



Northern Ireland  
Assembly

Public Accounts Committee

# OFFICIAL REPORT (Hansard)

Inquiry into Safeguarding Northern Ireland's  
Listed Buildings

23 May 2012

# NORTHERN IRELAND ASSEMBLY

## Public Accounts Committee

### Inquiry into Safeguarding Northern Ireland's Listed Buildings

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**Members present for all or part of the proceedings:**

Mr Paul Maskey (Chairperson)  
Mr Joe Byrne (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan

**Witnesses:**

Ms Fiona McCandless	Department of the Environment
Mr Leo O'Reilly	Department of the Environment
Mr Michael Coulter	Northern Ireland Environment Agency
Mr Manus Deery	Northern Ireland Environment Agency

**The Chairperson:** We are joined by Mr Leo O'Reilly, accounting officer for the Department of the Environment (DOE). He is here to respond to the Committee. Mr O'Reilly, you and your team are very welcome. I will hand over to you to introduce them.

**Mr Leo O'Reilly (Department of the Environment):** Thank you, Chairman. On my left is Manus Deery, principal conservation architect with the historic buildings unit in the Northern Ireland Environment Agency (NIEA). To my right is Michael Coulter, director of built heritage in the NIEA, and to his right is Fiona McCandless, director of local planning division in the Department of the Environment.

**The Chairperson:** As I say, you are all very welcome. I think that you have been here before anyway, but the usual procedure is that I will start by asking a few questions to set the scene before other members come in. So, nothing has changed.

Let me first of all apologise for keeping you waiting for a bit longer today. This session was supposed to start at 2.00 pm but we had to get through other items first. So apologies for that. Hopefully, we do not keep you longer than we need to.

Paragraph 2.4 talks about the slow progress of the second survey. It tells us about the review undertaken by the agency itself and says that it might end up taking 30 years to complete, compared with the original target of 11 years. I am no mathematician, but I know that that is a 19-year difference, which is a terribly long time. Can you justify why the timing of the survey has gone so far off the rails? For it to be 19 years out of sync is just horrendous.

**Mr O'Reilly:** Thank you. Obviously, the survey has gone on for a very long time, and that has been a focus of concern. I suppose the basic answer to your question is that it has gone on longer than it should have. The report identifies the factors that explain some of the reasons why it has lasted for quite a long time, and they fall under three broad areas.

The first factor that affected the length of the survey was an underestimation at the beginning of just how much work would be involved, particularly in relation to the decision on the survey's coverage and scope in respect of the range of buildings to be surveyed and re-surveyed during the second survey exercise.

The second factor that impacted on the length of time that the exercise has taken to date is the various stages of contractual relationships that have been entered into. As the report highlights, the nature of the contractual relationships has changed over time. I suppose, to some extent, the agency was going through a learning process in seeking to find the optimum contractual model that would provide the type and quality of work that it required the survey to undertake at a reasonable cost to the public purse.

The third key factor that has impacted on the length of time is resource availability. In a sense, that is at two levels. Financial constraints impacted from time to time on the pace of the survey, particularly in the period from 1999 to 2001, when there were some significant reductions in the budget available to carry out the survey.

A second key aspect of the resource issue was the availability of staff in the agency to process the survey outcomes once the basic survey work had been carried out by fieldwork staff who were primarily contractors. The varying availability of those staff in the agency over the years impacted on the pace at which the information coming into the agency could be processed, which, in turn, impacted on the length of time it took to make decisions about listing a particular building and on the necessary consultation work carried out to reach a final decision before a formal listing took place.

Those factors — coverage and the nature of the survey, contractual relationships, the resources available over time and the deployment of those resources — can explain why the survey has lasted for so long. However, as I said at the beginning, it has lasted longer than, I think, any of us wished to see it last.

**The Chairperson:** I think so. It is estimated to last 30 years, which is 19 years more than expected. You gave three reasons, one of which was contractual. Is that because individuals were paid an hourly rate instead of a fixed cost? Is that why it is taking so long?

**Mr O'Reilly:** As the report records, when the second survey began in 1997, four contracts were let, covering four separate geographical areas of Northern Ireland. Those were let on an hourly basis, not on a fixed-price basis. As the report also records, the reason for taking that basic approach at the time was that there was uncertainty about the nature and the extent of the work that would have to be carried out by the contractors. However, as the report shows, after a couple of years, the analysis showed that there were significant variations in the cost of those contracts in respect of the cost per building surveyed. So, after a few years, the contracts were reviewed. Two of the contractors were dispensed with, and the remaining two —

**The Chairperson:** After how long?

**Mr O'Reilly:** After four years: they worked from 1997 to 2001.

**The Chairperson:** Four years — do you understand why some people might think that the project lacked good practice and project management skills?

**Mr O'Reilly:** There was a need to understand what was happening. The contracts, as I said, were let for separate geographical areas. Differing numbers of properties were surveyed in each area, which had a significant impact on the net price per property surveyed in each of the contracts. During that first four-year period, the exercise was bedding down. The first full review of how the contracts and survey were working was undertaken only in 2001.

**The Chairperson:** Originally, the project was supposed to take 11 years, so four years would have been just under one third of the way through. Four years is a serious amount of time, never mind bedding in.

Overall, the Audit Office report gives the impression that this part of your Department does not have much of a managerial culture and that certain functions are not well managed. What actions have you, as permanent secretary, taken to strengthen management since the publication of the report in March 2011 last year? You have had over a year.

**Mr O'Reilly:** As you rightly highlight, we have been in receipt of the report for a year, but, of course, even before it was published, we were aware of the various issues and concerns being explored by the Audit Office during its review exercise in the Department. I will answer your question by quickly referring to the report's key findings and recommendations, which, to some extent, will allow me to outline what has been happening over the past year and even before that.

The first recommendation concerns improved targeting arrangements. Those have been introduced since 2007, when a fundamental review of the whole second survey exercise was carried out. More recent contractual work has included improved targeting arrangements before the fieldwork begins.

The second recommendation refers to prioritising work for survey activity. The recommendation is that the contract, which expires in 2013, should be reviewed to ensure that current procedures are built on.

The third recommendation is that NIEA engage more proactively with owners, particularly owners of buildings that are on the Built Heritage at Risk in Northern Ireland (BHARNI) register. That has been taken up more proactively over the past year through positive engagement with owners and, at the same time, taking enforcement action or issuing warning letters to owners when we feel that activity is not being properly taken forward.

The fourth recommendation deals with issues surrounding the funding of the grant scheme and whether we should introduce enhanced targeting arrangements. It refers to a formal weighting and scoring exercise. Fortunately, over the past year, as we have highlighted to the Committee, we have been able to maintain and increase the grant spend. However, the recommendation remains relevant because there are still potential issues in the future in relation to the funding available for that piece of work in the Department.

The fifth recommendation is:

*"OFMDFM and NIEA work together to put formal processes in place to ensure that public bodies understand, and comply with, their management and reporting responsibilities".*

That engagement has taken place. A new protocol for the care of the government estate was agreed by the Executive in February, and we intend to publish that next month. The Committee may want to come back to that later.

The second last recommendation concerns the need to review the operation of our enforcement databases in light of the Criminal Justice Inspection (CJI) report in 2007. A follow-up report by CJI was published in November 2011. As part of that review exercise with CJI, we have taken action to enhance the working of the databases in the planning portal to ensure that they fully comply with the enforcement needs of the Environment Agency. Again, you may wish to come back to that.

The final recommendation is that NIEA undertake a review to understand the full range of its management and costing information requirements. That work has been taken forward over the past year, and actions have been put in place. We can perhaps update the Committee by going through the report. Over the past year since the report was published, we have been carrying out work on all the recommendations. However, to some extent, that was building on work that was already in train, particularly since the significant review of the second survey exercise that was completed in 2007 in the Department.

**The Chairperson:** I appreciate that detail. Other members will delve into some of those areas as we go through the report today. This question might be hard for you to answer, but, of all the initiatives that the Department is working on, where do listed buildings come as a priority? How high up on your list is that issue?

**Mr O'Reilly:** It is a significant issue for the Department for a number of reasons. There is the intrinsic importance of the subject and the importance that all communities, regardless of where they are, place on their built heritage and built environment. However, there is also, as members will be aware, a significant interrelationship between the quality of the built and historic environment and our tourist potential and offering. Indeed, since 2008, a Historic Environment Strategic Forum has been in place and has met regularly under the chairmanship of the permanent secretary. I have been its chairman for the past couple of years. Over the past year, our preoccupation has been with the completion of a report on the economic value of the historic environment in Northern Ireland, and that exercise has included a highly detailed study to establish the monetary value of the built estate and historic buildings in Northern Ireland. For the Committee's information, that group comprises colleagues from NIEA in the Department, the chief executive of the Tourist Board and representatives from the Historic Buildings Council and the Historic Monuments Council. It also includes representatives from external voluntary and other groups concerned with the built environment, including the Belfast Buildings Preservation Trust and the Heritage Lottery Fund. So we have a set of arrangements in place and are seeking to engage proactively with our colleagues in the voluntary sector and the non-governmental sector to ensure that the work on promoting, maintaining and improving our built heritage is taken forward in a co-ordinated way.

**The Chairperson:** Paragraph 4.4 of the report quotes the Planning Service:

*"unauthorised works to, or demolition of, a listed building constitutes a Priority 1 case"*

In the past, some resources were diverted from this area, but none of the Planning Service's business plan targets for enforcement relate to listed buildings. Maybe I am wrong, but that is what I take from the report. Will you explain the rationale for that apparent contradiction? If listed buildings enforcement is a priority 1 issue, it surely merits specific performance targets, but I see none.

**Mr O'Reilly:** Every listed buildings enforcement case is treated as a priority 1 case by the Planning Service. It is important to note that the number of listed buildings cases that come through for enforcement is, fortunately, a relatively small proportion of the total enforcement caseload in the Planning Service. Over the past three years, the Planning Service has opened more than 11,000 enforcement cases, which are cases involving enforcement activity or enforcement matters being investigated. About 100 of those relate to listed buildings, which is approximately 1%. That said, they are all treated as priority 1 cases because of their significance. So although there is no separate target for listed buildings, they are treated as an important part of enforcement activity in the Planning Service. Fiona will deal with the general point and provide some background.

