



House of Commons  
Committee of Public Accounts

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**Navan Centre**

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**Eighth Report of  
Session 2005–06**

*Report, together with formal minutes,  
oral and written evidence*

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## The Committee of Public Accounts

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### Committee staff

The current staff of the Committee is Nick Wright (Clerk), Christine Randall (Committee Assistant), Emma Sawyer (Committee Assistant), Ronnie Jefferson (Secretary), and Luke Robinson (Media Officer).

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## Summary

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Navan Centre was opened in July 1993 as a visitor and interpretative centre at Navan Fort which is situated outside Armagh and is the premier archaeological earthwork in Northern Ireland. The Centre, however, has had a troubled history with visitor numbers being substantially lower than the forecasts in the original business plan of 160,000 annual visitors within ten years. The reality was that annual visitor numbers never exceeded 50,000 and averaged 33,000 over the eight years that the Centre was open. As a result it failed to achieve financial viability and required continuing financial support from a number of public bodies until it closed in June 2001. The Centre reopened to the public on 1 June 2005 under the control of the local district council.

The Navan Centre had direct funding relationships with ten organisations including four Government Departments. During its existence the Centre received some £5 million of public funds. There was no clear lead responsibility on the part of those Departments and as a result the accountability and monitoring arrangements for the Centre were not satisfactory

On the basis of a Report by the Comptroller and Auditor General for Northern Ireland,<sup>1</sup> the Committee took evidence from the Department of Culture, Arts and Leisure on three main issues:

- The complex funding and accountability arrangements;
- The over optimistic visitor numbers and the marketing strategy; and
- The unsatisfactory monitoring of the Centre.

As a result of our examination, we drew the following main conclusions:

### **Proper accountability and monitoring arrangements were not put in place**

- The funding and accountability arrangements for the Centre were unnecessarily complex and led to confusion as to roles and responsibilities. The absence of proper understandings between the multiple funders meant that clear responsibility for accountability and monitoring arrangements for this high risk and innovative project was not established at the outset.

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1 C&AG's Report, *Navan Centre* (HC 204)

### **Viability of the Centre was in doubt from an early stage**

- From early on in the project it was clear that the Centre was not going to be commercially viable and yet government departments seemed reluctant to face up to this and repeatedly pumped in short-term funding with no realistic long-term business plan in place.

### **Forecasts of visitor numbers were misleading**

- The forecast visitor numbers on which the decision to build the Centre was based were grossly over optimistic and were based on inappropriate comparators. This optimism continued through the early years of the operation of the Centre and meant that difficult but necessary decisions were put off in the expectation that the situation would improve.

### **Lessons learned from this project**

- We welcome the Department's acceptance that there are serious lessons to be learned from this case including the need for clarity at the outset; clarity in terms of the roles and responsibilities of all parties; and the setting of appropriate and realistic targets. We also note the Department's acceptance that the lessons learned have been costly to the taxpayer. We expect the Department of Culture, Arts and Leisure to ensure that the handling of any future projects in this sector fully reflects the experience of this expensive failure.

# Conclusions and recommendations

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## The complex funding and accountability arrangements

1. Navan had direct funding arrangements with ten organisations, including four government departments. The lack of formal, clearly defined lines of responsibility and of a co-ordinated approach to the operation of the Centre created confusion. The Accounting Officer for the Northern Ireland Department of Culture, Arts and Leisure stated that her Department was only responsible for 2% of the expenditure on the Navan Centre. We recommend that there should be clear understandings between departments at the start of cross-cutting projects such as this and responsibility for accountability arrangements should be clearly established.
2. The financial viability of the Centre depended crucially on revenue generated by visitors. Because the numbers of visitors fell considerably short of forecasts the Centre was in financial difficulties for most of its existence. Although it was clear from an early stage that the Centre would not be commercially viable, no one was prepared to face up to this reality, and there was a continual drip feeding of funds to the Centre over a number of years until it closed in 2001.

## The over optimistic visitor numbers and the marketing strategy

3. The original forecasts of visitor numbers were grossly misleading and were clearly based on the wrong comparators. This meant that the Centre was always going to have an uphill struggle to survive. There is a need to ensure, in the case of future projects, that suitable comparators are used and that visitor forecasts are strongly challenged to ensure that they are realistic before any decision is taken to provide funding.
4. We were surprised to find that when visitor numbers were below expectations, and concerns were being expressed about the Centre's viability, that more of an effort was not made to promote the Centre and attract more visitors. In fact, we were amazed to find that the marketing manager had been made redundant and the marketing strategy had not been updated for two and a half years during a key period for the Centre.

## The unsatisfactory monitoring arrangements

5. Given the involvement of so many funding sources for the Centre, it is disappointing that the need for lead responsibility on the part of one department was not recognised. As a result the monitoring of the operation of the Navan Centre was totally unsatisfactory. It is a cause for some concern that there was no formally agreed protocol established between departments on Accounting Officer responsibility for the Centre.
6. There should have been a clear and formal understanding of the business relationship between the lead department and the Centre. The absence of such an understanding meant that, for example, for much of its life no department was

carrying out a regular and detailed review of the underlying trading performance of the Centre.

# 1 The complex funding and accountability arrangements

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1. This project started as a result of a planning inquiry into a quarry development adjacent to Navan Fort in County Armagh which is the premier archaeological site in Northern Ireland. The Department of the Environment at the time was very concerned about the encroachment onto the site and the then Minister felt that something proactive had to be done once quarrying ceased. The original concept report consisted of work done by Queens University Belfast, consultants and the Northern Ireland Tourist Board who carried out a tourism study. This was an attempt to create a project of international significance with the development of a 300 acre archaeological site. The Navan Fort itself has been a contender for World Heritage status.

2. The trustees secured funding from a variety of sources to acquire land and to build an interpretative centre on the site. The Navan Centre opened in July 1993 at a cost of some £3.2 million in public funding.<sup>2</sup> No progress, however, was made on the proposed archaeological park due to problems with land acquisition and we consider that this should have caused the trustees and the Departments concerned to reduce the projected number of visitors; to rethink the scale of the planned Centre; and to reassess the financial viability of the Centre.

3. The C&AG's Report showed that Navan had direct funding relationships with ten organisations including four government departments.<sup>3</sup> The Department of Education had the legal authority to provide funding but in 1999 the Department of Culture, Arts and Leisure inherited responsibility on devolution. The Department accepted our view that these funding arrangements must have been a nightmare for the management who would have had to devote a considerable amount of their energies to managing relationships with all these funders when all the effort should have been focussed on managing the business. The Department also recognised that this chasing of funding from multiple sources paints a picture of confusion and a lack of focus.<sup>4</sup>

4. Navan received some £5.18 million of public money in capital and revenue grants in the ten-year period ending 31 March 2001.<sup>5</sup> Despite recognition as far back as 1995 that the project was not going to be commercially viable, the public sector continued to provide additional funding until its closure in June 2001.<sup>6</sup> We consider that a decision to pull the plug, recognising that the Centre would never be viable, should have been made much earlier.<sup>7</sup>

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2 C&AG's Report, para 1.4

3 *ibid*, para 1.20

4 Q 6

5 C&AG's Report, para 3.1 and Figure 1

6 *ibid*, para 3.8

7 Q 79

5. When it became clear that long-term funding would be required it seems that nobody on the Government side was prepared to get a grip on the situation. The Department told the Committee that when the directors made their first approach for funding they were confident that they would reach viability and sustainability. It was 1996 before they themselves recognised that this was not going to happen and that was when the Department of Education provided the first funding package. It was at this stage that the Department first realised that this was a long-term issue and brought in consultants to prepare a report looking at the options.<sup>8</sup>

6. However, despite the fact that it was clear that commercial viability would not be achieved funding continued to be provided to the Centre. This support was in the form of a short-term mechanism of buying-time assistance and lasted from 1995 to 2001.<sup>9</sup>

7. We noted that when the rescue package ran out in March 2001 the Department were unwilling to commit to any further long-term funding despite the fact that it had contributed to the reopening in October 2000 only five months earlier.<sup>10</sup> In our view, this turn around in thinking is indicative of the absence of a proper strategic approach to funding of the Centre. The Department told us that it felt obliged to honour the rescue package in order to enable the trustees to find the funding for the refurbishment as this was one of the terms and conditions of the package.<sup>11</sup> The rescue package did not, however, succeed as visitor figures continued in a downward spiral and hard decisions had to be made about closure.

8. The C&AG's Report states that the Department was surprised that there was an expectation on the part of the trustees of continued core funding as various papers confirm that the trustees were aware that the funding which ended in March 2001 was time limited.<sup>12</sup> However, the report also states that the Chairman of the Trustees had asked the C&AG to record that it was not his understanding that the funding was to cease.<sup>13</sup> The Department has said that it may have been overly supportive of the Centre.<sup>14</sup> However, in view of the pattern of drip feeding provided over a long period of time, and with the most recent being a payment of £45,000 in March 2001 to clear the overdraft, it was understandable that the trustees were left with the impression that further funding would be forthcoming.<sup>15</sup> Indeed, they were correct because the Department made a further offer of £50,000 on 9 March 2001. This was turned down by the directors as by that stage it was clearly insufficient.

