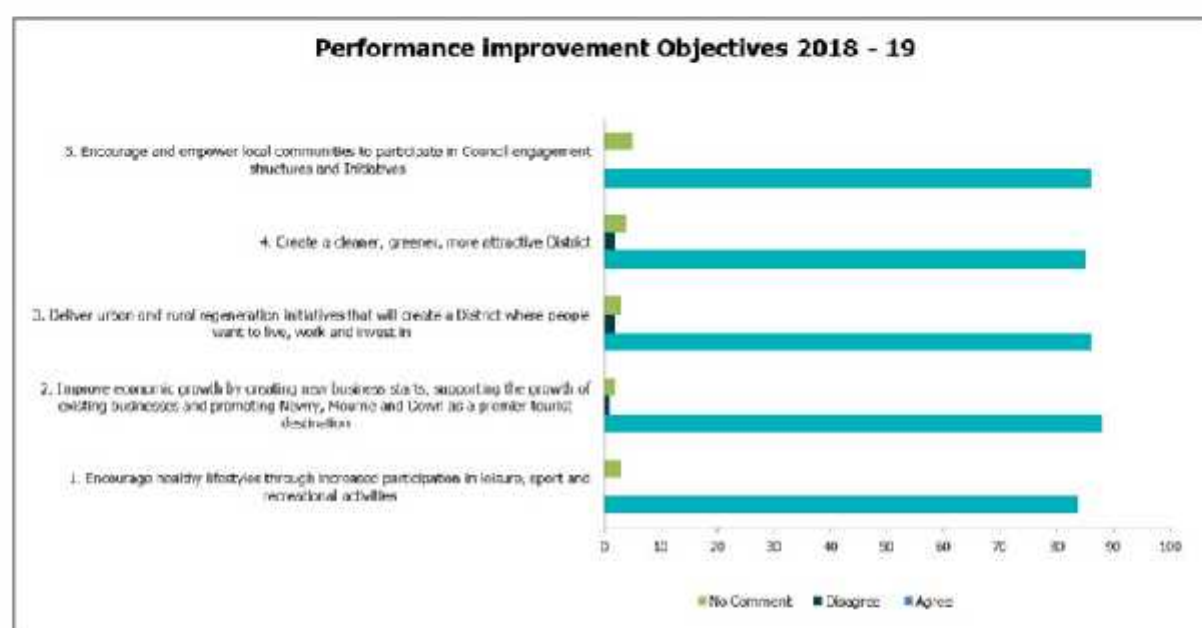
In addition, the Council engaged approximately 80 stakeholders, including Elected Members, representatives from the business, voluntary, community and statutory sectors, statutory and community planning partners, as well as Section 75 groups through the meetings outlined below.

Meeting	Date and Venue
Strategy, Policy and Resources Committee	15 March 2018, Downshire Civic Centre
Audit Committee	26 April 2018, Downshire Civic Centre
Rowallane DEA Private Meeting	23 March 2018, Market House, Ballynahinch
Slieve Gullion DEA Private Meeting	10 April 2018, Cullyhanna Community Centre
Downpatrick DEA Private Meeting	11 April 2018, Downshire Civic Centre
Newry and Mourne Older Persons Forum	24 April 2018, Newry Leisure Centre
Crotlieve DEA Private Meeting	24 April 2018, Warrenpoint Town Hall
Slieve Croob DEA Private Meeting	8 May 2018, The Lodge, Castletwellan

*Newry and Mourne Youth Council / Down Youth Council	27 June, Council Offices, Newry
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## Analysis of Findings

Overall, there was a very positive response to the five proposed performance improvement objectives 2018-19, with almost all respondents agreeing with each objective. This was similar to the outcome of the 2017-18 consultation and it is therefore recommended that the proposed performance improvement objectives 2018-19 are not subject to amendment.