**Ms Fiona McCandless (Department of the Environment):** Enforcement cases for listed buildings are treated as priority 1. However, other unauthorised developments, which could result in public danger, are also treated as priority 1 cases, as are those that could result in permanent damage, such as trees protected by tree preservation orders. Listed buildings are treated as high priority 1 cases, for which we have separate targets: for example, 95% of cases in which there has been unauthorised work to listed buildings should be inspected within three days, and 100% should be inspected within five days. The separate targets for priority 1 cases are included in our business plan.

**The Chairperson:** Mr O'Reilly, the 2010 report from the Public Accounts Committee on planning authorities states that money was diverted from this initiative. You said that it was a top priority, so why was money diverted from it? When other priorities come in, money is deflected from the initiative to them. It seems to be an easy target.

**Mr O'Reilly:** I gave evidence to this Committee on that report, and I recall the concerns expressed by the then members about enforcement activity in the Department generally and in the Planning Service in particular. Despite the various financial pressures that all Departments are facing, including the Department of the Environment, we have continued to place a particular emphasis on improving our enforcement activity across the Department, including in planning. The total number of staff working on enforcement activity, for example, is 44: 37 full-time and seven part-time staff. A decade ago, there were 14 working full time on enforcement activities. So we have increased by 30 the number of staff working on enforcement activity, and we have moved to a system of ensuring that those staff are located across the various planning offices in Northern Ireland, which means that they are close to where incidents and problems arise.

There are other parts of the Department in which we are also seeking to improve and enhance our enforcement activity, but that is a particular focus in planning. Despite other pressures, we have

continued to increase the staffing resources allocated to that activity, taking account, in particular, of the concerns expressed back in 2010 by this Committee about enforcement.

**Mr Copeland:** Leo, Michael, Fiona and Manus, you are all very welcome. Michael, I have not seen you since we crossed swords over Loopbridge mill, if I remember correctly. That is a building site now but is to become a Tesco store. I confess to much preferring the old red-brick building.

I see from paragraph 2.3 that the first 10 years of the current survey of historic listed buildings progressed on a stop-start basis. The survey seemed already to be in trouble by 2002, but, for some reason, it was not until 2007 that you undertook to review its methodology. It strikes me that six years is rather a long time to decide to re-evaluate a survey that appeared to be in some trouble. The need for re-evaluation was glaringly obvious by 2001. Will you give us some idea of the thought process that delayed it for six years?

**Mr O'Reilly:** With members' agreement, I will highlight some initial points and then pass to my colleagues Michael and Manus, who were involved in the exercise. Indeed, Manus carried out the major review in 2007. From my reading of the background papers, I understand that a large amount of fieldwork was carried out by the contractors during the first phase of the survey exercise between 2001 and 2007. In other words, initial work was done to survey buildings. However, as I said, an overall survey exercise is not complete until that work is reviewed by staff in the agency and decisions taken on whether buildings should be listed. There is a process that follows the fieldwork stage, if I may put it like that.

**Mr Copeland:** Yes.

**Mr O'Reilly:** By 2001, quite a backlog of casework had built up. The fieldwork stage was complete, but there was a backlog —

**Mr Copeland:** Was that a resourcing or finance issue?

**Mr O'Reilly:** Primarily, it was a staffing or skills-based issue. As you will appreciate, that work requires staff with an architectural background or skills who know what they are looking at in individual buildings. Therefore, for a period of three or four years, most of the agency's focus was on trying to clear that backlog. I suspect that it was probably after that stage had been completed that the agency was able to consider restarting the survey and re-examine its contractual framework. Indeed, as appendix 3 to the report highlights, survey work restarted in 2004. However, the survey was again suspended in 2006, mainly because of the problems with letting a new contract. New contracts were advertised and bids came in, but, after consultation with internal audit teams, those bids were considered too expensive. We did not proceed with those contracts because we felt that they had increased in price so much that they did not represent value for money. A further review of the contracting arrangements was undertaken as part of the major policy review in 2010.

**Mr Copeland:** Were the tender conditions altered at that stage, or was that an attempt to get the same value for less money?

**Mr O'Reilly:** I think that it was an attempt to get best value.

**Mr Copeland:** I understand that.

**Mr O'Reilly:** What I think happened was that the prices that we were working on up to then had been sourced back to the letting of contracts in 1997 and 1998. In the intervening period, there had been a significant construction boom and there was lots of work for architects and other professionals, so the bid prices that came in were much higher than the Department expected. That was why it was decided not to proceed with that tranche of contracts. Instead, a further review was undertaken to seek to establish a more viable contract framework that would deliver better value for money.

**Mr Copeland:** I take it that that problem no longer exists.

**Mr O'Reilly:** The present contract was let in February 2010, with an average survey price per building of, we think, £350. That is a fixed-price contract, and we think that it represents value for money. However, as the report highlights, that contract will expire in 2013, so we are beginning a review

exercise to consider the framework through which we will take forward further contractual arrangements in the subsequent period.

**Mr Copeland:** How much did you say that it costs per building?

**Mr O'Reilly:** £350.

**Mr Copeland:** Given the amount of work involved, that seems quite competitive, certainly compared with what some companies charge for personal capability work assessments. However, that is an issue for somewhere else.

**Mr O'Reilly:** I do not know whether my colleagues wish to pick up on any points that I may have missed.

**Mr Michael Coulter (Northern Ireland Environment Agency):** There was a scoping issue at the outset, and then we had to deal with a backlog of fieldwork produced by contractors. The focus was on making sure that we processed that fieldwork. If fieldwork is not processed rapidly enough, it becomes out of date, and changes may have been made to buildings — that was an issue in the first survey — and we have to go back and do it all over again. So we focused our effort, first, on processing the backlog. After we addressed that, we sought to establish new contracts. That said, throughout all the contracting, and despite the systematic pausing of the main second survey, we maintained the capacity for contractors to carry out ad hoc surveys. So if we were informed that a particular building had not been listed or needed a second survey, we maintained the capability to do that in what were, effectively, emergency situations.

**Mr Copeland:** So that was a way of using the available resources as effectively as possible to ensure that the work that had been done was not wasted. It also allowed the process to move along as far as possible with the resources available.

**Mr Coulter:** Absolutely.

**Mr Copeland:** Chair, with your indulgence, I will be slightly naughty.

**The Chairperson:** That is not like you.

**Mr Copeland:** I am a carpenter and joiner by trade, and I was interested to note the inclusion of Prehen House in Derry/Londonderry on page 12 of the report. I was even more interested, although I have subsequently found out how the situation arose, in how a 17th century house could be described as early Georgian, given that the Georgian period did not start until the latter early half of the 1700s, by which time the 17th century had long departed. It is certainly on my list of buildings to visit on the basis of the early joinery work in the stables.

**The Chairperson:** Is that the latter early half, did you say?

**Mr Girvan:** He served his time there.

**Mr Copeland:** I cannot remember, but if I did, I am sure that the joinery work would be of a very high standard. I just could not understand how a 17th century building could be described as early Georgian. It would have to be fairly early, unless there were additions.

**Mr Manus Deery (Northern Ireland Environment Agency):** It is, in fact, an 18th century house: there is a misprint in the report. There was a 17th century house on that land, but as far as we know, Prehen is an eighteenth-century house.

**Mr Copeland:** I researched it: the bit that was left, the origins of the foundations, went back to the 17th century. It just struck me as confusing.

Paragraph 2.7 states that the survey is expected to be completed in 2020, which means that it will have taken 23 years. That is quite a long time. It was anticipated at the outset that the survey would take 11 years, so when the time frame was set, it must have been unrealistic. The update paper explains that there is now a new backlog of reports from 2011-12 that have not been processed by the

Northern Ireland Environment Agency. To be honest, and forgive me for saying so, because I mean no harm, it does not exactly inspire confidence. Can you assure us that this survey will not go back to the stop-start rate of progress? What measures are you taking to ensure that it will be finished by 2020?

**Mr Coulter:** The issue is less that a backlog has built up and more that there is a processing time between what we receive and what we can process through to listings or delistings. There is a time lag, so we have a number of records in the office that are being processed through the system but not a backlog per se. Certainly, the number of records at any one time varies, but we are determined to put resources in place to ensure that we can maintain a flow that balances the resources that we have to buy in the contract survey of work in the field and the processing that can be done by staff in-house. I do not know whether Manus wants to add any more detail on that.

**Mr Deery:** The issue is that, in the past year, we had to divert staff to other areas, because the cutbacks at the beginning of the year meant that we thought that we would not have the necessary budget and that the second contract, would have to end. However, we received resources in-year and were able to survey the full amount that we had expected to in that year. We had to move the staff resources back to cover that. That explains why the figure is slightly higher than we would have expected at this stage. As Michael said, we are putting resources in place this year to make sure that that does not become a backlog as such.

**Mr Copeland:** Do you have any notion whether irreplaceable buildings are being lost because we have not given you sufficient resources? Is there any possibility of that? Not very far from my office, there is a Georgian terrace — in this case, genuinely Georgian — two of which appear to have some protection. However, it is my firm belief that the developer or the owner, had he the ability, would level the third one because it is dangerous and because of the cost of maintaining it. It strikes me that, on some occasions, we know the price of everything and the value of nothing. We will never be capable of recreating some of what is lost. I am asking for an honest opinion: have buildings been lost?

**Mr Coulter:** That is always a risk. However, as I was saying, even when we systematically paused the second survey, we maintained the capacity for ad hoc surveys by both contractors and in-house staff. If we receive any notification from whatever source, whether members of the public, colleagues in Planning Service, people in the voluntary sector, members of the Ulster Architectural Heritage Society (UAHS) — I think that I am right in saying that Rita Harkin is sitting just behind me today — we react. We go out and check out buildings, and if we consider them likely to meet the listing standard, we will go through the second survey process and seek to add them to the list. However, no system is perfect. There will always be a concern that we may lose buildings, but we use our best endeavours to ensure that we catch any such cases. We use any form of information that comes to us. We react to it and seek to save such buildings.

**Mr McLaughlin:** I have some appreciation of just how difficult it would be to have a comprehensive perspective on all the assets. The Ordnance Survey conducts continuous aerial surveys and regularly produces 3D maps, and so on. Do you link to those emerging technologies as well as maintaining your register? If you did, you could be specific in identifying where the buildings are and in responding to information from, say, the voluntary sector's preservation groups, which form around local areas or buildings of interest.

Do you work with building control officers? Is all that linked into the survey? It amazes me that the first survey took so long and that the second survey also seems to be running into difficulties.