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8 Q 27

9 C&AG's Report, para 6.1; Q 61

10 C&AG's Report, para 3.32

11 Qq 9–11

12 C&AG's Report, para 1.16

13 *ibid*, para 1.17

14 Qq 59–60

15 Q 63

9. The Department told us that they were trying to leave Navan in a position where it would be clear of debt and, therefore, more attractive to an external funder or another body to come in and take it over.<sup>16</sup> The business case for post-2001 was, however, showing that a further subsidy of £420,000 would be required to keep the Centre going and Government Departments decided they could no longer continue to provide support.<sup>17</sup>

10. We can only conclude that the Department kept the Centre going as long as it did because if it closed this would be an admission that a significant amount of taxpayers' money had gone down the drain and that it had been a disaster.<sup>18</sup>

11. We are particularly concerned that although the Heritage Lottery Fund had refused to provide more funding, because they felt the Centre was not viable, the Department ignored this very significant warning and was prepared to carry on in an attempt to keep it afloat. The Department told us that this was because they honoured earlier financial commitments.<sup>19</sup> We are not convinced that the Department had any obligation to continue with the rescue package when it was clear that the Centre was failing to achieve viability.

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16 Qq 64–69

17 Q 112

18 Q 70

19 Qq 73–79

## 2 The over optimistic visitor numbers and the marketing strategy

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12. The original economic appraisal forecast 160,000 visitors per annum to the Centre within ten years of opening. However, the C&AG's Report tells us that the annual visitor numbers never exceeded 50,000 and averaged 33,000 over the eight years of the Centre's existence. As a result the Centre was in financial difficulties throughout most of its existence and received regular revenue deficits from public funds, the last of which ceased in March 2001.<sup>20</sup>

13. We note from the C&AG's Report that the actual paid admissions, not by schools but by others, were as low as 10% of even the pessimistic estimates.<sup>21</sup> We consider that this should have started alarm bells ringing to say that this Centre is not going to be viable.<sup>22</sup>

14. We noted the Department's view that Navan was a centre that visitors were unlikely to revisit.<sup>23</sup> When the concept was originally envisaged it included a 300 acre archaeological park which was to be of international status. The capital funding was provided because this was perceived to be a flagship project and would have attracted return visits. However, plans for the archaeological park were shelved and because the project as originally envisaged was not delivered the visitor figures proved to be overly optimistic and the number of return visits was low.

15. The Department has acknowledged that government was naïve with regard to projected visitor numbers and it also accepted, with the benefit of hindsight, that the original forecasts of visitor numbers provided by consultants were grossly misleading as the wrong comparators were used.<sup>24</sup>

16. We fail to understand why anybody thought that the Giant's Causeway and the Ulster American Folk Park made proper comparators. The Giant's Causeway is a geological formation which is world famous and which increased its visitor numbers from 120,000 to 300,000 over a period of eight years. The Ulster American Folk Park started from scratch and after nine years had not even doubled its numbers, going from 48,000 to 82,000. We were, therefore, most surprised that anyone should assume that a site which basically consists of a number of grassed earthworks would move from 30,000 visitors to 160,000 visitors in seven years.<sup>25</sup>

17. The Department told the Committee that the Navan Centre had exceeded its own target of 30,000 visitors in year one and that it was in year three that Navan itself

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20 C&AG's Report, para 1.5

21 *ibid*, Appendix 2

22 Q 73

23 Q 129

24 Qq 7, 22-26

25 Qq 81-83

approached Government and said that they had been ambitious in their aspirations. This led Navan to downgrade estimates of visitor numbers both at that stage in 1996 and also later in 1998.<sup>26</sup>

18. We welcome the Department's acceptance that the original estimates of visitor numbers were overly optimistic.<sup>27</sup> The Department has also acknowledged that there had been unease from the outset about the viability of the Centre and that the records show that officials at a number of stages expressed concern about ongoing viability.<sup>28</sup> We consider that there have been many incompetent decisions taken when it was clear that this project was never going to work.<sup>29</sup> We fail to understand why it was allowed to drag on for so long and that no one said enough is enough and pulled the plug.<sup>30</sup>

19. The Department told us that there were a series of circumstances including the effects of political unrest particularly those associated with Drumcree, the restrictions caused by the foot and mouth outbreak and a fire at the Centre all of which had an impact on visitor numbers.<sup>31</sup> However, we agree with the C&AG's Report that in addition to these factors the evidence would suggest that the basis of the forecast numbers was unsound from the outset.<sup>32</sup>

20. We asked the Department whether they were confident that this situation would not happen again with another Centre and how they could be sure that realistic projections of visitor numbers are provided by consultants rather than ones which tell them what they want to hear. The Department told the Committee that there are now procedures in place, such as Gateway, that ring warning bells at an early stage.<sup>33</sup> We welcome the adoption of this approach and trust that lessons learned from the Department's experience with the Navan Centre will be fully applied in existing and future projects in all Departments.

21. The C&AG's Report tells us that when consultants were brought in they were surprised that the 1995 marketing strategy had not been updated in the two and a half years since the marketing manager had been made redundant.<sup>34</sup> The Department agreed with the Committee that the marketing strategy should have been revisited. The Department also accepted that because of the cost savings which the Navan Board made, including making the marketing manager redundant, there had not been a properly targeted marketing effort and this had led to a downturn in visitor numbers.<sup>35</sup>

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26 Qq 25–27

27 Q 133

28 Q 103

29 Q 107

30 Q 112

31 Q 79

32 C&AG's Report, para 4.4

33 Q 40

34 C&AG's Report, para 4.12

35 Q 50

22. We are disturbed as to why, if officials were consistently concerned about the commercial viability of Navan, there was not more of an effort made to develop a marketing strategy. The Department told the Committee that it was because of these concerns that they commissioned a consultant in 1997 to look at marketing.<sup>36</sup> We consider, however, that more could have been done to market the Centre and that momentum was lost in raising the profile of Navan in the early years of its operation.

23. One area of the Centre's activities where there was significant success was the education programme which we were told was of a high calibre. We consider that this example demonstrates that, with well targeted marketing, they may have been able to increase visitor figures.<sup>37</sup>

24. We noted that one consultant found that "awareness of Navan is low even with prompting" and "the incidence of visiting is low and the likelihood of paying further visits is also weak". There appears to have been the assumption that this Centre could be built up into a big international venue. This seems to us to have been massively optimistic at the time. We consider that all the precedents for such a Centre should have led the Department to look at the Navan Centre with a jaundiced eye.<sup>38</sup>

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36 Q 51

37 Q 93

38 C&AG's Report , para 4.11; Qq 91-92

## 3 The unsatisfactory monitoring of the Centre

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25. We have already referred to the Centre having direct funding relationships with ten organisations including four government departments. There was no clear lead responsibility on the part of those departments and, in our view, the monitoring of the operation of the Navan Centre was poor.

26. We see from the C&AG's Report that there was no formally agreed protocol between government departments on Accounting Officer responsibility for the Navan Centre.<sup>39</sup> We are astonished when this amount of money was being expended that nobody believed it necessary to have such a protocol in place. We welcome the Department's assurance that this is something which would not happen now as a Memorandum of Understanding would be set up between the Departments concerned at the outset. The Department told us that while there were financial guidelines in place there were, at that time, no guidelines about joint working.<sup>40</sup> We regard the absence of guidance on joint working as a very weak argument. Putting together a Memorandum of Understanding is not rocket science and this should have been in place from the start.

27. We agree with the C&AG's Report that clear understandings between Departments should be reached right at the beginning of cross-cutting projects such as this and responsibility for accountability and monitoring arrangements established from the outset. There should have been a clear and formal understanding of the business relationship between the lead department and the organisation concerned, especially where there was to be a continued commitment of financial assistance.<sup>41</sup>

28. We were surprised to find that the committee charged with monitoring the rescue package met only three times in a period of two years. Whilst the Department told us that a considerable number of other meetings were held at this stage we note these were not formal monitoring committee meetings and that no record exists of what was discussed or decided at these meetings.<sup>42</sup>

29. The record of the formal monitoring meetings which were held suggests that they were rarely used by officials to probe present and future trading.<sup>43</sup> The Department admitted that its record keeping should have been more reflective of the actual discussions that took place.<sup>44</sup> We believe that there should always be a formal record of discussions and of any decisions taken otherwise it is impossible to ensure that any agreed measures have been adopted.

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39 C&AG's Report, para 5.10c; Q 12

40 Q 13

41 C&AG's Report, para 1.14

42 Qq 52–55

43 C&AG's Report, para 5.4

44 Qq 28–29

30. We welcome the Accounting Officer's acceptance of the importance of making sure that there is a clear accountability trail in place and that financial guidelines are followed.<sup>45</sup> Although the Department told us that a project of this scale and size was unique at the time we consider that when this Centre was launched, in the mid 1990s, there was already a lot known, throughout the public sector, about project management and how to deliver a project successfully.<sup>46</sup>

31. The C&AG's Report found that unrealistic expectations were placed on the Local Museums and Heritage Review as a means of providing a long-term funding solution for Navan and that it was surprising that decisions on the future of funding for the Navan Centre were postponed for several years pending the review's completion.<sup>47</sup>

32. We asked the Department how many other visitor attractions under its remit were not viable and were being propped up without knowing the full financial implications.<sup>48</sup> The Department told the Committee that a survey was done as part of the local Museums and Heritage Review which looked at over 400 facilities in Northern Ireland. The main facilities for which the Department is responsible are the national galleries and museums which comprise four sites and these are recognised as requiring continuing public support. The C&AG's report informs us that the Department has in the past supported the Somme Heritage Centre in County Down and in this case a shortfall of visitor numbers has also been the main cause of difficult trading conditions.<sup>49</sup> The Committee expects the Department to adopt a more realistic view towards that Centre and that support will not be open ended if there is no prospect of viability. Indeed, the Committee would urge all Departments, who fund such centres, to reflect on current funding arrangements and the long term viability of the centres.