## You Said, We Did

### 2017-18 - Feedback

As part of the process for developing the 'supporting actions' and 'measures of success' which underpin the performance improvement objectives 2018-19, the Council considered feedback from the 2017-18 consultation and engagement process which highlighted key issues around:

- The City Park in Newry
- More investment in coastal areas
- A better arts and culture scene
- Accessibility from rural to urban areas
- Preserving the history and heritage of Bessbrook
- Opportunities to engage young people

These issues will be addressed through the 'supporting actions' within the Performance Improvement Plan 2018-19, as outlined below:



- Consider options to progress the development of a Park at the Albert Basin in Newry
- Provide proposals to invest in the fishing dependent communities of Kilkeel, Annalong and Ardglass through the European Maritime and Fisheries Fund
- Address the skills gap between education and employment
- Develop an Arts, Culture and Heritage Strategy to increase participation in cultural activities
- Improve accessibility to Council facilities by working in partnership with Translink and Newry BID to pilot a night time bus service from Newry City to Crossmaglen and Kilkeel
- Secure funding to progress the regeneration of the Derrymore demesne through a play area, trail development, interpretation and other infrastructural projects
- Positively engage minority groups in Council initiatives, including young people, older people and people from black and minority ethnic communities

## 2018-19 - Feedback

An analysis of the results of 2018-19 consultation and engagement process indicate that many of the issues raised will be addressed through the proposed performance improvement objectives, 'supporting actions' and 'measures of success', or as part of the Council's business planning process.

However, based on the consultation and engagement feedback and the ongoing work in developing and refining the performance improvement objectives, the following amendments have been recommended to the 'supporting actions' and 'measures of success':

### Performance Improvement Objective 1

- Engage children and young people in Community Play *and other health and wellbeing initiatives* across the District
- *Through the Play and Leisure Partnership*, produce a multi-stakeholder Activity, Promotion and Development Plan, which maps out the provision of physical activity across the District, suitable for all ages and abilities
- Inclusion of targets for attendances at indoor leisure facilities

### Performance Improvement Objective 2

- *Total estimated spend associated with the Giant Adventure festivals, including direct spend*

### Performance Improvement Objective 3

- *Work with the Department for Communities to commence the delivery of the environmental improvement scheme in Downpatrick and the revitalisation schemes in Newry and Warrenpoint*

### Performance Improvement Objective 4

- Inclusion of statutory recycling and landfill targets

## Suggested Areas for Improvement

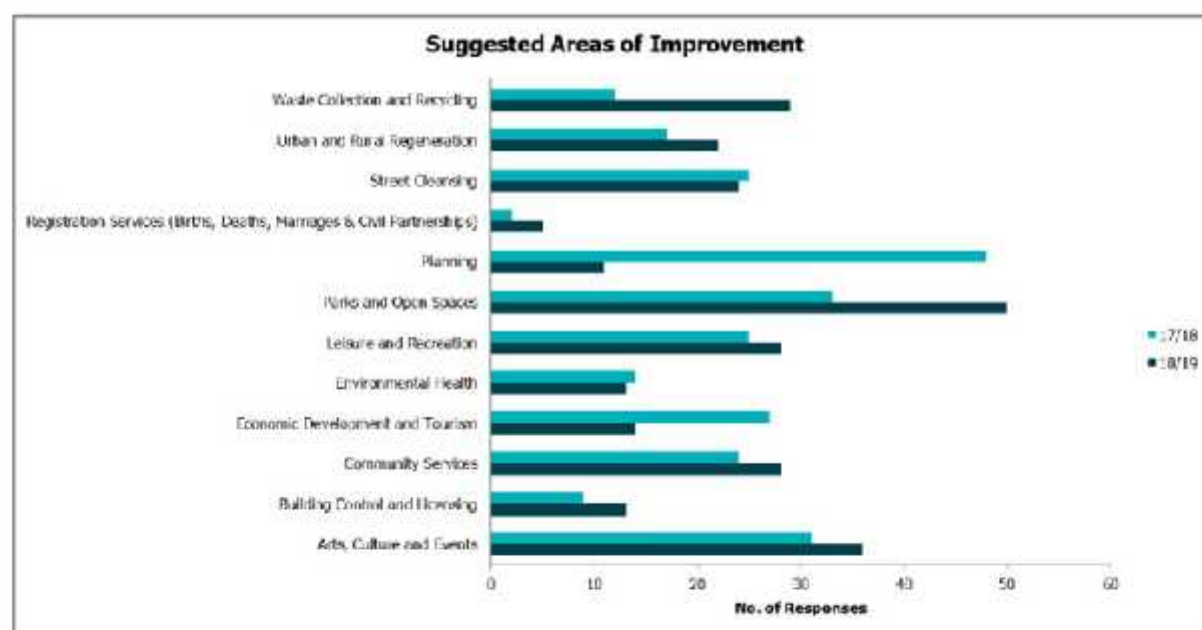
As part of the survey, respondents were also asked to put forward their suggested areas for improvement for 2018-19. An overview of the results is outlined below:

The suggested areas which most need improving are as follows:

- Parks and Open Spaces
- Arts, Culture and Events
- Waste Collection and Recycling
- Community Services

The suggested areas which least need improving are as follows:

- Registration
- Planning
- Environmental Health
- Building Control and Licensing



## Next Steps

Whilst no amendments to the five draft performance improvement objectives 2018-19 are being suggested, this report includes recommendations to amend and expand some of the 'supporting actions' and 'measures of success' which underpin each objective. These recommendations are based on the feedback obtained through the consultation and engagement process, as well as the ongoing developmental work around each performance improvement objective 2018-19.



## Overview of Consultation and Engagement Feedback

<b>Performance Improvement Objective 1</b> Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities	
Rowallanne DEA Private Meeting	<ul style="list-style-type: none"> <li>There should be improved promotion and use of the conference and meeting facilities in Newry Leisure Centre.</li> <li>Public transport from rural areas to urban centres should be improved, such as Killyleagh to Downpatrick Leisure Centre/town centre.</li> </ul>
Slieve Croob DEA Private Meeting	<ul style="list-style-type: none"> <li>An issue was raised in relation to Sport NI funding through the Financial Assistance Scheme. 26 community groups passed the application process but have not been awarded funding, as this theme was over subscribed. This demonstrates that there is a clear demand for funding towards community sports projects which will have a positive impact on the health and wellbeing of local communities. The allocation of Council funding towards the respective financial assistance schemes therefore requires further consideration, in order to reflect community planning outcomes and public demand.</li> </ul>
Slieve Gullion DEA Private Meeting	<ul style="list-style-type: none"> <li>There is a need to manage expectations around the park in Newry City, particularly in relation to the overall cost and available external funding. The City Park should not be progressed at the expense of development projects in rural areas.</li> </ul>
Older Persons Forum	<ul style="list-style-type: none"> <li>The water in Newry Leisure Centre is too cold for older people, children and babies.</li> </ul>
Summary of Survey Responses	<ul style="list-style-type: none"> <li>The Albert Basin Park should be developed in Newry.</li> <li>There should be walking activities and trails across the District, including coastal areas.</li> <li>Newry Leisure Centre is a great asset and Kilkeel Leisure Centre should offer more programmes.</li> <li>The Council should give more commitment to Newry Rugby Club.</li> <li>Warrenpoint does not have a leisure centre, community centre or swimming baths.</li> <li>There should be more emphasis on non physical activities which have a positive impact on mental health, and could incorporate the Council's initiatives around arts, culture and community development. Suggested amendment: 'Encourage healthy lifestyles through increased participation in activities that enhance physical and mental wellbeing'.</li> <li>Volunteering has a positive impact on health and wellbeing and</li> </ul>



	<p>those who volunteer are more likely to be involved in health and leisure related activities. Volunteering reduces social isolation and those who volunteer are more likely to have a social support network.</p> <ul style="list-style-type: none"> <li>• Volunteer Now has developed a programme to encourage socially isolated older people to become more involved in West Belfast, and a similar model could be developed in Newry, Mourne and Down. Volunteer Now also supports mobile volunteering opportunities, particularly amongst older people and those with a disability, and the Walking Bus Scheme which was piloted in Newry last year was very successful. The Council should consider including 'volunteering' within this objective.</li> </ul>
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## Performance Improvement Objective 2

Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination

Rowallanne DEA Private Meeting	<ul style="list-style-type: none"> <li>• Smaller towns tend to be neglected in terms of tourism and investment.</li> <li>• More information should be promoted and publicised regarding the Social Economy Programme and the level of support which is available to social enterprises.</li> </ul>
Slieve Gullion DEA Private Meeting	<ul style="list-style-type: none"> <li>• Slieve Gullion has a lot to offer in terms of tourism and it is positive that additional tourism events have been identified across the DEA. More funding and investment to build on the success and cultural heritage of the area would be welcomed.</li> <li>• Feedback indicates that residents would be willing to pay an entry fee to popular events, such as the Halloween Festival in Slieve Gullion Forest Park, which was a huge success in 2017.</li> <li>• The toilet block in Slieve Gullion Forest Park is a welcome and necessary facility, given the popularity of this local attraction.</li> <li>• It is positive that the Council is proactively trying to access funding for the Derrymore Demesne project in Bessbrook.</li> <li>• Camlough Lake has huge potential as a water sports hub in Slieve Gullion. More should be done to promote Camlough Lake as an outdoor attraction, particularly in relation to the triathlon and potential inclusion of a range of family events. This would help attract visitors and create a 'buzz' around the area. Glamping pods should also be considered to support tourism initiatives around Camlough Lake.</li> </ul>

<p>Slieve Croob DEA Private Meeting</p>	<ul style="list-style-type: none"> <li>• It is positive that the SEAFLAG programme will deliver investment in coastal areas and communities over the next few years.</li> <li>• There is a need to ensure that villages and hamlets have access to development land, which should be considered through the Local Development Plan.</li> <li>• Major festivals should be used to raise awareness and signpost visitors to other attractions across the District, such as Castlewellan Maze and Arboretum. This would help establish and strengthen links between the various visitor attractions in each area and contribute towards the development of tailored experiences for specific geographic locations and target audiences, such as the family market and young professionals.</li> <li>• There is a need to improve the tourism signage to the various visitor attractions, including Dundrum Castle, which would also help raise awareness, as well as visibility, of the many attractions the District has to offer.</li> </ul>
<p>Summary of Survey Responses</p>	<ul style="list-style-type: none"> <li>• The Council should consider ways to support educational establishments and businesses to boost skills supply and demand to create quality local jobs and build adaptable local economic strategies and systems.</li> <li>• Vocational education and training is the learning pathway to equip people with the knowledge and competencies required in the labour market, for the jobs identified in the NI Skills Barometer and to enable us to meet the outcomes within the draft Programme for Government.</li> <li>• Facilities around the Lecale Coast should be improved to attract more tourists. The area would benefit from better public conveniences, picnic areas and water activities.</li> <li>• There should be more multi-use outdoor spaces and events across the District. Local events should also receive more support as they encourage civic pride and improve good relations locally.</li> <li>• Volunteering makes a positive contribution to skills development and links with employability. There is increased understanding of how the skills acquired through volunteering, such as communication, confidence and teamwork, can enhance workplace skills.</li> <li>• Volunteer Now has witnessed an increase in the number of employers wishing to access quality volunteering opportunities for staff, recognising the dual benefits that volunteering can have on the economic sustainability of businesses and the sustainability of those supported.</li> <li>• Volunteer Now would welcome links within the Skills Forum to volunteering and how it can support educational pathways and employability.</li> <li>• Volunteers have a role to play in developing the tourism</li> </ul>



	<p>economy and supporting major festivals, as it helps to enhance a sense of community.</p> <ul style="list-style-type: none"> <li>• High business rates force entrepreneurs to operate outside Newry City Centre.</li> <li>• The derelict sites in Downpatrick should be used to support tourism and generate income.</li> <li>• The Council should provide more support for small businesses, especially in Newry City.</li> <li>• There should be more apprenticeships for young people.</li> <li>• There have been difficulties in getting planning permission for the Viking Village in Ballyduggan which will enhance local tourism and the local economy.</li> </ul>
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### Performance Improvement Objective 3

Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in

Rowallanne DEA Private Meeting	<ul style="list-style-type: none"> <li>• The bus service for rural areas around Downpatrick, particularly Killyleagh needs to be improved. Concerns were raised regarding the budget cuts recently announced by Translink.</li> </ul>
Slieve Gullion DEA Private Meeting	<ul style="list-style-type: none"> <li>• The night time bus pilot between Newry and Crossmaglen is positive and welcomed.</li> <li>• There is an issue regarding the final phase of the Forkhill Masterplan, particularly in relation to a potential housing development within the greenspace. The proposed development would appear to suggest that people will use the greenway to walk around houses.</li> </ul>
Crotlieve DEA Private Meeting	<ul style="list-style-type: none"> <li>• Further emphasis could be placed on the coastal shore in Warrenpoint, perhaps as a programme of work progressed through the Crotlieve DEA Action Plan, and aligned to the South East Masterplan.</li> </ul>
Slieve Croob DEA Private Meeting	<ul style="list-style-type: none"> <li>• It is important for residents to be able to access Council and other public services and facilities through public or community transport, including the new Downpatrick Leisure Centre. The Down Senior Forum is meeting Translink to discuss a potential pilot transport service between Ballykinler and Clough to improve overall accessibility for local residents.</li> </ul>
Older Persons Forum	<ul style="list-style-type: none"> <li>• The paths in Newry and Warrenpoint are slippery in wet weather which is hazardous for all residents, particularly older people. Some slabs are also cracked and broken, and should therefore be replaced or resurfaced.</li> <li>• Vehicles are parked on footpaths which is dangerous and has</li> </ul>



	<p>an impact on accessibility. This is particularly prevalent in Newry City, with security vans for the Northern Bank parking on the footpath around Oxfam on Hill Street. This issue has also been raised with the PSNI.</p> <ul style="list-style-type: none"> <li>• There was a lack of consultation on the regeneration of Warrenpoint Municipal Park.</li> <li>• The towpath is an excellent resource for the Council and the District, and is used frequently by older people. However, concerns were raised in relation to the fact that trees were cut down along the footpath to reduce anti-social behaviour. Whilst the removal of trees has helped reduce the level of dog fouling, this has negative implications for the environment.</li> <li>• The level of dumping is a growing issue around Clonallon Road and Clonallon Park in Warrenpoint.</li> </ul>
Summary of Survey Responses	<ul style="list-style-type: none"> <li>• Access to services and facilities should be improved for those with a disability.</li> <li>• Footpaths should be improved to provide better access to facilities and encourage people to walk as opposed to drive.</li> <li>• The processing time for planning applications is slow and the Planning Department should consider holding face to face meetings with unsuccessful applicants.</li> <li>• Rural areas are lagging behind urban areas and it is unfair that people in rural areas cannot build on their own land.</li> <li>• Community transport to access facilities across the District should be improved.</li> <li>• Suggested amendment: Deliver urban and rural regeneration initiatives that will create a District in which people want to live, work and invest'.</li> <li>• Rural areas are loosing shops and post offices and require better transport to urban areas.</li> <li>• There is a need to improve digital connectivity in rural areas.</li> <li>• Playgrounds need to be upgraded.</li> <li>• There should be more investment in Downpatrick.</li> </ul>

## Performance Improvement Objective 4

### Create a cleaner, greener, more attractive District

Rowallanne DEA Private Meeting	<ul style="list-style-type: none"> <li>• The brown bin campaign has been a success but not all households in the DEA currently have a brown bin.</li> <li>• Further clarification and promotion of what materials can be recycled in blue and brown bins is required.</li> <li>• Street cleansing remains a key issue for residents. Community groups and volunteers in Saintfield have been proactive in carrying out litter picks and local clean-up campaigns, which has helped to improve the cleanliness of the local environment. This good practice should be rolled out elsewhere.</li> </ul>
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Slieve Gullion DEA Private Meeting	<ul style="list-style-type: none"> <li>Littering is a key issue across the District, with too many people dumping and fly tipping illegally. There is a need to lobby for legislation around anti-littering and fly tipping, as a small fine does not act as a real deterrent for perpetrators.</li> </ul>
Slieve Croob DEA Private Meeting	<ul style="list-style-type: none"> <li>The Council should be more proactive in supporting community groups with litter picks and encouraging more groups and individuals to participate. There is currently an issue around accessibility to litter picking equipment and getting the bags collected, and it was suggested that the Council should allocate specific community centres across the District with equipment. Community groups could borrow this equipment on a continuous basis, which would improve street cleanliness and community ownership over the local environment, whilst encouraging civic pride. In doing so, community centres could support the development of a schedule of activity to promote and facilitate litter picks in a particular area, linking in with the respective caretakers.</li> <li>Litter picking could also potentially feature as part of the Neighbourhood Services initiative.</li> <li>Strengthening community involvement in litter picking would enable the Council to engage groups which are not interested in 'filling in forms' to apply for the 'Down Your Street – Live Here Love Here' programme.</li> </ul>
Summary of Survey Responses	<ul style="list-style-type: none"> <li>The public should take more responsibility for street cleanliness and dumping. Dog fouling remains a key issue.</li> <li>'Greener' does not touch on the quality of the local environment, some of the District's biodiverse areas are not considered to be 'green', and the term 'attractive' is very subjective. Suggested amendment: 'Create a clean, green high quality environment'.</li> <li>Volunteering opportunities within the environmental field are very important as they encourage people to make a real difference in their local areas and generate a sense of community ownership. Volunteer Now can support the Council in encouraging 'public participation' in environmental campaigns and has already well established links with the National Trust, Mourne Heritage Trust and the Ring of Gullion.</li> <li>The Council should push for public participation in protecting the environment through clean up campaigns, which would help reduce issues around littering and vandalism.</li> <li>Household Recycling Centres need to be more accessible, especially on bank holidays.</li> <li>There should be more litter bins and a better system to enforce litter fines.</li> <li>The towpath has been well cleaned up and now requires toilet facilities for users.</li> </ul>