**Mr Coulter:** Thank you for your understanding of the scale of the task. That is acknowledged in the report. In the second survey, we deal not only with the exterior of the buildings but, for the first time ever, we go into the interior. Through Planning Appeals Commission cases, we had learned many lessons about the inadequacy of the extent of our records, although the quality of what was produced was very good.

We use a great deal of Ordnance Survey mapping, but we focus more on historical mapping, which is useful for establishing where the older buildings are likely to be. When conducting the second survey, three basic areas are considered: the first group of buildings presented is of those already on the list; the second grouping is those that were considered for listing in the first place, and the third is those that surveyors find anew.

**Mr McLaughlin:** That is helpful. The Ordnance Survey work is valuable to Land and Property Services in detecting changes in the footprints of buildings, such as extensions, etc. It seems to me that that would have an application for you as well. You would be able to detect any unapproved work carried out to listed buildings.

**Mr Coulter:** Absolutely. I agree completely that it has merit in that regard. As the second survey continues and we make a new record of a building, we find any changes that have been made at that stage. That becomes a mechanism by which we advise our colleagues in Planning Service about enforcement issues.

**Mr McLaughlin:** So you agree that the Ordnance Survey process would be of assistance? I am looking for an assurance that you access the information available.

**Mr Coulter:** I do not think that we do, but Manus can provide more detail.

**Mr Deery:** Our current engagement with Ordnance Survey is through the demonstration on our website of our heritage of historic monuments and listed buildings. You can go on to our website and zoom into a part of Northern Ireland. The heritage features are highlighted on the Ordnance Survey maps, and information on them is available. As Michael said, different levels of maps are available. We have not engaged with Ordnance Survey on the means of identifying those buildings in the first place, and perhaps there would be some merit in doing so. Michael talked about responding to the voluntary sector and to any concerns that may be brought to us. We certainly respond to every listing query that comes to us.

At present, the survey is designed so that we cover one district council at a time. That means that we go to the district council; explain in advance what we intend to do; ask members to suggest buildings that might be of interest to them; and, through that, highlight to local voluntary societies the opportunity to suggest buildings. That is how we compile a list of buildings to give to our contractors.

We have had developing engagement with local building control departments. We found in Strabane, for example, that building control officers were going out to look at every building that we proposed to list and producing a report on them. They were consulting individual owners, not knowing that we also informed the owners. We have been able to work with building control and develop its awareness as it is looking at its role and how it develops. There is certainly scope there.

**Mr McLaughlin:** I think that Land and Property Services would admit that it could not carry out its function without that level of collaboration. I have a very pedantic mind, and I was wondering about the difference between preservation and conservation. Is it a legal definition? If you stop people destroying the property, is that the preservation end of it?

**Mr Coulter:** That is debated in professional circles, and, for every professional you ask, you get a different view. However, for what it might be worth, as director, I say that preservation is where you seek to retain things with an absolute minimum of change, and conservation is where you accept positive change. In that regard, we use scheduling legislation to protect archeology, where we seek to have no change. However, with listed buildings, we use conservation-based legislation that allows for the fact that, because you want to keep a structure or building in use, it may be entirely appropriate to add an extension or toilets or do maintenance work. That is a personal definition, if that helps.

**Mr McLaughlin:** It does help. Thank you.

**Mr Coulter:** I will go back to your questions on building control. We joined in with annual meetings with building control over a number of years, and we have had joint seminars that have specifically focused on buildings at risk. We have, as Leo said earlier, an owners forum, and we have met owners for four years in a row. Between 300 and 350 owners come along to those sessions, and we are joined on those days by a building control officer, who provides information from the building control side. There is quite a bit of rapport. I was speaking to Fiona about enforcement cases, and Planning Service uses Ordnance Survey (OS) information on rear extensions and so on as part of that action.

**Ms McCandless:** We engaged recently with building control on enforcement cases, and we sometimes rely on members of the public and people from other Departments or building control to advise us of breaches of planning control. We have provided building control officers with access to

all our listed buildings and to electronic copies of all our conservation area maps so that they are aware if a building is in a conservation area or is listed.

**Mr Coulter:** We have gone further than that and have given the Northern Ireland Fire and Rescue Service access to our databases so that, if it is dealing with a fire in a listed building, it knows that it is a listed building and that it is of more concern. We have quite a positive rapport there.

**The Chairperson:** People usually try to stop answering questions when they are in front of us, but you are going the opposite way.

**Mr Copeland:** Paragraphs 2.10 and 2.11 show that the contract management of the survey until 2007 could, by any standards, safely be described as poor. There was no fixed price for the work, and contractors were paid an hourly rate, and, as a result, the whole process was effectively being run, to a degree, by the contractors, and you had no overall control of costs. Why was there difficulty in getting to grips with the situation until long after the survey had started? Do you believe that the agency now has the necessary management skills in place to prevent a reoccurrence of how we see it, which is maybe not how you see it?

**Mr O'Reilly:** I will respond to your last question and perhaps ask a colleague who was around at the time when the second survey was getting under way to come in after. Since the review was carried out in 2007, we have been very conscious of issues of cost control, and that is why, although it has delayed things, we have taken time to try to put in place a contracting framework that guarantees sufficient quality of survey work and ensures that it is done at a reasonable cost to the public purse. As we said, the most recent contract for the survey has been agreed on a fixed-price basis at an average price of £350 per building surveyed. So, in more recent years, we have sought to address, at an earlier stage, the contractual difficulties that you have identified.

Figure 5 shows that there were significant variations in the cost per building surveyed, which is related, in part, to the size of the individual contracts. In general terms, the larger the number of buildings in a contract, the lower the cost per building surveyed. However, you can see also that that was not the case with contractor C and that, in fact, a relatively small number of buildings were surveyed at a very low cost. Michael can outline the reasons for those variations and explain what happened in the early stages.

**Mr Coulter:** Each of the four contracts that were issued were tendered, and various rates came in. There were issues around how many buildings were in a particular area. There may have been questions around how many surveys particular contractors carried out. The hourly rate reflected the fact that we had never before been involved in the process of being inside buildings and making such an extensive record, etc. On reflection, it is good to be able to look back on those figures. On average, the cost per record that we ran through in those times, at an hourly rate, was about £350. Even now, when we go through fixed-price tendering, the ballpark price per record is still £350.

**Mr Copeland:** I can follow that logic.

**Mr McQuillan:** Thank you for your answers so far. Paragraph 2.13 states that 60% of the buildings that were surveyed were not suitable for listing, and it cost £1.1 million. I appreciate that you now have better records, as you said, but do you not think that it was a waste of taxpayers' money to pay that sort of money to get a few records? A high percentage of buildings were not listed.

**Mr O'Reilly:** We agree with the broad conclusion: the 60% rate is too high. Since 2007, as the new contracts have been let and as the contractors prepare to move into a new ward or district council area, a pre-survey exercise is carried out in the agency to seek to narrow down the number of buildings that will be surveyed to ensure that there will be a closer focus on the buildings that are likely to merit listing or attention. The figures are accurate; they cover the full period of the second survey activity to date. Since 2007, the ratio has moved to 50:50, but our objective is to get it to 60:40 in the other direction. That is what we seek to do, and we are beginning to achieve some success in reducing the percentage figures that are quoted in the report.

The purpose of the survey is, of course, to identify buildings, particularly new buildings, that may be suitable for listing. To some extent, therefore, there will always be a proportion of buildings that you survey that you conclude are not suitable for listing. We would not expect —

**Mr McQuillan:** It should be a smaller percentage.

**Mr O'Reilly:** It should be a smaller percentage. It is roughly 50:50 at the moment and has been so for the past few years. It should be down to 40%.

**Mr McQuillan:** You mentioned the pre-survey. Who carries that out?

**Mr Deery:** It is a scoping survey. The current contract was let in 2010. The contractor scopes the area. He knows that he has to survey the listed buildings because, even if we are going to de-list them, we need a full survey to be able to justify that decision. He scopes the area and then brings in the results of that. That is his initial historical review and his initial drive-past survey, which identifies potential buildings. He then goes through that with us, and we agree with him the buildings that he is going to survey. In the past, we relied more on his professional judgement; in the 2008 and 2009 surveys, the contractor came to us with what he felt were the borderline ones. We felt that, even with that, there was still too big a difference. As Leo said, the ratio of 50:50 is the result of the two tests contracts in the surveys of Cookstown, Strabane, Omagh, Newtownabbey and Carrickfergus. Currently, we are aiming much closer to that 40% figure.

**Mr McQuillan:** You have nearly answered my second question, but I will put it to you anyway. Paragraphs 2.19 to 2.21 tell us that two successive internal audits recommended a more targeted approach to survey work. That was rejected by NIEA. Paragraph 2.24 indicates that the Audit Office also expressed the view that resources should be better targeted. Can you explain to the Committee why you rejected internal audit recommendations on two separate occasions and whether you are now adopting a more targeted approach? I take it that you are.

**Mr Deery:** The recommendations in the first audit report were largely accepted as part of the 2007 review and were worked into the test contracts. The principal recommendation was to move away from hourly rates to batch processing. The second audit report concluded that if the test contract proved to be unsatisfactory, a more targeting approach should be carried out. The results of the Cookstown survey, which was the first test contract, were very much on the money in respect of what we were expecting. At the same time, we let the ad hoc contract, which happened after that auditor had reported. That came back with a cost per record of £840. So, the decision was between either proceeding with a £350-per-record survey but surveying a wider number of buildings or having a much more focused survey. The danger with a much more focused survey is that you start to go towards the ad hoc end of the spectrum, in that you have to go back to an area and carry out more individual historical research, which involves more travel time.

Our view, at the time, was that the test had proven itself. I suppose the way that we are addressing the targeting approach is by being much stricter with the contractor at the scoping stage by ensuring that that is well focused. One of the other issues with a contract approach is that there is a danger that you might have a new contractor and, therefore, another training period. So, having that scoping level ensures that there is no slippage if there are different contractors at an early stage.

**Mr McLaughlin:** Hello, Leo. Paragraph 3.3 says that the Environment Agency did not establish any specific objectives or performance measures for the grant scheme at any stage since its inception in 1974. In effect, it was paying out over £3 million a year with no specific targets, performance measures or specific objectives. So the question is this: how could you ensure that you were using the grants effectively if you did not set out in advance exactly what you expected to achieve? The obvious follow-up question is whether now, some 14 months after the audit report, you have addressed that issue and whether those objectives are now in place.