33. Following closure of the Navan Centre in June 2001 the Department worked with various organisations in an attempt to reopen it. The Department told us that the Centre has now been taken over by Armagh City and District Council and we understand that it reopened for both educational and tourism purposes on 1 June 2005.<sup>50</sup> Under the terms of the agreement, ownership of the land and buildings has passed to the Council and they have taken over as trustees of the Centre. In order to facilitate the transfer the former trustees' liabilities of £200,000 were paid off by the Council.<sup>51</sup>

34. The Department told us that the Council have two other tourism facilities and are rationalising their tourism services so that they can operate all three sites within their existing budget of half a million pounds and with no extra cost to the public purse.<sup>52</sup> We

45 Q 45

46 Q 46

47 C&AG's Report, para 6.5

48 Q 80

49 C&AG's Report, para 6.3

50 Qq 2-5

51 Qq 4, 32-35

52 Qq 113-114

understand that they intend to use their own tourism staff to run the Centre and that there have been no approaches to the Department for financial support.<sup>53</sup>

35. We note the credit given to the Navan Board by the Department who acknowledged their very firm conviction and commitment to delivering the project. We feel very strongly, for the sake of all the people involved with the Centre, that there is a need to learn from the mistakes which were made so that they are not repeated elsewhere.<sup>54</sup>

## General conclusion

36. This case is a classic example of how not to manage a cultural/tourism project. It shows the importance of ensuring that projections provided by consultants on visitor numbers are subject to robust scrutiny and that allowance is made for the bias arising from optimism in such cases. It also demonstrates the problems of channelling funds in from different bodies if no one assumes overall responsibility. Care needs to be exercised to ensure that there is a designated accounting officer and procedures in place for monitoring such projects.

37. We asked the Department what lessons it had learned from its experience with the Navan Centre which could be applied to future projects. The Department told us that it accepted that costly lessons had been learned.<sup>55</sup> It acknowledged the need, in future, for clarity at the outset of projects; clarity in terms of the roles and responsibilities of all parties; and the setting of appropriate targets.<sup>56</sup>

38. Although £5 million is a relatively small amount of money when compared with some of the expenditure this Committee examines, the Navan case, nonetheless, was an important matter for us to review. It is not so much the sum of money involved. It was that this money was dripped in, in penny packets, and there appeared to be a lack of joined-up thinking between Government Departments. Northern Ireland has fewer departments and operates on a much smaller and more intimate scale than Whitehall and it is disappointing that there is not more evidence of effective joined-up government in this case. We expect the Department of Culture, Arts and Leisure to ensure that the handling of any future projects in this sector fully reflects the experience of this expensive failure.

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53 Qq 31, 35

54 Qq 72–73

55 Qq 105–106

56 Q 72

## Formal minutes

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**Monday 18 July 2005**

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon  
Mrs Angela Browning  
Greg Clark  
Helen Goodman  
Ms Diana R Johnson

Mr Sadiq Khan  
Sarah McCarthy Fry  
Jon Trickett  
Mr Alan Williams

Draft Report (Navan Centre), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 38 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Eighth Report of the Committee to the House.

*Ordered*, That the Chairman do make the Report to the House.

*Ordered*, That the provisions of Standing Order No. 134 (Select Committees (Reports)) be applied to the Report.

[Adjourned until Wednesday 12 October at 3.30 pm

## Witnesses

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**Tuesday 2 November 2004**

*Page*

**Dr Aideen McGinley OBE**, and **Mr Nigel Carson**, Northern Ireland Department of Culture, Arts and Leisure

Ev 1

## List of written evidence

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Letter to the Committee from the Northern Ireland Department of Culture, Arts and Leisure

Ev 13

Supplementary memorandum submitted by the Northern Ireland Department of Culture, Arts and Leisure

Ev 13



# Oral evidence

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## Taken before the Committee of Public Accounts

on Tuesday 2 November 2004

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Allan  
Mr Richard Bacon  
Mr David Curry

Mr Brian Jenkins  
Mr Gerry Steinberg

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**Mr John Dowdall CB**, Comptroller and Auditor General for Northern Ireland, Northern Ireland Audit Office, examined.

**Mr David Thomson**, Northern Ireland Treasury Officer of Accounts, examined.

### REPORT BY THE COMPTROLLER AND AUDITOR GENERAL FOR NORTHERN IRELAND:

#### Navan Centre (HC 204)

*Witnesses:* **Dr Aileen McGinley OBE**, Permanent Secretary, and **Mr Nigel Carson**, Assistant Secretary, Northern Ireland Department of Culture, Arts and Leisure, examined.

**Q1 Chairman:** Welcome to the second session of the Committee of Public Accounts of the United Kingdom and Northern Ireland. We are now going to look at the Navan Centre. We are joined by witnesses from the Northern Ireland Department of Culture, Arts and Leisure, and particularly by the Permanent Secretary, Dr Aileen McGinley. You are very welcome. Perhaps you can introduce your colleague.

**Dr McGinley:** Chairman, on my left is Mr Nigel Carson, who is the Director of Museums, Recreation and Sport in my Department.

**Q2 Chairman:** Now the Navan Centre has had a troubled history. It is closed currently. It is, however, going to be transferred to Armagh City and District Council, is that right?

**Dr McGinley:** It has already been transferred, Chairman.

**Q3 Chairman:** It is going to reopen this summer?

**Dr McGinley:** It will be reopening for educational projects in January 2005 and for tourism and visitor activities in May 2005.

**Q4 Chairman:** Can you just outline to us, by way of introduction, the arrangements of this transfer, including any central or local government funding for it?

**Dr McGinley:** Yes, Chairman. The Council have taken over as trustees of the Centre so that it is still in the public domain, it is still owned by a public authority. It is their intention to manage the Centre within their existing tourism budgets. They have two other facilities which are outlined in Appendix 3, the Trian and the Palace Stables. They are rationalising their tourism services, it will be done at no extra cost to the public purse. In order to facilitate the transfer

there was an exchange of funding of £200,000 to enable the former trustees to meet the liabilities that they had incurred with the closure of the Centre and that is the only sum of money that has changed hands to enable the new regime to be brought in.

**Q5 Chairman:** You can assure us in this hearing, can you, that we are not throwing good money after bad?

**Dr McGinley:** No, Chairman. In this instance we welcome this approach and the fact that it will be run by the local authority.

**Q6 Chairman:** All right. Will you please look at paragraph 5.1 which you can find on page 40 of the Comptroller and Auditor General's Report. You will see there that Navan was funded by ten different organisations, including four different Government departments. I would have thought this must have been a nightmare for the management, who must have had to devote a considerable amount of their energies to managing relationships with all these funders. Surely all effort should have been focused on managing the business. Do you recognise the problems this must have created?

**Dr McGinley:** Absolutely, Chairman. It is a problem when you have got a cross domain multi-dimensional project like this that meets a number of governmental objectives. In this instance the project had educational outputs, culture, heritage, environmental outputs and the directors of Navan quite rightly sought funds and resources from multiple sources but that in itself would paint a picture of confusion and, indeed, your own point about a lack of focus because they were chasing funds. However they were successful in achieving a capital investment from four sources and

## Northern Ireland Department of Culture, Arts and Leisure

subsequently recurrent expenditure mainly from the three Government departments concerned: environment, education and some from tourism.

**Q7 Chairman:** I suppose we should not be too hard on you because we have long experience in this Committee of visitor centres which have grossly optimistic visitor numbers but I have got to put this question to you: were you not rather naïve about these projected visitor numbers?

**Dr McGinley:** I think you are right Chairman in saying that, in that hindsight is always a wonderful thing. In this instance what they used were comparators which were suitable at the time. They looked at the Giant's Causeway which in 1987 was attracting 300,000 visitors and they looked, also, at the other end of the spectrum at the Ulster American Folk Park which is in a similar rural area in another part of Northern Ireland with 82,000 visitors. The Navan figures of 120,000 initially were drawn as a mid line there. The one thing I think that needs to be remembered is that when the concept was originally envisaged, it included a 300 acre archaeological park that was to be of international status and indeed the capital funding was because this was perceived to be a flagship project. Unfortunately that did not happen and therefore the figures proved to be overly optimistic because the project as originally envisaged was not delivered in that way.

**Q8 Chairman:** Give us a ballpark figure for how much public money has been wasted on this so far?

**Dr McGinley:** Chairman, there has been about £800,000 of revenue invested over the period of years but in total £5 million including capital expenditure over the eight years of the life of the project.

**Q9 Chairman:** Can you please look at paragraph 3.32 which you can find on page 30 of the Comptroller's Report. It tells us that "When the rescue package ran out in March 2001 . . . Government were unwilling to commit to any further long term funding . . ." Yet it says there that your Department contributed financially to the reopening in October 2000. It was not a very strategic approach on your behalf if you stopped funding five months later, was it? What was behind all this turn round in thinking?

**Dr McGinley:** Chairman, there was a real dilemma. The rescue package that was created for the project which ran from April 1999 to March 2001 was negotiated as a result of considerable survey work undertaken by both the Navan board and Government departments. The rescue package was intended to turn round the facility and looked at things like the need for refurbishment. It looked at an issue for a lot of visitor centres, how to market more effectively for repeat visits, and it looked at its management structures and the staffing. What happened in terms of the refurbishment was it was one of the conditions of the rescue package. Now the refurbishment started early in 2000, unfortunately there was a fire in the Centre as well during that period, in the summer of 2000, but the intention was the refurbishment would revitalise and refresh. This

did not happen, the visitor figures when the Centre reopened in October continued in a downward spiral and really the rescue package was by its very nature that and did not succeed. Very difficult decisions had to be made when it came to the submission of the business plan in March 2001 that showed increasing Government subvention being required, in the region of £420,000 over the next three years. When other Government departments along with my own considered the value and viability of that, hard decisions had to be made about closure, about suggesting to the board that we would not have that level of subvention and the board took the decision not to continue with the opening of the Centre because of the directors' liabilities.

