



Northern Ireland
Assembly

Committee for Enterprise, Trade and
Investment

OFFICIAL REPORT (Hansard)

The Future of Exploris Aquarium: Ards
Borough Council

23 October 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Patsy McGlone (Chairperson)
Mr Phil Flanagan (Deputy Chairperson)
Mr Gordon Dunne
Mr Fearghal McKinney
Mrs Sandra Overend

Witnesses:

Mr Ashley Boreland	Ards Borough Council
Mr Brian Dorrian	Ards Borough Council
Mr Andrew Scott	Ards Borough Council

In attendance:

Ms Pam Brown MLA
Ms Anna Lo MLA
Mr Kieran McCarthy MLA
Miss Michelle McIlveen MLA

The Chairperson: Briefing the Committee from Ards Borough Council are Ashley Boreland, chief executive, Brian Dorrian, acting director of development, and Andrew Scott, head of corporate projects. We do not have any tabled papers from you. I am sure that you have been sitting there listening very attentively to everything that was going on. You will have heard some of the questions and points that came up. We will inevitably have some questions for you. You have 10 minutes to present, and then we will have a Q&A session with you. Thank you for giving of your time to be with us here today.

Mr Ashley Boreland (Ards Borough Council): Thank you very much, Chairman. Thank you for the opportunity to do this. On behalf of Ards Borough Council, I welcome you and your colleagues to the borough. As you said, we do not have any papers in front of us. This is simply due to a question of competing priorities. You will have them by close of play today, so you can consider them.

The Chairperson: Sorry, what?

Mr Boreland: In due course, the papers that we are going to cover this morning —

The Chairperson: Are you going to submit papers?

Mr Boreland: We will submit papers; absolutely. I have been asked to touch on a few things about Exploris this morning. I am going to touch on the history very briefly, the factors influencing the council's decision, the likely impact of the council's decision and what the way forward might be. This facility opened in 1987 as the Northern Ireland Aquarium. It was designed to attract tourists to the area, which, at that time, was regarded as an area of deprivation. It was extended and rebranded as Exploris and reopened in 1994, and the seal sanctuary, which is out to our left, opened in 2000. At that time, the council funded 50% of a £900,000 cost to bring the seal sanctuary into being. It is running at an annual deficit of around £600,000 per year. However, as one of the previous speakers said, that is probably going to be reduced to about £450,000 simply because loans have been paid, although I have a concern that if visitor figures do not pick up between now and the close of the year, that figure could be exceeded.

In reaching the decision, the council considered three factors: cost; reducing visitor numbers; and the lack of a viable third-party operator coming in. As I say, Exploris has operated at a deficit all its life, and the normal deficit appears to be in the region of about £600,000, although last year the council paid £1.9 million against Exploris because it was paying off significant loan charges of almost £1 million. The council recognises that to reinvigorate and revitalise the facility, additional investment is required. However, that would have the effect of raising the deficit even further, and that is the quandary that the council is caught in.

The last major investment was in 2000, and the recognition for capital investment arose out of a 2011 report which put a number of options in front of the council. One of those options, which was picked up at the time, was the privatisation of the facility, and the council decided to go down that route. The need for capital investment was also highlighted by customer feedback and new competing attractions, such as W5, the Giant's Causeway centre, the Titanic centre and others.

Since 2000, visitor numbers have averaged about 93,000. The range has been from 78,500 to 111,000, so to say that there is a constant 100,000 is perhaps an overstatement. This year, however — and this is of real concern — it is likely to be in the region of 65,000 to 70,000, although, as another speaker said, numbers have increased in recent months as a result of the publicity that has been given to the council's decision.

What are the reasons behind the downward trend? We have tried to do some analysis of this, and we think that it is probably down to the recession. There has been a drop in disposable income in Northern Ireland. Members will know that the Asda income tracker was published earlier this week, and it indicated that Northern Ireland's disposable income dropped again by another 3.5%, so that is a problem. We have the newer competing attractions, which I have mentioned before, and there is a reduction in the number of school visits. We are down from 10,000 around 10 years ago to 5,500 this year. That is down to increasing transport costs, a squeeze in school budgets and the end of the education for mutual understanding project.