## Performance Improvement Objective 5

Encourage and empower local communities to participate in Council engagement structures and initiatives

Slieve Gullion DEA Private Meeting	<ul style="list-style-type: none"> <li>• There is a need to access the 'silent majority' and those who do not actively engage with the Council and the initiatives it offers.</li> <li>• There are ongoing issues between the Travelling and settled communities in Dobson's Way, Bessbrook. The Housing Association continues to engage residents through the provision of a range of activities to address the issues. Many young Travellers are members of the Sacred Heart Boxing Club, and the Southern Trust continues to work with the Club to develop and deliver additional community engagement projects and initiatives.</li> <li>• There is a successful youth engagement programme in Cloughreagh which includes Black and Minority Ethnic Communities and is delivered in partnership with Community Restorative Justice (CRJ), addressing key issues around speed and road safety.</li> </ul>
Slieve Croon Private DEA Meeting	<ul style="list-style-type: none"> <li>• The 'In It to Win It' project in Slieve Croob was highly successful and enabled the DEA to establish links with more community groups. Whilst it was a good project and helped groups to avoid onerous 'form filling', there was only a small amount of funding available to support the project. Further consideration should be given to the funding available for 'In It to Win It', potentially allocating bigger pots of funding to specific themes and providing all participants with a token financial reward of £50-£100 for taking part.</li> </ul>
Summary of Survey Responses	<ul style="list-style-type: none"> <li>• Young people often feel they are judged and more investment is needed for dedicated physical spaces for young people.</li> <li>• This objective should refer to all engagement structures across the District, such as those which are facilitated through Government Departments, as the Council has a role to encourage people to get involved, even if it does not 'own' the specific structure.</li> <li>• Volunteering can improve physical, mental and emotional wellbeing. Many of the roles within the Council engagement structures are undertaken in a voluntary capacity and Volunteer Now would encourage the Council to develop a 'Volunteering Policy' to support the effective inclusion of volunteers within structures and the development of good practice in volunteer management.</li> <li>• Community groups need more support to be proactive and deliver community projects. The Planning Departments has requested that a group pay £831 in planning fees for a community garden which is unacceptable.</li> </ul>



	<ul style="list-style-type: none"> <li>• More intergenerational work would be welcome and more people should have their say on Council initiatives.</li> </ul>
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General Feedback	
Downpatrick DEA Private Meeting	<ul style="list-style-type: none"> <li>• There is a deficit of social housing across the District and within the Downpatrick DEA, which has a negative impact on the rates base.</li> <li>• It is positive that the five performance improvements are directly aligned to the Downpatrick DEA Action Plan.</li> <li>• The 'supporting actions' appear to be weighted towards activity in the legacy Newry and Mourne District.</li> </ul>
Summary of Survey Responses	<ul style="list-style-type: none"> <li>• Volunteer Now would be interested in working with the Council to develop a strategic plan to support the development and integration of good practice in volunteer involvement and management throughout all its services. Volunteering touches all aspects of community life and whilst Newry, Mourne and Down has a strong community and voluntary sector there are more ways in which people can be involved as volunteers, accessing the social benefits that it can offer.</li> </ul>