**Q10 Chairman:** You panicked?

**Dr McGinley:** No, Chairman, this was a planned process.

**Q11 Chairman:** It cannot have been very planned if you changed your mind within five months?

**Dr McGinley:** We honoured the rescue package to enable them to find the funding for the refurbishment. It was one of the terms and conditions of the rescue package.

**Q12 Chairman:** Other colleagues will come back on that if they want. My last question relates please to paragraph 5.10(c) which you can find on page 43. Why was there no formally agreed protocol between Government departments on accounting officer responsibility for the Navan Centre?

**Dr McGinley:** Chairman, again this is something which nowadays would not happen because at the outset you would set up a Memorandum of Understanding between the departments concerned. At that time we were very concerned with individual departmental responsibilities, the board had approached various departments. There were attempts, when you look at the evidence, at inter-departmental co-operation throughout but you are quite right to say that there was no made out statement of accountability.

**Q13 Chairman:** The mind boggles when this amount of public money is being expended that nobody at the outset of this believed it was necessary to have a formally agreed protocol about who was responsible, an accounting officer. You do not have to have the benefit of hindsight to wonder what has been going on here.

**Dr McGinley:** Chairman, at that time there were, as you would know, financial guidelines but no guidelines about joint working. Indeed, we welcome the work of this Committee in terms of better public services and the work you did in 2002 and indeed the recent work that has come out from Treasury on how you manage joint projects. At this time projects are being dealt with, I think in the recognition in your own report, formal traditional accountability led to a silo like mentality and in the terms of delivery of programmes. The Cabinet Office has recognised this. I think this is a good case in point. Individual accounting officers were responsible for

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the funding streams there. From day one when the recurrent expenditure started in 1997 it was clear all along that the Department of Education for Northern Ireland and subsequently my Department, which inherited the responsibility on devolution, was the one line of accountability in terms of expenditure of Government monies.

**Q14 Mr Allan:** Sadly we do look at a lot of these and I have in my own home town of Sheffield a £12 million National Centre for Popular Music which closed within a year and is now becoming probably the most expensive students' union in the country as it has been sold for a pound.

**Dr McGinley:** Yes.

**Q15 Mr Allan:** I think it is always helpful to go through the process of trying to know what went wrong. We start with this. In 1986 the Minister has an idea and says "I want you to do something with this site", is that right?

**Dr McGinley:** Chairman, it started as a result of a planning inquiry into a quarry development. In fact, the front cover of the document shows a photograph and you can see yourself how close the quarry is. The Navan Fort is—I am aware of your interest in archaeology—the premier archaeological site in Northern Ireland. The Department of the Environment at the time were very concerned about the encroachment. The Minister at the time also, once quarrying was to cease, felt that something proactive had to be done.

**Q16 Mr Allan:** At that point it is owned by the Department of the Environment, is it?

**Dr McGinley:** Yes.

**Q17 Mr Allan:** As an archaeological site?

**Dr McGinley:** Yes.

**Q18 Mr Allan:** It has got visitors coming to it?

**Dr McGinley:** It has.

**Q19 Mr Allan:** Who have seen display boards and they have proceeded to visit the site without paying any money?

**Dr McGinley:** Yes.

**Q20 Mr Allan:** Are custodians on site?

**Dr McGinley:** No, it is open to the public.

**Q21 Mr Allan:** It is an open site at this point?

**Dr McGinley:** At that time, yes.

**Q22 Mr Allan:** The study was set up in 1987 and comes back really telling the Minister what the Minister wanted to hear which is "Yes, we can have a grand scheme here and it is going to work because we are going to get 160,000 people a year through". Does anyone double check this?

**Dr McGinley:** Yes, Chairman, there was a rigorous assessment at the time by main funders. Consultant A report, for example, was an appraisal that was undertaken. The original concept report consisted of four documents: work done by Queen's University,

by consultants called MeConsult who looked at the financial management of the centre and other experts and, indeed, the Northern Ireland Tourist Board did a tourism study. The concept document came out of four major pieces of work that were presented to the Minister.

**Q23 Mr Allan:** But they were all wrong?

**Dr McGinley:** As it turned out, Chairman.

**Q24 Mr Allan:** The problem is no consultant seems to want to come back and say "Well, if you open this up you might get 30 or 40,000 a year, so if you do something small it will be okay but go and do the big one, that is going to be a financial disaster". This seems to be the repeated pattern, everyone comes back and says "Yes, you will do something grand". Is that a fair description of what happened here?

**Dr McGinley:** I think there was a genuine attempt to create a project of international significance because if the 300 acre archaeological site had been developed this would have been significant. Indeed the Navan Fort itself has been a contender for World Heritage status so it is of that ilk.

**Q25 Mr Allan:** All the funders and everybody is taken in by these reports which, with the benefit of hindsight, we know now were grossly misleading and used completely the wrong comparators: the Giant's Causeway which is one of the symbolic natural sites that anyone coming to Northern Ireland will want to visit and the Ulster American Park which presumably has got a particular focus on international aspects?

**Dr McGinley:** Yes.

**Q26 Mr Allan:** We look at it now and know those were the wrong comparators. Everyone has been taken in, the money has gone in. Then it seems pretty obvious within a couple of years from the Centre opening in 1993 that it is going to fail and still nobody does anything.

**Dr McGinley:** In year one, Chairman, it exceeded its own target of 30,000 achieving 39,000; year two was when it started not to achieve its targets and there was a gross, it was 47,000 visitors and the target was 50,000. It was really going into year three that Navan itself approached Government and said that they recognised that they had been ambitious in their aspirations and they downgraded both at that time in 1996 and also later in 1998.

**Q27 Mr Allan:** Here is where we might want to quote things at the Department because here we have got a Navan director saying "We are not going to meet it, we know that now", and this is 1995–96, "We want long term revenue funding". It says all the way through the report "The assumption is the directors will need long term revenue funding" and there does not seem to be anybody in the Government side getting a grip of that. Everybody seems to be ducking it on the Government side, is that fair?

**Dr McGinley:** It was two years after opening before the directors came. When they first approached Government they were confident that they would

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reach viability and sustainability and there is evidence on the file to show that, in fact that was what they stated. It was really 1996 before they recognised themselves this was not going to happen and that was when the Department of Education came in for the first time with a funding package. Now in the interim the International Fund for Ireland had funded them for the first two years, £350,000, in order to cover capital overruns and so on. Government, when it was first realised that this was a long term issue, brought in Consultant B to do the report to look at the options and look at “is there a way forward” and to work with Navan on the determination of that.

**Q28 Mr Allan:** We bring in various consultants at this stage. Here is a damning comment in paragraph 1.22 on page 12, we get told that there is some bail out that has to come through and so a monitoring review committee is set up. It meets only on three occasions and it says here “the record of these discussions suggests that they were rarely used by officials to probe present and future trading”. Again, it seems that the Government are saying: “We have got a problem here.” It is bowling out some money to fire fight but no-one is getting a grip of it and the monitoring review committee is still not really getting a grip of it.

**Dr McGinley:** Chairman, the monitoring review, I will admit that the record keeping could have been more reflective of the actual discussions but I have been assured by officials who were present at those meetings that issues such as trading performance were considered, though that should have been reflected more fully. The latter minutes were in order as the Audit Office have identified. In terms of the meetings that you referred to, the monitoring committee first met in February the year before the rescue package started and they agreed that they would have a series of meetings. They predated those meetings and the first meeting was to be in July 1999. However, it was agreed that to enable some trading performance to be considered that meeting be held in December, and that was agreed in July, at the July meeting. What actually happened was, December was when devolution started so literally the new departments were being formed, including my own, so I think it was not unreasonable that meeting was postponed by a month. In January it was agreed the meeting should be held in September, the fire happened and therefore that meeting did not happen until December. There were a series of issues and problems but throughout that there was extensive contact between Navan and respective departments in terms of monitoring what was going on.

**Q29 Mr Allan:** Was it ever considered to pull the plug at this phase: 1997–98–99 phase?

**Dr McGinley:** I think genuinely Government were trying to work with the Navan directors who were very confident that the Centre could be turned around and in good faith worked with them to try and do so.

**Q30 Mr Allan:** We will just come to the present finally. The Centre closed in June 2001. The staff presumably were paid off and got redundancy at that point?

**Dr McGinley:** Yes.

**Q31 Mr Allan:** That has all gone. Armagh Council is taking over now. They will have to recruit new staff?

**Dr McGinley:** They intend to use their existing tourism staff.

**Q32 Mr Allan:** What were the trustee liabilities of £200,000 you have had to pay off?<sup>1</sup>

**Dr McGinley:** There were issues around the suppliers who were owed insurance, electricity, utility costs, *et cetera*.

**Q33 Mr Allan:** Do the land and buildings now belong to the District Council?

**Dr McGinley:** Yes.

**Q34 Mr Allan:** They have been transferred so they are in public ownership?

**Dr McGinley:** That is right.

**Q35 Mr Allan:** Is new capital money going to go in?

**Dr McGinley:** There have been no approaches, Chairman. The Council are going to concentrate on a living history approach rather than a capital approach at this stage.

**Q36 Mr Allan:** The Council now could bid in to things like the Heritage Lottery Fund and all these things and perhaps have a better chance of success because they have a better model going?

**Dr McGinley:** Yes.

**Q37 Mr Allan:** Do you know what their projections are for visitor numbers?

**Dr McGinley:** Their other two centres are attracting approximately 40,000 visitors per annum. I think if they achieve the final target that the directors were looking for of around 30,000 they would be pleased. There is seasonal opening and they are concentrating on running six events in the next summer season to attract visitors.

**Q38 Mr Allan:** Have you had any other similar problems since then? This is a long running one, this one goes all the way back to 1998–99. Have you had any other sites in your Department that have similarly had flawed visitor projections?