The viability of a third-party operation has been talked about. The council originally sought to get a deal with the private sector in 2007. That was after we had approached central government at that time and been knocked back. The previous director of development with the council had approached a number of Departments, all of which had said that they were not prepared to contribute. The reason why that exercise did not conclude was that, literally within days of when we anticipated signing the contract, the company in question was bought over by a Spanish enterprise. However, the 2011 report reinvigorated that, and, at that time, as luck would have it, we had some interest from the private sector, so the council decided to engage in that. We had five interested parties at that time. The reason why it failed was simply down to the fact that Cabinet guidance at the time required the council to satisfy itself that the third party taking it over could provide a broadly comparable pension. That was not possible. It was not just down to cost; it was just not possible.

Just to show the council's commitment to that exercise, I can tell you that the council committed over £100,000 in that private sector testing exercise to ensure that it had fully exhausted the option. It would also have contributed another £750,000 over two years to the contractor, in accordance with the procurement exercise, to ensure the future viability of the facility.

What would be the impact if Exploris closed? Well, there would be an economic impact. The £3 million figure has been mentioned before, Chair. However, I think that that comes with a health warning. That figure was taken from a report that was prepared for a funding bid. It was a high-level piece of work, but it did not carry out an in-depth analysis of Portaferry, Exploris or this area. It was based on desk research, rather than primary research, across the Down and Armagh areas. So, while undoubtedly we would not deny that there would be an impact, I do not think that I would be able to

rely on that £3 million figure. It was based on a range of assumptions — over 91,000 visitors a year; secondary visitor spend has to be uniform across that broader area — and used data from 2007, before the financial crunch. It is probably slightly optimistic.

There would be a potential direct loss of employment. Exploris is a facility in the destination Strangford lough, as promoted by the Tourist Board. That is something that we have been talking to the Tourist Board about. However, the council's decision is not to close and demolish but to close and dispose. The council did not articulate this, but I suspect there is a feeling amongst the elected members that another private sector operator might come in if the facility was closed. We do not know, but it is interesting that the council chose to close and dispose.

There will undoubtedly be a social impact. That is difficult to quantify, because this is built to attract tourists rather than to deal with the local community. There will be a negative impact on education, as access to an aquarium would be limited. However, the council continues to invest in the area. Mr Edmondson mentioned the townscape heritage initiative, and the council is committed to £150,000 over five years to get that in. There will be an environmental impact, although that will be more through the loss of providing a marine showcase for the Irish Sea.

The big question, however, is the seal sanctuary. That is something that I have been approached by DOE about. I met an officer in June who told me that DOE is prepared to fund it. He told me that a report would be prepared for the Minister, but never came back.

The Chairperson: Sorry, who never came back?

Mr Boreland: The officer from DOE. He told me that DOE had a statutory obligation to fund the rehabilitation of the seals. He met my colleagues at my side here, and he said that a report would go to the Minister and that funding would, in all likelihood, be coming. I did not even get the courtesy of a reply.

The Chairperson: Perhaps we could get details of that official's name, please.

Mr Boreland: I would be quite happy to, Chair.