**Mr O'Reilly:** As the report reflects, the emphasis of the grant scheme has been on, in a sense, ensuring quality outputs, in other words ensuring that the work carried out on individual buildings in receipt of grant support is done properly and to the right standard before that support is paid to the owner of the building. To that extent, there has been monitoring, but it was done case by case.

I suppose, from my analysis, the reason why there has not been an attempt to look at more general impacts on the total stock of listed buildings is that, in any one year, an average of, for example, 150 individual listed buildings will receive grant aid support. That is positive, but, out of the total stock of listed buildings in Northern Ireland, it is a relatively small proportion. So, it is only going to be over a considerable period of time. For example, we estimate that over the past seven years, just over 730 buildings have been in receipt of grant aid support, which begins to bring you up towards 8% or 9% of

the total stock of listed buildings that have now received some form of grant aid over that period. That, in a sense, is an explanation of the approach adopted previously.

On the latter part of your question about what has happened since last year, we have decided, this year, to carry out a baseline survey of the general condition of the listed building stock in Northern Ireland using statistical techniques. I am told that if we carry out a survey on the general condition of a random selection of approximately 2,000 buildings, that will give us a fair idea of the total standard of the stock across 8,500 buildings. So, that exercise will be carried out this year. A similar type of exercise was carried out in 2000, so the results of the exercise this year will give us something to compare with the previous one.

I think that the answer to your question is yes. I can see people thinking that, it is OK; they understand that we have to look at individual buildings, but they may still wonder whether what we are doing is having some sort of overall beneficial impact on the stock. Having looked at this issue since we received this report last year, we will carry out this baseline survey this year to seek to establish the general condition of listed buildings in Northern Ireland at the moment.

**Mr McLaughlin:** I presume that is not intended to be a 'Groundhog day' type of operation, and that we are looking at the general condition of buildings that we are trying to conserve and whether the grants are having this impact.

**Mr O'Reilly:** We would be certain of that in the cases where a grant is paid, because there is architectural involvement from colleagues in the NIEA's historic buildings unit in each and every one of those schemes. They will have an input and, before the grant is paid, they review the quality of the work when it has been completed. I suppose the difficulty is that a large number of listed buildings are untouched by grants from one year to the next. The question is what is happening to the condition of those buildings. That question is unanswered, but we hope that the baseline survey this year will help us to get some idea.

**Mr McLaughlin:** That could be germane to the discussion or the consideration, particularly with other Ministers who are competing for financial resources. If you can demonstrate that, because you have set out objectives and have applied the grant regime to achieving that and measuring the beneficial impact, you can address those that fall outside the scheme; those buildings that receive no grant aid whatsoever but could possibly benefit, before we get to the stage of having to spend large sums of money.

**Mr O'Reilly:** Yes. What we are seeking to do is to secure investment in the listed building stock to improve and maintain it as well as conserve it as best we can. The grant mechanism is one part of the range of tools or, indeed, funding sources that are available, but there is a wide range of other funding sources available. In the first instance, there are the people who receive a grant. They receive a grant of 35%, which means that they have to find the other 65% themselves. They are also contributing in a very real sense, but there is a range of activity across government and quasi-government in support of the historic environment. As well as funding from the Department, substantial expenditure happens from one year to the next through the Tourist Board, particularly through the signature projects, for example, on the north coast and St Patrick's Trail. My colleagues can give you more details as necessary. There is obviously the Heritage Lottery Fund, which is a very significant funder of major refurbishment and conservation projects. There is the Department for Social Development, with its urban regeneration responsibilities, and there are district councils, some of which spend very substantial amounts of money on maintaining and preserving their listed buildings. The most dramatic example of that in recent years is Belfast City Council, but there are lots of examples around. There are other Departments that spend money, including UK government Departments at times. For example, HM Revenue and Customs invested in the work done down at the Custom House in the city centre. Then there are the Churches, which contribute very substantial amounts to the refurbishment of their properties. There are also private individuals, as I said, and there are companies that also own historic buildings and invest in the refurbishment.

The issue for the agency and the Department is to try to co-ordinate and focus those potential funding sources from one year to the next and seek to ensure that the effort is directed as widely as possible across the full stock of listed buildings. Our particular focus at the moment is on those owners of listed buildings who probably cannot access larger funding sources, such as the Heritage Lottery Fund, and who may be private individuals who own smaller properties. Also, and I am sure that we will come back to this, buildings that are seriously at risk and where there are serious issues and problems must also be a particular focus for the Department.

**Mr McLaughlin:** Paragraph 3.6 makes reference to the fact that you have an:

*"objective of ensuring equity of grant funding for all listed buildings, irrespective of grade."*

Can you tell us what that means in practice? I did not really understand it.

**Mr O'Reilly:** That refers to the revised grant scheme that was introduced in May 2008. In the year before that, there was a major review of the operation of the heritage building grant scheme. In 2008 a scheme was introduced. There were a couple of major changes but, apart in an increase in the funding available for listed-building grants, the other major change was that, for the first time since 1986, all listed buildings became eligible for grant. In particular, what are referred to as grade B2 buildings became eligible for grant. That meant that, for the very first time since 1986, all owners of listed buildings in Northern Ireland were able to seek grant support for the preservation and maintenance of —

**Mr McLaughlin:** When you say "equity of funding", that means that, as owners of a listed building, they have an automatic entitlement to apply for a grant, though they may or may not get it?

**Mr O'Reilly:** Yes, there is that. What is also alluded to here is the fact that there is a difference — I do not know whether it is an anomaly or just a difference — between Northern Ireland and the rest of the UK, in that the categories in the listing of buildings — A, B1, B2, etc — are administrative categories, whereas, in GB, they have a statutory basis. Here, they have no statutory basis. That is a technicality. That, plus the policy to date, particularly since 2008, has been to make the grant scheme available to all owners of listed buildings, rather than a targeted scheme that is available only for more important buildings or buildings of a higher grade. That policy has been deliberately followed over the years since 2008.

We think that it has had significant benefits in that, in a sense, it increases the capacity of NIEA architects to get involved in individual buildings because they become involved in approving grant applications. They get involved in types of buildings that they might not otherwise be able to have an influence over. In particular, it also helps owners of B2 buildings, who are often simply people who own their own home, which is a listed building, and are not eligible for Heritage Lottery Fund grants. Generally, they are unable to access Tourist Board grants or council spending. So, in a sense, it helps those particular categories of householder. However, I am sure that we will come to that separately. We understand the concern in this report about the need to target the grant scheme differently in the future.

**Mr McLaughlin:** That is exactly the point. The present grant scheme appears to take a broad-sweep approach, but the evidence is that we perhaps need a much more focused and target-led approach.

**Mr O'Reilly:** Michael will come in on that point. I expect that the key constraint in the future will be funding. As funding becomes more constrained, we may need to reintroduce some targeting, such as in the approach that was in place before 2008.

**Mr Coulter:** Thank you very much Leo, and I agree with what you said. In essence, we have roughly 8,500 buildings, all of which are protected equally under law, and all of which, in accordance with the statutory provisions, may have access to grant aid. We have sought to manage our budget on the basis that we have a backstop position. If the amount of grant aid available in any year is very low, we can default only to buildings at risk, those that are thatched and for owners who are in receipt of certain benefits. Those are the three categories that we fall back to. If we look at the ordinary statistics, that would involve only about 600 of the 8,500 listed buildings throughout Northern Ireland. By capping the grant, we have managed to spread the funding that we have across a much greater number of listed buildings. As Leo said, it is between 120 and 150 a year. It means that, when we have willing owners who want to look after their buildings — a positive owner is exactly what we need — we are able to support all of those who come to us. We have no history of turning away willing owners, with very few exceptions —

**Mr McLaughlin:** In welfare payments, we have what are called passport benefits, which entitle you to other support. Is this, in any way, a certification that other funding agents, including, in particular circumstances, the Heritage Lottery Fund, would regard as a precondition to their involvement?

**Mr Coulter:** For the Heritage Lottery Fund, if the building is listed or scheduled that becomes an enabler for it to pay funding.

**Mr McLaughlin:** I could see that as a certification, but what about your willingness to put your money where your —

**Mr Coulter:** When it comes to owners in receipt of certain benefits, we will pay our grant at 90% rather than the normal 35%, which recognises that their building has become listed because society wants to see it protected but that the individual owners may not have the financial wherewithal to do that. We step in and increase our grant in those circumstances.

**Mr McLaughlin:** Thank you, I will move on. Paragraph 3.10 shows that the sustainable development strategy set a target to remove 200 buildings from the built heritage at risk register. However, paragraph 3.12 tells us that you have no prioritised list of buildings that you would like to see removed from that register. Would it not make sense to have a prioritised list and just work your way through it so that you respond specifically to the buildings that are most at risk?

**Mr O'Reilly:** I will ask Michael or Manus to come in on some of the detail. We regard the built heritage at risk register as a targeted list, because most of the buildings on that register are also listed buildings. To that extent, we regard that BHARNI list, as we refer to it, as being a subset and a targeted group in its own right. We seek, as far as possible, to encourage action to address all the buildings on that list. However, because of the uncertain funding environment that we are in, we have recently begun to draw up a prioritised list of buildings in that register based on a measure of the risk to them. Indeed, that prioritisation has already begun to be used in targeting action, for example, issuing warning letters to owners or even moving to the next stage of urgent works notices. Manus deals with this matter daily.

**Mr Deery:** That is correct. The buildings at risk register is really a subset of the whole and is, effectively, a targeted list. When dealing with buildings at risk, we are still dealing with owners and trying to encourage them. We try to target staff resources. We have a contract with the Ulster Architectural Heritage Society, which employs a surveyor to talk to the owners of the buildings and to try to encourage them to apply for grant. We then respond to that. To a certain extent, we try to focus on the buildings at risk register by encouragement.

As Leo said, we have also gone through the register and looked at the buildings' relative risk, but that was done more with a view to deciding which buildings we should move towards issuing warning letters and taking direct action rather than saying that we will limit the grant to those buildings. We are trying to get all of the buildings out of the at-risk category.

**Mr McLaughlin:** I understand. You have described to me fairly well how a prioritised list exists within a broader scope of buildings. You could meet the target that you set yourself, albeit not only on paper, but you could lose some of the buildings that you intended to preserve because you did not have a prioritised approach.

**Mr Coulter:** I accept your point. It is something that we have to keep under review; there is no doubt about that. At present, we are on target to achieve that saving of 200 buildings off the at-risk register.

**Mr McLaughlin:** You would welcome that as a performance indicator. However, would that report also address the fact that, perhaps, we lost some buildings that you would rather not have lost?