**Dr McGinley:** Chairman, I think there was a level of optimism in those early days that I think now is much more challenged. Anything of a more recent nature, W5 for example is one of our successes where it is now the most visited facility after the Giant's Causeway. It is our best performer of our museums and galleries for Northern Ireland. I think it appeared optimistic but in fact we have managed to

<sup>1</sup> *Note by witness:* To clarify that the Trustee liabilities of £200,000 were met by Armagh City and District Council and not by Central Government.

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show that we have got a targeted market there. I think it is because there is clarity of the market and the purpose.

**Q39 Mr Allan:** For the record, we visited yesterday and we could not get colleagues off the laser harps.

**Dr McGinley:** There is a lie detector, Chairman, that our former Assembly Members used in the past.

**Q40 Mr Allan:** We kept clear of that one! So you are confident that this will not happen again and that when you want to project visitor numbers and create a business plan you will employ miserable consultants who will give you serious estimates rather than ones which tell you what you want to hear?

**Dr McGinley:** I think, Chairman, for example, we now have procedures like Gateway where if you start to use a Gateway project, which my Department have used on library services very successfully, that immediately rings warning bells at a very early stage so you avoid walking into those sorts of traps.

**Q41 Mr Bacon:** Dr McGinley, who held the lead responsibility in Government for this?

**Dr McGinley:** The Department of Education were the department which had the legal authority to fund.

**Q42 Mr Bacon:** Why are you here not them?

**Dr McGinley:** You are right to point out that my Department is only responsible for 2% of the expenditure—

**Q43 Mr Bacon:** I did not mention the amount of expenditure that your Department is responsible for.

**Dr McGinley:** We inherited it.

**Q44 Mr Bacon:** That is a very slick and fast answer to a question I have not asked.

**Dr McGinley:** We inherited the responsibility on devolution.

**Q45 Mr Bacon:** You mentioned that there were financial guidelines issued by the Treasury which all departments follow. Is not part of being an accounting officer also about management making sure that the accountability trail is there?

**Dr McGinley:** I agree entirely. That is the primary focus of an accounting officer's job.

**Q46 Mr Bacon:** We are not talking about the Stone Age, are we? We are talking about the mid 1990s when this thing was launched when there was already, in the mid 1990s, a lot known about project management and how to deliver a project successfully.

**Dr McGinley:** A project of this scale and size was unique at the time.

**Q47 Mr Bacon:** Did you have anyone involved in this who was also involved in the Dome at the same time?

**Dr McGinley:** The Dome was subsequent and it is interesting to note that a lot of lessons there are very similar to the lessons of Navan.

**Q48 Mr Bacon:** The Dome was subsequent to this in terms of the project management timetable?

**Dr McGinley:** Yes.

**Q49 Mr Bacon:** So do people go from here, the people running this, to run it there?

**Dr McGinley:** I do not think so, Chairman.

**Q50 Mr Bacon:** Can I ask you to turn to page 37, paragraph 4.12. When the consultants started to come in, there is a reference to Consultant B being surprised that the marketing strategy in 1995 had not been updated for two and a half years since the previous marketing manager had been made redundant. Why would you not have a marketing strategy for two and a half years?

**Dr McGinley:** I think, Chairman, it was that there was a marketing strategy in place but it had not been revisited. One of the cost savings that the Navan board made was the reduction in number of staff and indeed the marketing manager, as you rightly say, was made redundant at that time. I think there was not a targeted marketing effort and that is what Consultant B felt, that it had led to a downturn in visitor numbers because it was not being targeted.

**Q51 Mr Bacon:** If officials were consistently concerned about the commercial viability of Navan, as it says they were in paragraph 5.7, why would there not have been an effort to develop a marketing strategy if things looked like they were not working?

**Dr McGinley:** The Government came in officially for the first time in 1997 with Consultant B's report, that was why we commissioned Consultant B because of these concerns.

**Q52 Mr Bacon:** In paragraph 5.4, a previous Member mentioned this point about the representatives of the Committee meeting only three times, that was over how long a period?

**Dr McGinley:** Over the period of the rescue package of two years.

**Q53 Mr Bacon:** The Committee that was charged with monitoring this whole thing met three times in two years?

**Dr McGinley:** Yes.

**Q54 Mr Bacon:** Just over once a year?

**Dr McGinley:** Yes because of a series of circumstances. Behind the scenes there was a lot of work going on in terms of day to day, indeed monthly, monitoring of expenditure.

**Q55 Mr Bacon:** You mentioned the fire earlier, why would the monitoring committee not be able to sit down as a group, especially with all these different funding sources, they could meet in a pub if they needed to and talk about the problems? Why did this committee only just about manage to meet once a year?

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**Dr McGinley:** Chairman, the monitoring committee met formally but informally individual departments and officials between departments were meeting with Navan. Indeed the period of the fire is a case in point, my own Department—and this was during this period—had over 20 meetings during the January to June period before closure. There were a considerable number of meetings held, it was just that they were not formal monitoring committee meetings and were not recorded as such.

**Q56 Mr Bacon:** On page 11 there is a discussion about the Audit Office's analysis and it says in paragraph 1.16 that your Department told the Audit Office you were "... surprised that there was an expectation on the part of the trustees of continued core funding as various papers confirm that the trustees were aware that the funding which ended in March 2001 was time limited."

**Dr McGinley:** Yes, Chairman.

**Q57 Mr Bacon:** It goes on to say in the next paragraph "The Chairman of the Trustees has asked me to record that it was not his understanding that the funding was to be limited". How could there have been two such radically different interpretations of the same facts?

**Dr McGinley:** Chairman, the letter of offer very, very clearly states that this was time limited to March.

**Q58 Mr Bacon:** In fact, not just a business plan but it says again in 1.17 that the Department asked the trustees to submit their next business plan early and that their meetings with your Department "... had always given the impression that further funding was under consideration."

**Dr McGinley:** No, Chairman. In the early pre rescue package, it would have been 1996, the Department of Education did make it clear that they were concerned about supporting the directors but the rescue package which was offered to the directors in 1997 is very clear in the letter of offer that this was time bound and time limited.

**Q59 Mr Bacon:** How do you think they could have got the impression that there was further funding under consideration?

**Dr McGinley:** Possibly we were overly supportive, Chairman, but we did make it very clear and, indeed, the reason—

**Q60 Mr Bacon:** Overly supportive, in what way?

**Dr McGinley:** We were doing our best to work with the directors to see if the project had any opportunity to turn itself round.

**Q61 Mr Bacon:** Do you think the reason why they might have thought there could be further funding available was because you gave them £350,000 in March 1995 to clear their overdraft, another £45,000 to clear their overdraft in March 1996, in August 1997 a further £50,000 buying time assistance, a further bridging finance of £88,000 in January 1998, a further bridging finance of £36,000 in April 1998, a further bridging finance of £70,000 in November

1998 whereupon there was a rescue package with an additional £100,000 and then there was the exhibition revamp on top of that with a further £175,000. Then we go back to where we started from—"Do not collect £200, do not pass go"—£45,000 to clear the overdraft, that was in March 2001. Does that not suggest a pattern of drip drip drip feeding that gave them an entirely legitimate expectation that there was going to be further funding?

**Dr McGinley:** Chairman, first of all, the £350,000 was International Fund for Ireland funding, that was the first figure. The first two years of—

**Q62 Mr Curry:** Can you tell us what the International Fund for Ireland is?

**Dr McGinley:** The International Fund for Ireland is an independent body outside Government that attracts funding resources from Governments such as New Zealand, the United States and Canada so unfortunately I cannot account for it.

**Q63 Mr Bacon:** It does not alter the point there was drip drip funding over a long period of time and the most recent bit of drip drip funding was the March 2001 £45,000 to clear the overdraft which was where they had started from. They were left with a very clear impression—both because of this series of funding and also because of the meetings they had with the Department, that is what it says in the Report—that there was further funding under consideration.

**Dr McGinley:** Chairman, in the early days when they first approached Government they did receive what you have described as drip funding but it was quite clear with the rescue package the departments were very concerned at this continuing reactionary approach, where it was just literally feeding overdrafts and over-expenditure, the actual debts that they were accruing, so the rescue package was negotiated very firmly to draw it to an end. Indeed the request for a business plan was to show how they saw themselves in terms of the future and the viability. It was clear from the outset of the rescue package, from April 1999, that this was a final amount.

**Q64 Mr Bacon:** On 9 March 2001, when you had a meeting to discuss the business proposal submitted by Navan, it says in paragraph 5.9 that at a meeting held later the same day with representatives of the Navan Board your Department offered £50,000 to assist with a short term decision. That was not them asking for it, it was you offering it, was it not?

**Dr McGinley:** Yes, Chairman.

**Q65 Mr Bacon:** Why, if you had already said there was no money?

**Dr McGinley:** We said there was no more money—

**Q66 Mr Bacon:** "... unless you really, really want it and then we will give you a bit more", that was basically what you were saying.

**Dr McGinley:** No, Chairman, the directors at the time still felt—

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**Q67 Mr Bacon:** They turned you down?

**Dr McGinley:** Yes, because it was not a sufficient amount of money.

**Q68 Mr Bacon:** The Board discussed it and they said it was not going to be enough, it was not going to work.

**Dr McGinley:** That is right.

**Q69 Mr Bacon:** "... an acceptable solution to Navan's financial difficulties ..." was not going to be available. You were offering to drip drip them a little more, were you not?

**Dr McGinley:** What we were trying to do was to leave Navan in a position that it has now got to where it would be clear of debt and, therefore, more attractive for an external funder or another body to come in and take it over and run it.