What of the way forward? I know that folk have talked about what is the apparent lack of consultation at this stage. I think members have to realise that decisions appear in front of councils by two routes. The first is on the foot of an officer's recommendation. In the case of Ards, if that is the case, those recommendations will be subject to all the normal due diligence that people would expect: consultation, equality screening, equality impact assessments and the like. This decision, however, is of the other type, where the council itself proposes a particular course of action. In that case, it actually becomes a conditional decision. It is a conditional decision in the sense that if, at the end of November, the council does not have a funding offer from Departments that it thinks is sufficient, that will trigger a consultation period, an equality screening exercise and, I suspect, an equality impact assessment as well. I will be doing that through an independent third party. There will be staff consultation, as NIPSA has said. Following that will be a final report to the council. That final report will have potentially three outcomes. It might say that the council can go ahead and close Exploris. It might say that the council cannot close Exploris. I suspect that it might lie somewhere in the middle and say that, if the council closes Exploris, here are a number of negative impacts on tourism and the community or whatever, and suggest mitigations as to how those might be either minimised or eliminated. Subject to that final report being considered by the council, and assuming it can go ahead, a closure plan will be developed for Exploris.

We have a zoo licence here. There has been all sorts of speculation in the press about what we will be doing with the animals. The council is a responsible zoo licence owner and, if it comes to that, will deal with all the livestock that it has in a responsible way and in accordance with the conditions of the zoo licence. If it occurs, we anticipate that the closure will happen post March 2014. The doors might be closed prior to that, but the actual closure of the facility would happen some time after that.

That was a very quick canter through what I wanted to put in front of members this morning. I am happy to take questions.

The Chairperson: Thank you very much indeed for that; it was very useful. Let me pick up on a number of points that you raised. I presume that you referred to the recession, and questioned the validity of earlier figures and the prediction of £3 million. I also presume that the council would want —

like most of the rest of society — to say that we are going to come out of recession and, hopefully, those figures will start to pick up again.

Mr Boreland: Usually, Chair, you find that Northern Ireland lags behind the rest of the United Kingdom by some measure. I do not think that there is a large degree of growth in the whole of the United Kingdom economy at this stage. If Northern Ireland is going to come out of recession, and I suspect it will, it is likely to be in the longer term.

The Chairperson: We are hearing different figures about growth, and so on. We hope to invest in the future I trust, and I hope the council wants to do that too.

Mr Boreland: Well, the —

The Chairperson: Bear with me. You mentioned a number of things. Just to get it clear in my mind, you said that, if there were no funding offer by the end of the two-month period — the stay of execution, for want of a better phrase — the council would then kick in with whatever process it has to go through. For clarity, has the council written to all Departments that it deems relevant to request support or assistance for this project?

Mr Boreland: Yes, Chairman. Letters were hand-delivered the following day.

The Chairperson: What response have you had?

Mr Boreland: I have had a response from the Department of the Environment (DOE). I met one of the senior officials from the marine division, and the gentleman who met me in June to talk about the seal sanctuary came with him.

The Chairperson: So he has met you since then?

Mr Boreland: He has, but he has not come back with the offer that he said he would come back with. Another official from the DOE policy division also met me. My colleague to my left met a couple of officials from the Tourist Board. As far as I can recall, I have had a written acknowledgement of my letter from the Department of Education.

The Chairperson: Can I ask about the range of Departments that you wrote to, just so that we are clear about that?

Mr Boreland: The council decided that it should be the Department of the Environment, the Department of Education, and the Department of Culture, Arts and Leisure (DCAL).

The Chairperson: You mentioned that you factored education into that?

Mr Boreland: Yes. The council agreed to write to the Department of Education, and I received a written acknowledgement of my letter.

The Chairperson: Right. So they were the Department of Environment; the Department of Education; the Department of Culture, Arts and Leisure; and the Department of Enterprise, Trade and Investment (DETI)?

Mr Boreland: The council did not agree to write to DETI.

The Chairperson: It did not? OK. Surely this is the tourist facility?

Mr Boreland: That is correct. The decision was proposed by an elected member on the night, so —

The Chairperson: I know that you have to report back the decision of the council. That is amazing, but anyway.

A number of issues came up during the course of our earlier discussions. I will read all these points out to you and you can reply to them all together. It was said that the council had forgone upwards of

£370,000 of grant aid for the marketing of the facility. Can you clarify that? Obviously, this is not the only facility. I am a former councillor and I know that there are other facilities within any district council area, including leisure facilities, which Mr Flanagan raised earlier. Perhaps you could give us an indication as to what is happening with other facilities. What is happening there? Are they being run at a loss, and is that loss managed as a service to the community?