**Mr Coulter:** To date, we have not lost any.

**Mr McLaughlin:** It has not happened.

**Mr Coulter:** We are keen to save them all and have targeted some grant aid to the voluntary sector to acquire some of the buildings at risk. There is an old mantra that there are no problem buildings. Manus and I are architects, and we are quite happy to deal with the buildings. However, there are problem owners, and, sometimes, getting that change of ownership is the bigger issue. We will help the voluntary sector to acquire buildings to help to save them and to get them off the register of buildings at risk. There is also a concern that, if we started to enhance the grant for buildings on the register, we might encourage people to let their buildings deteriorate until they were at risk so that they would receive an enhanced grant. There was a situation with the stable block in Sion Mills, which,

ultimately, we acquired by compulsory purchase. That owner was offered a 90% grant to fix the building and still would not do it.

**Mr McLaughlin:** I drive through Sion Mills often. It is heartbreaking.

**Mr Coulter:** Absolutely. It is back to that old mantra.

**Mr McLaughlin:** It is a beautiful building in a lovely village.

The updated paper shows that you removed from the register only 12 of your target of 18 buildings in 2011-12. How do you respond if you miss a target? Does it carry on to the next year, or is it gone?

**Mr Coulter:** We have signed up to a target of saving 200 buildings in the 10-year period, but we recognise that, given how the economy is, the cash value of the buildings is considerably down on what it used to be, and people are not investing in them as they used to. We find that banks will not give mortgages, and so on. There is a real issue there, and we are in a particularly difficult position now. Therefore, through our current review of grant aid, we need to consider whether we should have more targeting, whether we can do it in a way that does not reward the bad owners and whether we can work with the voluntary sector, as we do now, to help it to acquire and save more buildings.

**Mr McLaughlin:** Bad or irresponsible owners must make your job virtually impossible, or at least very difficult. However, in an economic downturn, some good owners simply may not be able to afford remedial or preservation works, so is there not a case for you to seek additional support from the Executive and the Finance Minister to address the issues?

**Mr Coulter:** We would be delighted if that were the case.

**Mr McLaughlin:** Have you recalculated your bids in the context that genuine owners with a real attachment to their buildings are not in a financial position to carry out the necessary work?

**Mr Coulter:** As Leo said, an economic study is being produced to highlight the value of the built heritage to the economy, and a basic strand of the case would be made outside the Department. However, in the Department, we have been very successful with in-year bidding to continue our support for owners who come to us. Our out-turn figures for spend in the previous financial year increased over those in earlier financial years, even in straitened circumstances, as we seek to support all the owners who come to us with a view to fixing up their buildings, and we encourage them to do exactly that. Through an assessment, which is a calculation of how much is spent on the building in total, we also know that, for every pound that we spend on grant aid, £3 is spent on the grant-eligible works. However, generally, owners also do additional work and may add a toilet or upgrade their heating or electrical system. Those are not grant-eligible items. For every pound that we spend on grant aid, we lever £7.60 of spend into built heritage in general, which, given the economic circumstances of this day and age, is very important leverage.

**Mr McLaughlin:** Sammy Wilson is a great champion of the invest-to-save initiative. If that could be applied to built heritage, you might find a very receptive Minister.

**Mr Coulter:** He is a former Minister of ours, and he was able to quote the leverage figures when he was with us.

**Mr S Anderson:** Michael, you talked about bad owners and a building moving from being at risk to beyond rescue. You said that you could offer a grant of up to 90% to repair such buildings. What is the position if the bad owner refuses to do anything? What is the fall-back position? Do we lose what might be a very important building?

**Mr Coulter:** There are two fall-back positions in legislation. There is an urgent works notice, which we can serve when an owner will not do the appropriate works after we have served notice on him and tried to engage with him. Once we have served that notice, we will undertake the work and seek to recoup the money from the owner. That requires the building to have deteriorated significantly.

**Mr S Anderson:** Do you serve those notices often?

**Mr Coulter:** Since October of last year, we have issued five urgent works notices. On top of that, we have issued notices numbering in the high twenties, which we refer to as warning letters, to which owners have reacted and done the work before we have had to serve an urgent works notice.

**Mr S Anderson:** Do you find that it is becoming an increasing problem because of the economic downturn and owners just not having the finance?

**Mr Coulter:** There is no doubt about that. We see a number of buildings that have been mothballed, some not terribly well. However, we have taken action and been supported by our Minister through the likes of the heritage crime summits that we have held. The sector has now got the message that we will come out and take action. So the letters that we issue in advance of urgent works notices are proving more effective and buildings are being secured in so far as being windproof and watertight.

**Mr S Anderson:** Most of them can be rescued, then.

**Mr Coulter:** Absolutely. We have not lost them from the list.

The second strand to the legislation is the repairs notice. If repairs notices are not acted on, the Department may initiate a compulsory acquisition, which we did with the stable block in Sion Mills. That is the absolute fall-back position: we acquire the buildings and transfer the ownership to a caring owner. In the case of the Sion Mills stable block, ownership has been transferred to the Hearth Housing Association, which is a voluntary society.

**Mr S Anderson:** It is good that the option to secure buildings is available in the cases of bad owners.

**Mr Coulter:** Absolutely.

**Mr McQuillan:** In what areas where the five urgent work notices issued? I do not want to know who they were issued to, but where were they issued?

**Mr Deery:** Dungannon, Derry, Larne and Dundrum.

**Mr Coulter:** We chose to spread them throughout Northern Ireland so that the message would be, "No matter where you are, we will take action."

**The Chairperson:** Maybe you would forward the name of the fifth area, as you mentioned only four.

**Mr Easton:** Figure 10 in the report shows that about 10% of listed buildings are owned by public bodies. However, paragraphs 3.18 and 3.19 state that public bodies have not been meeting their obligations to monitor the condition of the buildings. Will you clarify whether those monitoring reports are being produced? Will you give us your view on the condition and management of listed buildings in the public sector?

**Mr O'Reilly:** I will ask my colleagues to answer your second question on the condition of buildings generally in the public sector.

As the report before you today accurately reports, in 2003, the Department for Culture, Media and Sports (DCMS) introduced a revised protocol for the care of the government historic estate. As part of that, it introduced a monitoring arrangement. At that time, the devolved Administrations reported on, and gave a general overview of, the state of the historic buildings in their custody. However, those monitoring requirements were dropped, or ceased to be asked for, by DCMS in 2005.

So, effectively, since 2005, we have not been reporting to DCMS against those monitoring arrangements. Two things have been happening in the period since then. First, we have continued to engage with local public sector owners, particularly in certain sectors. A particular focus has been on, for example, the health sector, in which we often find that older hospital buildings have been abandoned when a hospital moves to new premises.

In more recent times, as I mentioned at the beginning, we drew up a new local protocol for the care of the government estate in Northern Ireland. That has now been agreed with OFMDFM. It was approved by the Executive in February, and we plan to launch and publicise it next month. Specifically, that will require all Departments and public bodies here, but not district councils, to

provide to us by June 2013 a detailed report on the state of the listed buildings in their care or ownership. It is intended that that will happen by June 2013, and we, in turn, will be required to report to the Committee for the Environment by September 2013 on the outcome of that exercise.

In answer to your question, monitoring arrangements were in place but lapsed, and no substitute arrangements were put in place for a time in Northern Ireland, particularly between 2005 and 2011. We have now, however, introduced completely new arrangements here for the care of the government estate, and new monitoring arrangements will be launched next month, with a return from all Departments and public bodies within a year by June 2013.

Mr Coulter will say more about the general state of the government estate.

**Mr Coulter:** We believe that government should lead by example. Indeed, this Building is listed, and government is leading by example from the top. However, that should be the case across the entire government estate, and we are keen to play our part in that. We have a few listed buildings in our care, and we want to show that we are taking appropriate care of and reporting on them. We have reviewed the number of listed buildings at risk that are in central government ownership and have an action plan against that. I will turn to Mr Deery to give you the detailed figures and percentages and the general condition of the government-owned historic estate.

**Mr Deery:** The Audit Office report shows that 438 buildings are in central government ownership, seven of which are currently on the at-risk register. Those are Craigowen Lodge in Holywood; the water tower at Donaghadee; Ormiston House; Ormiston House gate lodge; Ormiston House stables; and the walled garden and arboretum in Castlewellan.

The 858 listed buildings owned by public bodies are shown in a table in the report. Of those, 31 buildings are on the at-risk register. I do not have a detailed list with me, but we can provide that.

**Mr Easton:** Two of those seven buildings are in my area, so I may come back to you about that.

Have any buildings been demolished by any Department as a result of the length of time that the survey has been ongoing? Have any become so dilapidated that it cost a huge amount to sort them out?

**Mr O'Reilly:** I am sure that colleagues can report on demolished buildings. In answer to the second part of your question, there are some examples in the document, but we do not believe that a situation has arisen specifically because of the second survey. However, certain government buildings, including some highlighted in the report, have fallen into a serious state of disrepair. I suspect that you may come back to that later. Mr Deery may have some information about whether any buildings have been demolished.

**Mr Deery:** None come to mind. The risk of a second survey is that some buildings might not yet have been listed, so there would be no record of buildings that might have been listed but were demolished. We do not offer grants to Departments.

**Mr Coulter:** We lose very few listed buildings to demolition. That generally happens when there has been an incident such as a major fire and there is so little of the building left that it would never be economical to save it. It would be a replica anyway and no longer a historic structure. I am not aware of any list-worthy, government-owned building being demolished.

**Mr Easton:** Did some of the seven buildings mentioned get into a serious state after monitoring stopped in 2005?

**Mr Deery:** No. There was a long-term process of decay in those buildings. Three buildings associated with Ormiston House, for example, are on the at-risk register, but the building itself is secure and has been looked after well and responsibly by the Department responsible. It just does not have a long-term use and is, therefore, at risk. That is why it is on the at-risk register.

**Mr Easton:** Are any government buildings in a bad state because they were not monitored? If so, have large sums of money consequently been spent in recent times on fixing those buildings and getting them up to scratch? Had they been monitored, might they not have got into that condition.

**Mr Coulter:** I am not aware of monitoring being an issue over that period

May I go back to part of your earlier question? My apologies for coming back on this, but I have just thought of a building that will be demolished in due course, namely Enniskillen Model Primary School. We worked with the Western Education and Library Board on the cost of refurbishing the building as opposed to building a new structure. We carried out a full economic appraisal and established that it would cost significantly more than £1 million extra to refurbish the historic structure as opposed to building anew. Ultimately, we and our colleagues in Planning Service concluded that, in the balance of benefit to society, the listed building should be demolished and a new school built. That is the only exception to the rule that I can think of.