**Q70 Mr Jenkins:** I followed Mr Bacon's line of questioning very closely and I think I have got the same idea in the back of my mind that Mr Bacon has. Did you not believe really that this Centre would be an admission that £4 million plus of taxpayers' money had gone down the drain, a disaster, and it had made you look rather silly so you tried everything in your power to keep it ticking over?

**Dr McGinley:** Chairman, there was considerable investment of public money and what we were trying to do was maximise the opportunities that would enable that investment to be realised to the full.

**Q71 Mr Jenkins:** Was that a yes or a no?

**Dr McGinley:** I would argue no because I think now that the future has been secured it has proved to be.

**Q72 Mr Jenkins:** I do not want to know what the future is of a particular project, actually, I mentioned this one. We have written this off, but this is a brilliant example which must be used of how not to do it, how not to channel funds in from different functions so no-one has got overall responsibility, how not to get rid of a marketing manager, how not to believe the figures that you are given by these so-called consultants you pay a lot of money to. If it was outdoor relief that time, I suggest next time you get a big bundle of £20 notes, go to a mountain top somewhere and rip them in half and supply people with Sellotape to stick them back together, we will probably get better value than these Mickey Mouse schemes. I feel sorry for the people who probably worked very, very hard on this scheme. They put a lot of effort, a lot of time and a lot of commitment in knowing that from day one it was built on sand and was not viable. That is the problem I think we should be looking at now, the fact that we have admit where the mistakes were made, we learn from the mistakes and we will not make them again. We will not let a scheme be set where there are so many different funds coming in but we do not have an accounting officer set in place, we do not have a procedure for monitoring it and I cannot believe, even to this day, that the Department seems to almost deny the fact that they were part and parcel of the problem because they led this project on.

**Dr McGinley:** Chairman, I agree entirely with you. There are serious lessons to be learnt from this—and we said that to the Northern Ireland Audit Office—not the least of which is clarity at the outset, a very strong focus and purpose for a project, clarity in terms of the roles and responsibilities of all parties, particularly where you have got such complexity, the setting of appropriate targets and realistic targets.

**Q73 Mr Jenkins:** Have a look at page 51, Appendix 2, please. The one thing that strikes me is that over the years from 1994 to 2001, if you look at Navan's estimates, we have an optimistic and a pessimistic estimate, the pessimistic is 100,000. If you look at the "Actual Paid Admissions", not by schools but by others, it is 10,000, that is 10% of the pessimistic estimate. Now, along that path somewhere an alarm bell should have started ringing saying "This is not going to be viable". Why was it not put in place? Why was it not triggered? What really probably causes me some concern is that at the end of this programme if anything the alarm bell was triggered by an external funder, who said "We cannot come in because it is not viable, this thing cannot float" and that was the Lottery Fund, was it not?

**Dr McGinley:** That was a result of the refurbishment. Chairman, the alarm bells rang back in 1996, which was why the Department of the Environment and the Department of Education commissioned Consultant B to come in with a rigorous appraisal where ten options were looked at and subsequently worked up into six for an economic appraisal to identify how this project could be developed. I think you were right to point out the number of people involved who put a lot of time and energy into it, not least the board of Navan themselves. They had a very firm conviction and commitment to delivering the project.

**Q74 Mr Jenkins:** 1996?

**Dr McGinley:** Yes, Chairman.

**Q75 Mr Jenkins:** That was before the 50,000, 88,000, 36,000, 70,000, 100,000.

**Dr McGinley:** Before then.

**Q76 Mr Jenkins:** If they had a firm decision in 1996 this was the way forward, that was reliant upon a continual funding by your Department?

**Dr McGinley:** In 1996 Navan came with a short to medium term plan and we responded as Government to that by bringing in consultants to advise on the viability. The board were very adamant that they felt they needed help but that it was retrievable. Consultant B was brought in to advise the Government and Navan on a way forward which was where the rescue package, as indeed I think it was appropriately called, was put together. The Heritage Lottery Fund that you mentioned, did not fund the refurbishment, that was later, Chairman, that was in 2000.

**Q77 Mr Jenkins:** That is why you have got a first, because most of the schemes we look at, the last people to pull the plug are in fact the Lottery, they

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are very generous. They will continue to put money in when everybody else has long abandoned it. You had a situation where it was the Lottery which was the first one to stop the funding and you wanted to continue after they said "This is not viable. This will not float". You were prepared to carry on and try to make it float. That is the thing which concerns me. Why have you got such a commitment to make something work when it is quite clearly and simply obvious to everybody else it will not work but you want to keep pushing money into it?

**Dr McGinley:** It was because it was during the term of the rescue package that we honoured the package but we asked for early sight of business cases in December 2000 because we said it was final monies and we informed the board as quickly as possible. We did not get the business case until March of that year, hence going into the following financial year, but we did honour the commitment that had been made back in 1998 for the rescue package.

**Q78 Mr Jenkins:** I was under the impression that you were quite happy if they could have got the Lottery funding to carry on with the project?

**Dr McGinley:** The Lottery funding was specific to the refurbishment and the refurbishment was one of the terms and conditions of the rescue package.

**Q79 Mr Jenkins:** It was never going to run, was it? The Lottery said "No matter how much money we put into this, it is never going to run". Why did your Department not come to this conclusion independently of those and say "No matter how much we put in, it is not going to work. The figures are now at such a level we are never going to rescue this package"?

**Dr McGinley:** There were a series of circumstances, Chairman, the contextual side of this was Drumcree, which is just 15 miles from this site, and the Audit Office do recognise that it had an impact, that was one, foot and mouth was another, the fire that happened. Really to give the Navan board the benefit of the doubt, in terms of context, there were extenuating issues around us honouring what we had entered into which was the rescue package. Within six months of that decision we did indicate we did not have the resources to continue to fund and they closed.

**Q80 Mr Jenkins:** I am going to come to the end now because I do not think it is worth pursuing. You started off by saying that hindsight is a marvellous thing. I expect if I went and grabbed somebody in off the street and said, "Sit there and give evidence regarding this" they would say, "Oh, I will do that". Hindsight is a marvellous thing. We employ people, they get the best consultants in the business, they have the best financial brains around them and they come to a conclusion and that is why we pay them, not for hindsight but to have foresight. When we have these things and you say "Hindsight is a marvellous thing" it is an admission that you were not up to the job in the first place, to be honest, and that is why I get really angry about the fact that people who get well paid to do a job say "I could not

do the job" and they carry on doing it. How many other visitor attractions under your Department's remit are in this mess or running down this road of not being viable and we are still going to prop up until the end without knowing the full financial implications? Have you done a survey of every visitor attraction?

**Dr McGinley:** Yes, Chairman, there was a survey done as part of the local Museum and Heritage Review that looked at over 400 facilities in Northern Ireland. The facilities that we are responsible for in DCAL are the national museums and galleries of Northern Ireland which comprise four sites: the Ulster American Folk Park, the Ulster Museum, the Armagh County Museum and the Folk and Transport Museum. These are recognised as requiring continuing public subsidy, indeed your report in June on the museums and galleries shows that there is a recognition that if something is of national interest it is never going to be viable. What we try and do is be as efficient as possible and try to be more entrepreneurial in terms of the management of that estate. There is a major review of our museums and galleries underway as we speak.

**Q81 Mr Curry:** I have visited Navan, I am delighted to say I got there before there was a visitor centre. I am looking at your figures, on page 35, this comparison with the Giant's Causeway, which I visited, the Ulster American Folk Park—no power on earth would get me anywhere with the word folk in the title—and I have been to Navan but not the Centre. I cannot understand why anybody thought these made proper comparators. The Giant's Causeway is a geological formation which is world famous, which exists and which does receive large numbers of visitors. It is probably one of the great geological formations in Ireland which is known. That increased its numbers from 120,000 to 300,000 over a period of eight years and the visitor centre clearly seems to have made a difference. The Ulster American Folk Park I take it was created from nothing?

**Dr McGinley:** It was an independent trust.

**Q82 Mr Curry:** There was nothing on the ground before it started?

**Dr McGinley:** No.

**Q83 Mr Curry:** That started from 1978 to 1987 which is, after all, a period of nine years. It has not even doubled its numbers. It may well have been very successful but it has only gone from 48,000 to just under 82,000 so why should anybody assume that a site which really consists of a number of basically grassed earthworks should move from 30,000 to 160,000 in seven years? Did nobody at the beginning say "Hello, hello, hello, I just do not believe this"?

**Dr McGinley:** The original concept as I mentioned earlier was for a 300 acre archaeological park because this is a site which is very rich in archaeological history. As I mentioned, it was a candidate for World Heritage status in its own right.

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However it is one of four sites on the island of Ireland that constitutes the seat of royalty dating back to 700 BC.

**Q84 Mr Curry:** This may give us one of the hints, you see, I think, too much national pride was engaged in this site as the seat of the Kings of Ulster. You should have noticed, of course, the temple was burnt down deliberately a few years after it was built, so that was a bad omen, was it not, really?

**Dr McGinley:** It is apparently sacrificial, Chairman.

**Q85 Mr Curry:** How much was the admission charge?

**Dr McGinley:** The admission charge, Chairman, I do not have that information with me I am afraid.<sup>2</sup>

**Q86 Mr Curry:** Do you charge to go to the visitor centre at the Causeway?

**Dr McGinley:** No. There is a charge for car parking that is lifted by the District Council. There is about £100,000 lifted by the National Trust.

**Q87 Mr Curry:** The only charge at the Giant's Causeway is a car parking charge?

**Dr McGinley:** Yes.

**Q88 Mr Curry:** Okay. The Ulster American Folk Park?

**Dr McGinley:** Is a charging facility.

**Q89 Mr Curry:** How much do they charge for that?

**Dr McGinley:** It is approximately £4 to £5 per person for family tickets.

**Q90 Mr Curry:** You do not know how much the charge was at Navan?

**Dr McGinley:** I do not, I can give a note to the Committee on that, of the charges at the time.<sup>3</sup> From memory, Chairman, they were in the region of £3 to £4 per head.