Returning to your question on monitoring, I am not aware of any building that deteriorated so significantly in that relatively short time that it would not be viable to bring it back again. I can think of some buildings on the register that have been at risk for a long period, but the lack of monitoring or otherwise really does not make a big difference to their condition.

**Mr Easton:** So, at the moment, we will lose one building?

**Mr Coulter:** Yes.

**Mr Easton:** Paragraph 3.19 points out that the DOE owns eight listed buildings but has not complied with requirements to compile formal reports on their condition. Given that the Department should be acting as an exemplar, why have you not complied? I know that you touched on that briefly just now, but why has it taken you so long? Is that not a wee bit naughty, given that you are supposed to be protecting and looking after those buildings?

**Mr O'Reilly:** My colleagues will talk about the individual buildings in our ownership.

The report rightly states that we have yet to comply with the protocol's requirements to report to DCMS. As I said, requests for those reports ceased in 2005. I am sure that Michael can report on the Department's activity.

**Mr Coulter:** As I said, we are keen to lead by example. We have brought in a new protocol and charged staff with producing reports on those buildings so that we can lead by example and say that we have done so. That is the start of the process. Indeed, we will use those reports as exemplars of how to take things forward when we run training sessions with the other 11 Departments.

May I widen the scope a bit? Of course, I appreciate that the focus is on listed buildings, but the Department also maintains 190 monuments in state care, such as Dunluce Castle, Carrickfergus Castle and Inch Abbey. We seek to lead by example by maintaining and making those available to the public. However, we must get our own house in order in respect of those structures, and we are doing that now.

**Mr Easton:** What condition are your eight properties in?

**Mr Coulter:** In most circumstances, they are —

**Mr O'Reilly:** Do you want to say where they are, one by one?

**Mr Coulter:** Manus can detail them. The majority are in Roe Valley Country Park. The majority of the structures are in very good condition, and our directly employed labour force will address those that are not through reporting.

**Mr Deery:** There are, in fact, six structures in our ownership. Four are in Roe Valley Country Park: Dog Leap power house; the south watchtower and bleach greens; the weaving shed museum; and the Carrick footbridge. The other two are the Martello Tower at Magilligan and Scrabo Tower just outside Newtownards. Largy bridge is also in Roe Valley Country Park, but it is owned by the Department for Regional Development, not us. There was an error in the reporting of that.

**Mr Easton:** I have finished, Chair, but can we get a list of all protected government buildings?

**Mr Deery:** Yes.

**Mr S Anderson:** I want to go back to the subject of bad owners. In the past, have Departments been classified as bad owners? We talk about individuals who own old buildings being classed as bad owners. Some were offered grant aid but not complied. Is there any situation in which government could have been classed as a bad owner? If so, would you have offered grant aid? Manus, I think that you said that you do not, so what happens? Has it happened, or is it likely to happen?

**Mr Coulter:** Some buildings in government ownership are at risk but a relatively small percentage compared with those in private ownership.

**Mr S Anderson:** Would Departments be classed as bad owners?

**Mr Coulter:** I was not going to go into that territory, but some buildings in the ownership of both central and local government are at risk. Until 2006, Crown exemption applied, so we could not apply any sanction. However, we raised awareness of those buildings by publishing their details on the buildings at risk register, and we treated government — central and local — in the same way as private individuals. As Manus said earlier, we are now looking through our list of buildings at risk for those on which we may issue urgent works notices, and that includes those in the care of government.

**Mr S Anderson:** You expect Departments to comply and make the repairs.

**Mr Coulter:** Yes, absolutely. The new protocol should be a lead into that.

**Mr O'Reilly:** You are highlighting the responsibility on government to ensure that it protects and maintains the listed buildings in its ownership. The purpose of the protocol is to seek to raise awareness of that responsibility. By definition, we are doing that, because we acknowledge that there is definitely insufficient awareness of the responsibilities that accompany the ownership of listed buildings at present. That is the purpose of the protocol and the action that we are taking, because there has been a deficit in Northern Ireland for a number of years.

**Mr Copeland:** This question might be described as a red herring, so forgive me for asking, but, over a long period, a number of listed buildings, or buildings that might have been suitable for listing, have caught fire in suspicious circumstances. Is it possible to remove a listed building from its context and rebuild it in another location, such as the Ulster Folk and Transport Museum? Is the primary consideration the architectural significance of a building or its context? I have been to the transport museum on many occasions, and some buildings look as though they are of significant architectural importance, albeit that they are in a museum. If a building is listed and deemed incapable of being saved in its original location, is there a mechanism that allows for its organised removal to, for example, the Ulster Folk and Transport Museum? Does it then derive a different form of protection because it is now an old building that has been rebuilt? I am curious about the mechanics of that. Has that scenario ever arisen?

**Mr Coulter:** We tend to draw a parallel between buildings that go into museums instead of being in their original position and wild animals that go into zoos as opposed to remaining in the wild. In essence, buildings moved to a museum become the caged animals. Listing is really directed at the wild animals, that is, the buildings in their original environment and habitat. The idea is to keep them in place and working. Planning Policy Statement 6 accepts that there will be adaptation of listed buildings so that they remain vibrant, live and important to the community rather than fossilised. In the past, we were criticised for preserving in aspic. Nothing could be further from the truth — change is made. Think of the other Chamber, here in Parliament Buildings, that was extended after the fire to allow for the fact that a larger one was required. That was facilitated through the listing legislation. There is no difficulty with that.

**Mr Copeland:** Does no mechanism exist to do what I am asking?

**Mr Coulter:** From personal experience over my years in this organisation, there was one case of a telephone kiosk, which is a prefabricated structure that became listed. We accepted that it could be moved to a different location in the same village. I could cite the name of the village, but I do not think that I need to.

**Mr Copeland:** I think that I know it.

**Mr Coulter:** That was simply because it was a prefabricated structure and could be moved. We have done the same thing with compound 19 at the Maze, which was one of the original huts there. We accepted the case made to us that it needed to be re-sited. We have held off from finalised the listing until it is reconstructed. We have an agreement with OFMDFM that that will be the case. Otherwise, we seek to preserve the original fabric in its original location. Only if it is prefabricated in some way or other — timber construction or cast iron — have we considered moving it.

**Mr Copeland:** In an instance of a building facing demolition for X, Y and Z reasons, might not having such a mechanism save it?

**Mr Coulter:** There is always the hypothetical case. It could be argued that the cases already in the museum satisfy those conditions.

**Mr Copeland:** That is what I thought.

**Mr Byrne:** Thank you for the presentation. This relates slightly to what I touched on before. Paragraph 4.6 of the report recommends that compliance with enforcement procedures, agreed between NIEA and Planning Service in June 2010, should be regularly monitored and reported on. Have you conducted any compliance monitoring since the publication of the Audit Office's report? If so, do you have any results?

**Ms McCandless:** The agreement was put in place by NIEA in 2009, and we have sought to develop it. A formally agreed protocol is in place and identifies clear lines of responsibility and a commonality of approach throughout the enforcement process. We tried to improve it by standardising pro formas so that we had in place all the relevant information required for court proceedings. We hoped, therefore, to be more successful in such proceedings. We have that in place and it is now monitored. There are time frames for NIEA to respond to Planning Service on issues connected to unauthorised development and listed buildings.

We also have an enforcement working group, which monitors and discusses that information. That is attended by representatives of NIEA and Planning Service. We also have more informal arrangements in place. Discussions between case officers and conservation architects from NIEA on unauthorised cases are ongoing. Since 2009, we have built on the arrangements that were in place and tried to redefine and improve them to ensure that the consistency of information is improved. That will, I hope, help us in court cases at later dates.

**Mr Byrne:** I appreciate what you say, Fiona. In the past, was there a lack of urgency in strengthening the liaison between the two bodies? Where does the greater onus now lie in ensuring the enforcement and protection of listed buildings?

**Ms McCandless:** There has always been an understanding that we needed to collaborate. What we have tried to do is ensure that everyone is clear about their lines of responsibility and that we all adopt a consistent and common approach. We have always treated it as a high priority and appreciated the need for collaboration, but I think that we can always just develop that.

**Mr Byrne:** Has the Minister been helpful in that regard?

**Mr O'Reilly:** Very helpful

**Ms McCandless:** Very helpful. The Minister —

**Mr Byrne:** Keep it simple.

**The Chairperson:** He just wants you to answer, "Yes".

**Ms McCandless:** Yes. *[Laughter.]*

**Mr S Anderson:** He has given you a free hand.

**Mr Byrne:** The integrity of this Committee is so pure that we have to watch it.

**Ms McCandless:** The Minister has been very keen to ensure that we apply our enforcement procedures consistently and he is very concerned about heritage crime. That is reflected in the three summits that he has held recently and he hopes to hold another one on enforcement in the near future.

**The Chairperson:** Are you happy enough, Joe?

**Mr S Anderson:** Paragraph 4.9 states that Criminal Justice Inspection (CJI) report of 2007 recommended:

*"the establishment of a single incident and enforcement database for ... the Department."*

The updated information that you provided to the Committee states that you are now only at the stage of planning to set up a working group to consider this issue. You touched on this at the very outset of the meeting. Have you any comment on that?

**Mr O'Reilly:** I can update the Committee on that. As I have said already, the original CJI report on enforcement by the DOE was completed in 2007. The CJI came back last year and completed a follow-up report with us — or on us, if you prefer to put it that way. That was published in November of last year. Again, we were able to update the inspectorate on where we had got to with the establishment of the single incident and enforcement data base. We have now created a single database on all enforcement issues on heritage crime and listed buildings. So there is now a common database that is accessed by staff at NIEA and Planning Service in relation to enforcement cases. Have you any further details, Fiona?

**Ms McCandless:** Just that the database is shared between the Planning Service and NIEA, and the action plan drawn up in response to the CJI follow-up report has indicated that we will look at the practicalities and necessity to extend the use of that, as a single enforcement database, throughout the Department. We have a target date. The membership of the working group is established and we are currently scoping that exercise.

**Mr S Anderson:** It is to be welcomed that we are now finally on the move with that. Why has it taken four and a half years to get to that position? Does the delay illustrate the low priority that was given to enforcement activities?