**Q91 Mr Curry:** The key seems to me to be on the next page, 36 and 37, where one of your eponymous consultants here made the point that nobody had heard of Navan basically. It was not a famous thing waiting to be exploited. The consciousness of it was very low indeed. "... awareness of Navan Fort is low even with prompting... a more direct advertising approach seems to be needed... the incidence of visiting is low and the likelihood of paying further visits is also weak.". Yet again, the assumption that this could be built up into a big international venue seems to me to have been massively optimistic at the time. Your visitor number predictions go up in quite suspiciously round numbers of five. Where the consultants had got this from, I cannot help but feel it was approximate.

**Dr McGinley:** Chairman, I think what they did was set the mark in terms of the Giant's Causeway. This is really my own review of the papers where you can see the reasonableness of what they were comparing

with because there was very little in Northern Ireland to make comparisons with. They looked at other sites such as Newgrange in the Republic of Ireland and also looked at, for example, the Yorvik Viking Centre in York so there was a comparative analysis taken across the board at the time.

**Q92 Mr Curry:** They could have looked at the Armouries in Leeds, could they not? That catastrophically fails to meet its target. That was a collection which existed, it was removed up to Leeds—a city of which I am very fond, my constituency is very close to Leeds—but it has never ever met anywhere near its prediction of visitor numbers. All the precedents for this should have led you to look at it with the most jaundiced eye you could possibly turn on it.

**Dr McGinley:** Possibly, Chairman.

**Q93 Mr Curry:** If you look, again, I am sorry to come back to this funding stream, it does give me the impression that you felt it had to be kept alive but not really kicking. It just about was enough to keep a discernible heartbeat there but nothing much else, is that right? Nobody could really bring themselves to say it never was going to start from the beginning and the sooner we give it a merciful release the better.

**Dr McGinley:** Chairman, I think when Government was approached they did bring in expertise to advise on the best way forward. The Navan board also took steps to minimise. For example, one area where there was considerable success was the education programme was considered to be of a high calibre and even where that was performing poorly in latter years there were still 60 school children a day going into the centre in a 190 school day year. It was an example of where there was good targeted marketing, they were able to realise the figures.

**Q94 Mr Curry:** The bridging finance, what was on the two sides of the bridge?

**Dr McGinley:** The Fort and the Centre.

**Q95 Mr Curry:** No, no, I mean the finance. What was on the two sides of the finance? What was the bridging finance bridging to?

**Dr McGinley:** It was bridging, we had hoped, towards viability.

**Q96 Mr Curry:** Hang on, viability is a lovely word, give me some money. What do you mean in terms of viability? Who was going to do what to achieve this viability?

**Dr McGinley:** That the Centre would start to break even, that income levels would grow to a sufficient level to sustain and develop.

**Q97 Mr Curry:** So basically a wing and a prayer. Page 20, again the stream of capital and revenue grants received. There is a wonderful asterisk down here, it says "The sources of these amounts cannot be identified". It is slightly curious, is it not, really?

**Dr McGinley:** Chairman, you are referring to the figure—I have a different page.

<sup>2</sup> Ev 13

<sup>3</sup> Ev 13

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**Q98 Mr Curry:** Page 20, figure one, we have got the European Regional Development Fund which has been taken for a terrible ride on this.

**Dr McGinley:** Yes.

**Q99 Mr Curry:** So, presumably, have the Government which has pitched in the International Fund for Ireland. We have got these slightly curious things, “capital unallocated” and “revenue unallocated”, asterisk, “the sources of these amounts cannot be identified”. That is a lot of money to suddenly appear from thin air, is it not? I wish I could find some money unidentified like that.

**Dr McGinley:** I would agree entirely with the Northern Ireland Audit Office’s note there that it was disproportionately difficult because of the multiplicity of funding streams but I have written to the Committee—

**Chairman:** We have seen that.

**Q100 Mr Curry:** Yes.

**Dr McGinley:** We have bridged that gap quite extensively. We have found the resource that was unallocated.

**Q101 Mr Curry:** When was the first time that you had a sort of twitch in the left toe which said “This thing just ain’t going fly”?

**Dr McGinley:** I think, Chairman, the rescue package period was really a final all or nothing.

**Q102 Mr Curry:** That was when you woke up? Did you wake up one morning and think “This ain’t going to go”?

**Dr McGinley:** Chairman, I personally was not involved at that time.

**Q103 Mr Curry:** I know. When was the first time the departments had the twitch which suddenly said: “These have got to be bailed out”?

**Dr McGinley:** In my review of the literature there was actually unease from the outset, from when Navan first came, they were challenged about their own optimism in terms of viability. It would show in the records that officials at a number of stages expressed concern about ongoing viability.

**Q104 Mr Curry:** Why did it drag on then?

**Dr McGinley:** I think, Chairman, there were two years of the bridging finance when the board first came to Government to say we need help. Then, during 1997, when Consultant B reported it was with a view to test whether or not there was a package which could be created to see the Centre towards viability, during that two year period we tried to work our way through this. Then the decision was taken to close. The rescue package did test whether or not it was going to happen, and it did not and the Centre was closed.

**Mr Curry:** I hope we have occasion to visit it in the future provided there are no interactive displays.

**Mr Steinberg:** When you are the last to ask the questions most of the good ones have gone.

**Chairman:** That will not stop you though!

**Q105 Mr Steinberg:** I have got to say I am really impressed, I would say you are one of the best witnesses we have ever had in front of us because I have come out of here thinking this thing was a success and not a mistake that was made. I do congratulate you, I think it is fantastic. You did brush off the fact that £5 million had been wasted and you said we had learned some lessons. What were those lessons that you learned?

**Dr McGinley:** Chairman, in my own Department we are looking at a number of multi-dimensional projects as we speak. A recent one was an arts project involving four Government departments, possibly in the region of £27 million. With rigour in terms of working with the other four departments and getting a business case done we have gone right back to the drawing board because difficulties of governance, clarity of roles and responsibilities and affordability have put that project back for further consideration. I think we have learned lessons.

**Q106 Mr Steinberg:** Costly.

**Dr McGinley:** It is indeed. Again, my department was the first in Northern Ireland to use Gateway and use it on a £33 million library project. Indeed, it is subject to Northern Ireland Audit Office scrutiny at the minute but it proved to be a really important assurance for me as accounting officer that the various stages that can be gone through, the questions are asked at the right time so that you do not walk into the difficulties that we experienced in Navan.

**Q107 Mr Steinberg:** If right at the very beginning you had held your hands up and said “It was a cock up, guv” we could all have gone home, could we not? If your description is accurate of what happened all the way along the line, and I am sure it is, then frankly somebody should have got the sack somewhere along the line, should they not? There are so many bad decisions and clearly some very, very incompetent decisions were taken. You read the Report, it is so clear, you talked about hindsight but it is so clear that this was never going to work, never. Has anybody ever been disciplined or anything like that?

**Dr McGinley:** No, Chairman, other than a number of redundancies have been made during the life of the project.

**Mr Steinberg:** Presumably the people who were made redundant were not the ones who were making the decisions anyway. Can I just change the subject. Paragraph 3.25 up to paragraph 3.31, I have got to say when I read these I had a little chuckle to myself, it was Sunday dinner time and I was watching an appalling football match so this was much more interesting. It was decided to revamp the exhibitions and to do this you needed to get £100,000 from the National Lottery. Now to get £100,000 from the National Lottery is quite a simple task, normally, but they refused, they would not give it so that is the first time they have been so tight fisted. All the other benefactors were going to tip up, as David Curry

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says, the International Fund for Ireland, the Department of the Environment, they all coughed up but the Heritage Lottery Fund would not cough up.

**Chairman:** Cough up or cock up?

**Q108 Mr Steinberg:** Cough up. You were £100,000 short. Would you believe it, the place burnt down and they got £100,000 insurance. I am a cynic, am I not?

**Dr McGinley:** No, Chairman, the fire damage was not that extensive.

**Q109 Mr Steinberg:** I say the £100,000 was refused from the Lottery Fund, the fire took place and the insurance coughed up with £100,000, I am not being cynical, am I?

**Dr McGinley:** No, Chairman. The insurance cover in fact allowed further enhancements to the exhibition.

**Q110 Mr Steinberg:** I think you are missing the point. What I am trying to say is nobody chucked the odd cigarette butt in, did they?

**Dr McGinley:** No, I can assure you that we did look and the police were informed at the time. It was a projector that went on fire.

**Q111 Mr Steinberg:** It seems very suspicious to me.

**Dr McGinley:** Visitors were in the Centre. It was a new projector, Chairman.

**Q112 Mr Steinberg:** You got your money because the insurance settlement was £100,000 and you came along with another £50,000, I do not know, I think I am being very cynical, perhaps we will move on. It was always apparent that this project was going to fail, was it not, yet Government money has been ploughed into the scheme. Why was the Department not big enough to say, "Come on lads, enough is enough. We have put £5 million in here and it is never going to be successful"? Why was somebody not big enough to say, "Enough is enough"?

**Dr McGinley:** Chairman, in effect that was what happened. The Government Departments said they could no longer subvent. The business case that was showing post-2001 was showing a further subsidy of £420,000 required to continue the Centre and Government departments in discussion with one another said, "We cannot continue to fund".

**Q113 Mr Steinberg:** How much money is it going to cost to keep it going?

**Dr McGinley:** The Armagh City and District Council are rationalising their own tourism product to accommodate and accomplish this within their existing budgets at no extra cost.