**Ms McCandless:** I acknowledge that it has been four and a half years. Over that period, we have been upgrading the data that we hold in relation to enforcement. In 2008 and 2009, we invested significant resource in upgrading our enforcement data. We then had the implementation of e-PIC (Electronic Planning Information for Citizens), the planning portal. All our information was migrated onto a new information system. It became clear at the start of the implementation of e-PIC that improvements to the enforcement module were required, so we set about a data-cleansing exercise. We trained staff on the new enforcement module in 2011. In the last business year, we can be satisfied that we have cleansed all the data in relation to enforcement and trained all the staff. Now, we have a database, shared between NIEA and ourselves. So, although we have not yet put in place the single database that the CJI recommended and for which we recognise the need in principle, we have put in place huge improvements in the data that we have on our IT systems, and a database is shared between NIEA and ourselves.

**Mr S Anderson:** Would you say that it was given high priority?

**Ms McCandless:** It was given significant priority. We put a lot of resources into ensuring that our data is now reliable and that we can retrieve it in a timely manner. The types of information that the Audit Office report requests that we are able to pull reports on, such as the nature and extent of the breaches, the dates, the costs involved and the nature of the investigation, is all recorded in our database. We are able to retrieve that information readily and use it to actively manage caseloads, identify trends and look for areas of improvement. I acknowledge that it has taken us a while to get there, but we feel that we now have that information in place.

**Mr S Anderson:** In the past, the Department would have blamed significant budgetary pressures that were impacting on its ability to progress different activities across the areas of business and to implement the recommendations in the report. However, it stated that the front line services that it

was trying to deliver would include the enforcement activities, and resources were to be targeted towards that. Is there not some view that the supposed prioritisation of enforcement and the delay of four and a half years prevented the improvements? It does not seem to match up. Funding was being directed there but, because of the timescale, you did not reach that and maybe still have not reached a single enforcement activity. Can you explain that? I do not know whether you get my drift here or not.

**Mr O'Reilly:** I understand. I do not want to go on too much, but there were significant technical issues with the database. We had to get it right, cleanse the database and make sure that it is reliable, because the challenge is that we are dealing with issues that can lead to criminal convictions and court action against individuals, so we have to be very sure of our information before we start. That is one important strand.

You mentioned resource pressures. In a sense, the Department is strange because, up until 2007 or 2008, there was a major workload pressure on the Department. In other words, there was a very large volume of work in the Department, particularly in planning, and the system was struggling to keep up to date with that as well as take forward the implementation of revised database systems. Over the past few years, the situation has gone in the other direction, and the difficulty now is that there has been a very rapid drop in available resources in the Department because of the sharp drop in planning activity. Therefore, in a sense, we have had to take forward the work in a more constrained financial environment.

I appreciate and acknowledge entirely the view that it has taken quite a while to get to where we are now. We hope that we are in a much better place now than we were a couple of years ago. I appreciate that, since 2007, it has taken quite a while to get to the point where we are moving towards a more coherent single database for the Department, and, significantly, we now have one between the Planning Service and NIEA, which is a major interface.

Beyond that, I assure the Committee that enforcement as a general topic has been a very high priority in the Department. That has been reinforced not just by this Committee but by the Criminal Justice Inspection, and we have put in place the various arrangements to take forward the implementation of the CJI report. Indeed, within the Department's structures, a specific subcommittee of the departmental board is devoted entirely to looking at our enforcement effort and ensuring, in particular, that we take forward and implement all the recommendations in the CJI. We will, no doubt, take forward any further recommendations from this Committee as well.

**Mr S Anderson:** I am pleased to note that you have recognised that delay. Going forward, the enforcement issue needs to be tackled head-on to achieve cohesion between the different parts of the Department. That needs to be done ASAP, and four and a half years was a big time lag. So, hopefully, we will not see much of that in the future and we will move to a better and more cohesive policy here.

**Mr Byrne:** Paragraph 4.14 gives some views of stakeholders on the enforcement activity. What arrangements are in place to engage with those stakeholders? How regularly do you do that, and what sort of improvements have you made as a result of their feedback?

For the record, I know two people who have owned listed houses and have carried out major restorations: Louis Kelly of Mullaghmore House in Omagh; and Tom Mayse of the Old Manse, Church of Ireland, in Gortnagarn. Both were very pleased with the co-operation they had. They carried out major work and did an excellent job with co-operation from the heritage service.

**Mr Coulter:** I will deal with the urgent works notices and repair notices that are mentioned in paragraph 4.14 of the report. We engage quite a lot with the voluntary sector and our owner group, as I have said, through annual meetings and so on. We have increased the number of urgent works notices and warning letters that we issue, and we have seen very positive action resulting from that, which is helping to secure buildings. We have used a repairs notice to effect a compulsory acquisition. The rest is about enforcement, which is the responsibility of the Planning Service. We in NIEA co-operate with our colleagues in the Planning Service all the time in that regard.

**Ms McCandless:** Our engagement with our stakeholders occurs mostly through the processing of applications rather than through enforcement-related activities. However, enforcement-related activities often result in planning applications to try to resolve the issues. We work with all owners of buildings to try to ensure that we have a satisfactory outcome. Our initial approach would be to work

with owners rather than issue an enforcement notice. We would try to achieve compliance rather than enforce it. We work with all owners on a case-by-case basis.

We have also engaged with a lot of owners and those involved in the built heritage through the heritage crime summit, which the Environment Agency has taken forward in recent months. It involves a huge range of interests and provides an open forum for people to engage positively in ways to improve the built heritage.

**Mr Girvan:** Everything has been very mild-mannered until now. I want to ask about a couple of case studies. Paragraph 3.20 in the report outlines the 1999 guidelines for safeguarding government-owned listed buildings after they have been vacated. It is obvious that, in the case of the Crumlin Road Courthouse, which is outlined in figure 11 in the report, the Court Service ignored this guidance. Since it vacated that building, that has become even more of an issue.

I appreciate that the purchase price for that building was probably what would be termed as a peppercorn-type figure, which would have reflected the amount of money that needed to be spent on that building to keep it enveloped and secured with the opportunity to retain it. However, for one reason or another, it has deteriorated to such an extent that I do not know whether it is expected to bump into a digger or whether something is going to fall from the sky and sort out all the problems.

When it was purchased for a very miserly amount of money, there was an indication that something would be done, but there seems to be an awful lot of leniency given where it appears that there is no commercial interest and, because there is nothing there, nothing can be done. That does not exclude anyone from any responsibility to ensure that a building is maintained.

**Mr O'Reilly:** Mr Coulter can give you more detail about the background to the case. When you read the report and look at the photographs, you can see that there are many photographs of what we would term successes, but there are also photographs of some failures. This is a failure. This building, which is of enormous historical and architectural significance — Mr Coulter can elaborate on the reasons for that better than I can — should not have got into that state.

The story is recounted at figure 11 in the report. Generally speaking, there was concern about the general state of the Crumlin Road Courthouse long before it ceased to be a courthouse, because it was decaying. The NIEA's predecessor, the Environment and Heritage Service, had engaged with the Court Service to try to ensure that, at least, essential maintenance and repairs were being carried out on the building. However, as the story then goes, the courthouse was sold, apparently as a part of a PFI deal, to an outside company. Initially, it seemed to be quite a positive outcome. Planning permission was granted, first, for the use of the building as offices and, subsequently, to use it as a hotel. That included, as Michael said earlier, permission for extensions and so on to be built to it, in the interests of preserving the site and building. However, with the severe economic downturn, all those plans seem to have fallen by the wayside. Now we are left with a building that is very vulnerable and is in an exposed condition. Over recent months and weeks, we have been engaging with the current owners of the property in an effort to identify whether there are potential uses and ideas that they may have for the future use of the building. However, it will require some form of further intervention by us in the very near future.

**Mr Girvan:** Can I come back in on that? Why are you interested in the commercial interest in the site?

**Mr O'Reilly:** Pardon?

**Mr Girvan:** We are dealing with the built heritage represented by the building. At the end of the day, does it matter what they want to do inside it? We are worried about losing the fabric of the building. The price that the building was sold for reflected the amount of money that needed to be spent on it. Yes, the Court Service definitely handed over a building for which it had not stuck to its own guidelines. I refer to the guidelines that were there from 1999 in relation to the maintenance and upkeep of it and ensuring that the building was preserved. Court Service failed on that point and is culpable for that. However, it probably thought that the price of moving the building on reflects the amount of money that was going to have to be spent on it.

To be quite honest, what goes on inside that building is of no interest to me whatever. The fact is that I want to see it retained and secured. The company obviously thought it was commercially viable when it took it on. There was a very keen interest in doing so. I feel that where we have failed is from the transfer of that until now. The building has just deteriorated and become even more of an eyesore

on the Crumlin Road. We are now at a stage where people say that it is better to remove it than to look at it. That is exactly what some people — I do not say all — feel may be the ultimate agenda. A clear, vacant site might be of more value than what is currently there. That is the frightening thing. I genuinely think that the Department does not have the teeth to go in. There are statutory responsibilities and conditions, but they are not always being used. Negotiating? We could be negotiating about this in 10 years' time.

The second case that I want to talk about is the stable block in Sion Mills. It was on the at-risk register in 1993. From then until now, we have been negotiating with them and seeing what will happen. Eventually, the building went into such a state that work had to be undertaken. There are a couple of ways of dealing with it. It was on the at-risk register. The owners were given a notice to repair, and then a notice of intention to vest. If someone were to send me a letter stating that my property was going to be vested, I would definitely take action to put it right — unless I thought that the authorities had no teeth. What is going to happen here?

Those are just a couple of the issues. I will let you answer.

**Mr O'Reilly:** I completely acknowledge both the substance of what you say and the way you say it. I fully understand the points you make about that building and where the situation has got to. At present, it is in private ownership. Therefore, when deciding what to do about it, we have to take account of that in how we handle the situation.

**Mr Girvan:** Ultimately, we can vest it?

**Mr O'Reilly:** Yes.

**Mr Girvan:** Can that be done because of the heritage value on the site?

**Mr O'Reilly:** Yes.

**Mr Girvan:** The Department could have made repairs and, ultimately, billed the owners for securing the premises to a standard at which they could be retained. That did not happen. There is no roof on it worth talking about, and the water is coming straight in and destroying whatever fabric is in the building. Both the exterior and interior are being destroyed. From that point of view, if somebody said to me, "A Department will do some work on your property", I would say, "Let me at it, because it will cost me only half what it will cost government." That is the way it is, and I know that to be the case.