**Q114 Mr Steinberg:** How much is that?

**Dr McGinley:** Approximately half a million a year across the three sites that they will now run together.

**Q115 Mr Steinberg:** Half a million a year?

**Dr McGinley:** Yes.

**Q116 Mr Steinberg:** That is better than my local authority who are putting in nearly a million a year to subsidise a failure. I actually feel sorry for these things because, as I say, in my constituency we have a theatre that was built out of the Lottery Millennium Fund, something that was desperately needed but clearly it was never going to be successful and now the council taxpayer is having to pay a fortune. Can we just turn to consultants. As with all Government projects you called in the consultants. How much have consultancy fees cost you all the way along the line?

**Dr McGinley:** Chairman, £8,000 is all it has cost.

**Q117 Mr Steinberg:** How much?

**Dr McGinley:** £8,000.

**Q118 Mr Steinberg:** That is all?

**Dr McGinley:** Consultant B's first report was £2,500 and the second report was £5,500.

**Q119 Mr Steinberg:** I have never in my life in this Committee said, "Perhaps you should have paid a bit more" because if you look at 3.17: "If the Navan Centre is to survive, financial security must be secured in terms of long term revenue funding. Similar to the majority of projects of this nature it is unlikely that the Navan Centre will become a commercially viable unit". I suspect anybody in Northern Ireland would have been able to tell them that and you paid £2,000 for that advice.

**Dr McGinley:** I should explain, Chairman, that Consultant A was funded by IFI and Consultant B—

**Q120 Mr Steinberg:** Who is that?

**Dr McGinley:** International Fund for Ireland.

**Q121 Mr Steinberg:** Do you know, I have got a lot of Irish constituents in my constituency, how do I get in touch with this organisation?

**Dr McGinley:** I will send you a note, Chairman.<sup>4</sup>

**Q122 Mr Steinberg:** Will you?

**Dr McGinley:** Yes.

**Q123 Mr Steinberg:** I think they have more money than sense. Never mind. So you have this brilliant advice from Consultant B. Let us turn to 3.3—I have read you the wrong one, I have read you the first one—which consultant was this one now, this was Consultant A, they said "... The project has been demonstrated to have a minimal level of profitability ..." get away "... thus any shortfall in visitor numbers will have a marked effect on the viability of the project ..." Well, that is an astounding piece of advice, that if the visitors do not turn up it will not be profitable. They got, what, £2,000 for that advice?

<sup>4</sup> Ev 13

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**Dr McGinley:** No, Chairman. I should explain that we do not have a cost for Consultant A because they were commissioned by the International Fund for Ireland.

**Q124 Mr Steinberg:** Right. Okay. You were asking them, I suspect, how do you make it more marketable and they came up with the brilliant conclusion at 4.11: "... awareness of Navan Fort is low even with prompting—a more direct advertising approach seems to be needed with the objective simply of projecting the existence of Navan Fort . . ." Again, some brilliant advice. Listen, I am retiring at the next election and if you need any consultancy work doing I will give you my card afterwards. I am quite sure I can do it slightly cheaper than that and give you some good advice.

**Dr McGinley:** If can make clear as well, Chairman, Consultant D was retained by Navan itself and was to undertake a MORI type poll and that is what that piece of work was from.

**Q125 Mr Steinberg:** Let us just turn to the visitor numbers. What is the population of Northern Ireland?

**Dr McGinley:** 1.6 million.

**Q126 Mr Steinberg:** 1.6 million. How many visitors do you get a year to Northern Ireland?

**Dr McGinley:** Approximately two million.

**Mr Steinberg:** Two million, that is not bad. I would not have thought it would be that many. Anyway, that is good.

**Chairman:** That is not a very diplomatic remark.

**Q127 Mr Steinberg:** I said it is very good. What they were projecting was 160,000 visitors a year out of a population of 1.6 million and two million visitors, so that is a tenth of the population each year were visitors.

**Dr McGinley:** Chairman, the visitors were made up from not just the local population but also out of region visitors and, indeed, the schools work was a lot of repeat visits.

**Q128 Mr Steinberg:** This was not a theme park, was it?

**Dr McGinley:** No.

**Q129 Mr Steinberg:** I suspect they would go once but would not go back again.

**Dr McGinley:** I think you have actually hit the nail on the head there. The original concept was much more about repeat visitor attractions in terms of the archaeological site.

**Q130 Mr Steinberg:** The point I was making was once you had taken somebody to the site—Mr Curry says he is going to go back—how many return visits were there to the site?

**Dr McGinley:** It was very low.

**Q131 Mr Steinberg:** I think that is obvious, is it not?

**Dr McGinley:** Yes.

**Q132 Mr Steinberg:** It is not as though you are going to Alton Towers.

**Dr McGinley:** No.

**Mr Steinberg:** The projection of numbers was a con, was it not? We have seen throughout the country over the last ten years the Millennium Dome, this, we were told how many millions were going to go, it was a con to get their money. Sheffield was another one, they told us how many visitors would go there, but who would want to go to Sheffield anyway, let us face it.

**Chairman:** Are you going to talk about any other parts of the United Kingdom?

**Q133 Mr Steinberg:** What they were doing was they were spinning the ball about the number of visitors who were going to go and nobody seemed to see through this. Surely to goodness me somebody should have right at the very beginning made some comment and said, "This is just impossible, they are never going to have those sort of figures"?

**Dr McGinley:** Navan itself did downscale their figures in both 1996 and 1998, again because of the experience they had had. You are correct that the original estimates were overly optimistic.

**Q134 Mr Allan:** The IFI and ERDF are the biggest funders, have they called you to account for this?

**Dr McGinley:** No, Chairman, and there is no suggestion in the Report of any irregularity in terms of public funding.

**Q135 Mr Allan:** Would the trustees have been liable for the £200,000 if you had not bailed them out, personally liable?<sup>5</sup>

**Dr McGinley:** Yes.

**Q136 Mr Allan:** The final question is we are told you said you could not give any more money to this because you are funding the Planetarium. If you look at Appendix 3 the Planetarium suffered a 47% fall in visitor numbers in 1996–2000?

**Dr McGinley:** Yes.

**Q137 Mr Allan:** Has that got a similar problem of over-optimistic visitor projection that it is not meeting now and you are having to bail it out?

**Dr McGinley:** No, Chairman. Actually there was a mercury spill in the Planetarium which led to its closure for health and safety reasons, so the 20,000 figure is actually outreach to education in schools which the staff have been able to maintain. We are hoping to reopen for full operation later next year. The figures are not quite comparable.

**Q138 Mr Allan:** That is not going to come back to one of these as a problem?

**Dr McGinley:** No. There was a consistent figure of around 50,000 a year for the Planetarium. It is a very consistent audience that attends, targeted and focused.

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<sup>5</sup> *Note by witness:* To clarify that the Trustee liabilities of £200,000 were met by Armagh City and District Council and not by Central Government.

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**Q139 Mr Allan:** Mercury spilt?

**Dr McGinley:** Exactly.

**Q140 Chairman:** Just one last question. You said that a number of valuable lessons have been learned, what is the most valuable lesson you have learned from this?

**Dr McGinley:** I think clarity at the outset, both about the purpose of a project but also the roles and responsibilities of those concerned with the delivery of it.

**Chairman:** Right. Dr McGinley, thank you very much for appearing before us. We have greatly enjoyed this hearing. In terms of money wasted, £5 million is small change for this Committee. Only last week we looked at the MoD which had wasted a quarter of a billion pounds on eight helicopters that cannot fly if it is cloudy. Having said that though, £5 million is important. It is not so much the sum of money that concerns me or, indeed, that you finally pulled the

plug, it was probably the right thing to do. It was that this money was dripped in as my colleague, Mr Bacon, articulated in penny packets and there appeared to be a lack of joined-up thinking between Government departments on this and we would have hoped in a province such as this this is the whole point of government here, that you should be able to have joined-up thinking when you have got fewer departments on a smaller scale from Whitehall. I am sure you have learned valuable lessons. I hope you have not felt that you have been a sacrificial lamb coming before us.

**Dr McGinley:** Not at all, Chairman.

**Q141 Chairman:** We have been impressed by your ability and charm and the way you have answered our questions. Thank you very much.

**Dr McGinley:** Thank you, Chairman, I appreciate it.

**Chairman:** Thank you.

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**Letter to the Committee from the Northern Ireland Department of Culture, Arts and Leisure**

As part of my on-going preparations for the Committee hearing on 2 November, I have reviewed the data and it has come to my attention that the figures quoted for the input of the International Fund for Ireland in Part 3, Figure 1 on page 20 have been understated by £328,000. This would account for a substantial proportion of the unallocated capital and revenue funding outlined in the table by the Northern Ireland Audit Office.

This does not, however, change any of the points or conclusions in the text but rather helps clarify where the unallocated funding came from.

*Aideen McGinley*  
Permanent Secretary

26 October 2004

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**Supplementary memorandum submitted by the Northern Ireland Department of Culture, Arts and Leisure**

*Question 85 and Question 90 (Mr Curry): The admission charges to the Navan Centre as at 31 March 2001 were as follows:*

Adult Admission	£3.95
Child Admission	£2.25
Concession for Senior Citizen	£3.00
Student	£2.50
School Visit	£1.80 per child
Family Groups	£7.00 for 2 adults & 1 child
	9.00 for 2 adults & 2 children
	£10.00 for 2 adults & 3 children

*Question 121 (Mr Steinberg): Contact details for the International Fund for Ireland are as follows:*

International Fund for Ireland  
PO Box 2000  
Belfast BT4 2QY  
Telephone: 02890 768832  
Website: [www.internationalfundforireland.com](http://www.internationalfundforireland.com)

November 2004