**Mr O'Reilly:** This does not address all your concerns, but we have had discussions over recent weeks on the situation here. Michael will fill in the details, but we discussed that case with the Minister very recently, and further action may be being considered for the short term.

**Mr Coulter:** I share your concerns, as does Leo. We need to have the building sorted out. The Minister and I met the owner to ask about the situation, given that time has passed. The Minister felt, and expressed directly to the owner, that appropriate care had not been taken of the building in the intervening years and asked us to review that with a view to action. That is exactly where we are at, and I can say no more at this stage. However, I fully share your concerns and completely understand where you are coming from.

**Mr S Anderson:** Michael, you mentioned the Minister and said that you might be preparing to move in and take action. What is the timescale? As Paul said, we can all keep talking until we talk in circles. You said that you met the owner, but if the owner is not prepared to move, what is the timescale for your moving in to do something?

**Mr Coulter:** It is a relatively short timescale.

**Mr S Anderson:** Is that months or a year? What is a "relatively short" time?

**Mr Coulter:** It can be weeks or months. As I said earlier, we have issued five urgent works notices since October last year, and, if you look at the history, you will see that very few were served before that. So we have undoubtedly moved from a deliberation and discussion phase into an action phase. We are very keen to discuss the issues with owners, but there is a time when, as you rightly say, we have to say, "Enough is enough; we need it sorted now."

I met the voluntary sector to establish which building should be the first in Northern Ireland on which we should take action on compulsory acquisition, and we all agreed on the Sion Mills stable block. It has been the long-running thorn in the flesh of the conservation sector. We took action against the owner through a High Court injunction to stop him doing works, which had caused further damage to the building, on the site. We moved in and have now purchased the building under the compulsory system. We removed some of the structure and have it in safe keeping. We transferred its ownership to the voluntary sector, to Hearth, and we are waiting for it to undertake the necessary repairs to bring the building back into a good state of repair. Meanwhile, we have capped the walls and protected what is on site, and I know, because we have been in close touch with Hearth through its director Marcus Patton, that he is quite close to having grant aid assembled to enable works to be undertaken on the building.

**Mr Girvan:** We have lost the part of the building that fell down while on the at-risk register. Notice was served on it, and part of it came down at that stage. So what is the point in having the statutory powers to protect a building's heritage when you do not apply the full set of powers in a timely manner to achieve the result of retaining the building in its entirety? It is not about one part of the building — the tower in the centre or whatever — but about the whole building, and, because timely action was not taken, it will cost much more to restore that building, some of which probably will end up being funded by the public under grant funding. You have heard the saying, "A stitch in time saves nine". Unfortunately, we have waited from 1993 until today, and over that period, the building has been allowed — I use the term "allowed" because it seems that nothing was done until relatively late in the day — to deteriorate to such a state that it will now cost an absolute fortune of both Hearth and public sector money to put right what is disappearing before our eyes. That frustrates me. I appreciate that I might be coming across as a wee bit animated, but I get worked up when government does not react quickly enough to such issues even when the statutory powers to deal with them are in place.

**Mr Coulter:** I accept your criticism as well founded. Although I appreciate that there does not appear to have been much action in the intervening years, I can assure you that there was. The owner's circumstances changed: initially, he would have been grant eligible for 20% of costs, but when he went on to a pension, he became eligible for 90%. At that stage, we had to pause our legal action to allow him to reconsider his circumstances now that he was eligible for an enhanced grant. Quite a few things were going on that made this a particularly difficult case. However, I still accept your basic point that, if we have powers, we need to use them, and the quicker we use them, the more effective we are. This case has been the big learning curve for us. I agreed with the voluntary sector that we would tackle only one building at a time, initially. If we tried to spread our action across a range of buildings and then made a wrong legal move, all our cases would fall simultaneously. We decided that we would take on the stable block as the one case from which we could learn lessons, and that is precisely what we sought to do.

The positive news is that we have achieved it now. We had never formally served a notice of intention to vest, nor had we carried out the vesting. We have done it now, and we have shown that we will use all the statutory powers available to us. That has been welcomed by the voluntary sector. We have acquired that building. Yes, it would have been far better to acquire it earlier, but we are here now, and we will sort this one out. Already, this episode has provided a catalyst for sorting out various other buildings that would otherwise have been left.

**Mr Girvan:** I want to come back to that point. If, for argument's sake, an order or notice is made for emergency repairs but they are not carried out, what is the time frame involved?

**Mr Coulter:** It is seven days, legally.

**Mr Girvan:** Nothing happens within the seven days, and here we are further down the line. Vesting comes to the table because no action has been taken by the relevant party, individual or body, and the building has been allowed to deteriorate. In that case, does the calculation for the compensation that they receive through the vesting process reflect how their failure to undertake the necessary work devalued the property in the intervening period?

**Mr Coulter:** Not in current statute.

**Mr Girvan:** That is a big mistake, and it needs to be looked at. Ultimately, by not doing anything, owners are being compensated. That brings out another major area of concern, which is that we are not addressing the issue totally. The compensation must reflect how owners acted. It might be

possible to return a building to some sort of reasonable state with £100,000, but if that building is allowed to deteriorate, it might cost £400,000 to bring it up to anywhere near that standard. Yet, the amount of compensation received is the same.

**Mr Coulter:** On the issue of compensation being calculated currently, we sought to secure the moneys that we spent on urgent works on the structure, so that they would come off the compensation payment. That has been agreed as a matter of principle and was supported through a planning appeal, so at least that element will be addressed.

On a wider issue, I am aware that, when it comes to compensation, the legislation does not assume that, because there is a listed building on the site, the value will be reduced. In the calculation of compensation, any listing issues are disregarded, which, I think, is another issue.

**Mr Girvan:** I appreciate that.

**Mr Copeland:** I will be uncharacteristically foggy, because I do not want to mention any specific cases. I want to put to you a hypothetical situation that may be rooted in some knowledge of events elsewhere. Let us imagine that a substantial public building of significant interest is removed from public ownership. Having belonged to a government body, it is put into the hands of a company or a private individual for, let us say, £1. It is patently obvious to everyone that the site value without the listed building is substantially more than £1. A confluence of circumstances then dictates a collapse in the property market, so nothing happens to the building, and it starts to decline. Suddenly, it appears in the asset value of the company to which it was transferred at a value vastly in excess of the £1 paid. Perhaps, the owner is now able to borrow more on the strength of that valuation. At the time of transfer for £1 of that substantial building of architectural significance, which is public property, are there any safeguards to ensure that, in the event of lightning, an earthquake, fire or, possibly, spontaneous combustion, the public purse is protected should the value of the site increase following the curious act of god that led to its becoming vacant? In other words, someone buys the site and building for £1, the building disappears, and the site becomes worth £1 million. How much does the public get back? A pound?

Land and Property Services gives us notional values. However, I do not know what it would think that the site in that hypothetical situation was worth. It strikes me that a convenient confluence of events could have caused something that cost £1 to become worth £1 million. The public are the ones who really lose out, because they are not protected by contractual arrangements when a sale is agreed. If a site on which there is a listed building is bought from the government and the building disappears for any reason, the deal should be called off and the site should revert to government. That is the only way to stamp out the Klondike attitude of some developers who, on many occasions, believe that the public purse is their bank account.

**Mr Girvan:** That was a good statement, Michael. I agree.

**The Chairperson:** Thanks for your brief supplementary question, by the way.

**Mr Copeland:** Sorry, I pushed the boundaries, but you understand what I am saying.

**Mr O'Reilly:** I understand. You highlighted two key points. In some circumstances, there is an incentive for owners of listed buildings to allow them to deteriorate, in the hope that they will do so to such an extent that they will have to be removed. That is generic. It happens not just here but across Ireland and Britain, and it is not infrequent. That leads back to Mr Girvan's point about the fact that there are laws in place and that we must be prepared to use our statutory powers to seek to intervene when we believe that there is a risk of that sort of situation developing. That is the government's responsibility and that of this Department.

On the question of the £1, or whatever price a building is sold for, that would, of course, depend on the terms of the original contract of sale.

**Mr Copeland:** Do you agree that, if there is not something in the contract that says, "If a site goes from being worth £1, which you have paid to the public, to £1 million, money is due back to the public", there should be?

**Mr O'Reilly:** If there is not something in the contract —

**Mr Copeland:** If it is not in the contract, it should be.

**Mr Byrne:** I fully support what Paul Girvan said about the Crumlin Road Courthouse and the stable block in Sion Mills. Sion Mills has been a wonderful Victorian village, and what has happened is very sad.

I appeal for some consideration to be given to industrial heritage buildings as well as other listed buildings. If a voluntary or community group wants to take on a major project, that should be encouraged. That way, nobody makes a private profit, but at least the public gets a gain that is tangible and a consequence of the public money that has gone into it.

**Mr Coulter:** I would like to touch on three matters briefly. If the Department has initiated compulsory purchase procedures on a listed building, even if the building were removed, the Department may continue with the compulsory acquisition to re-acquire the land, so there would be no benefit to the interim owner.

**Mr Copeland:** What would the owner's compensation be? Would it be based on the price paid for the property or the price of the vacant site?

**Mr Coulter:** That goes beyond my area of competence. I am just pointing out that, if the compulsory purchase procedures have begun, the Department is able to continue that process until the conclusion of the compulsory acquisition, with or without the listed building.

The second issue is about proceeds of crime. If there has been a criminal act, something in which the environmental crime unit may be involved, the Department has proceeds-of-crime procedures that it may bring to bear. I am aware of the increased monitoring of some sites in Northern Ireland because of proceeds-of-crime issues.

Gosford Castle was in the ownership of the Department of Agriculture and Rural Development and transferred to the private sector. There were conditions in that transfer, initially as a licence for the owners to prove their bona fides and carry out appropriate works. There are clawback clauses in that transfer of ownership. It is linked to a transfer of ownership from the private sector to public sector, so I thought that it might be worth adding.

**Mr Copeland:** Do you mean public sector to private sector?

**Mr Coulter:** Yes, sorry. I beg your pardon.

**Mr Copeland:** That is very useful. Thank you.

**The Chairperson:** Members, you will be glad to hear that there are no more questions. Fiona, Michael, Leo and Manus, thank you. We might think of some further questions, and, if so, we will send them to you in writing. This has been a very important session, because our built heritage is very important to us all now and in the future. We will leave it at that. Thank you very much for your time.