There was another issue about the wider promotion of Exploris. I will play devil's advocate: there is a view that the council took the decision a long time ago not to invest in the promotion of Exploris, with a view to running down the figures. We had similar arguments around the management of care homes in the health sector. In other words, if you do not invest in them, people eventually do not turn up. If there is no marketing, people will not be aware of it. Mr Flanagan said that he was not aware of it until very recently when the publicity arose. Perhaps you could address that point.

The issue arose of a potential private sector investor. Earlier, I laboured the point with the NIPSA representatives. What were the circumstances whereby the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) appeared not to be on the agenda? In other words, was there an issue whereby people would be re-employed if it moved to the private sector, and their previous statutory entitlements, which they would have been legally obliged to, would just disappear and evaporate? Was it a case of closing the place down, the private sector taking over and any statutory entitlements to staff would evaporate? Could you clarify that point?

You dealt with the issue of school visits. Could you illuminate us on what the Department of Education said when it spoke to you recently? Please give us your thoughts on those issues.

Mr Boreland: The council tries to minimise the cost of its services to the ratepayer. We made a number of applications for grant aid, and we were successful. They were not taken up because we had embarked on the exercise to try to procure a private sector operator, and the conditions of any grant aid were that we would have repaid them within 10 years, and we would have incurred a cost to —

The Chairperson: Repaid who?

Mr Boreland: The funding body. We could not commit the private sector operator to that.

The Chairperson: Are you saying that the £370,000 was to be recouped from the profits of the company?

Mr Boreland: No. If you receive grant from funding bodies, there is usually a payback period. Therefore, if we sold the facility —

The Chairperson: Are we talking about a grant or a loan?

Mr Boreland: A grant.

The Chairperson: Where was the grant coming from?

Mr Boreland: A range of sources, including East Border Region.

Mr Brian Dorrian (Ards Borough Council): The two grants that make up the total value were through the East Border Region for INTERREG IVa and elements were through the programme for the rural development grant. Under the terms of that condition, to get the grant, the applicant had to run the facility for a period in excess of 10 years. If it transferred the facility or moved out of running that facility, there was a clawback position that meant that the council would have to pay back the grant.

The Chairperson: I appreciate that. That was not clear to me. Are you telling me that, at that time, you were actively considering privatisation of the facility and that, because of that, you felt that you could not draw down the grant aid?

Mr Boreland: We discussed it with the council and concluded that it would be unwise for us to incur a significant amount of money that we might have to repay on transfer. It might have been spent on the fabric of the building, and that meant that the council would have incurred additional cost.

The Chairperson: To be absolutely clear, were both offers for a 10-year period?

Mr Dorrian: Under the terms of the condition, as far as I remember, it was at least a 10-year clawback.

The Chairperson: You said, "as far as I remember". It is probably best if you could provide us with the actual detail of that.

Mr Boreland: I am happy to do that.

Mr Dorrian: The payback was the problem.

The Chairperson: Yes. That is grand. I just do not want to get into speculation around what might have happened. We want to get the hard facts. What about the other issues?

Mr Boreland: Chairman, you talked about the other facilities, and the council's other facilities run very well. We have some of the best-performing leisure facilities, despite the fact that they are fairly ancient. In fact, in the last survey that I saw a number of years ago, we were about the only council, in the context of leisure, that did not require rate support if measured against the same standard across the water. However, Exploris should not be seen as the same as a leisure centre. A leisure centre is usually provided because the council has a statutory duty under the Recreation and Youth Service (Northern Ireland) Order 1986 to assure itself that it is providing appropriate levels of social recreation and other facilities. This is a tourist facility, and it is, effectively, discretionary on the part of the council. So, whilst it is a very interesting point —

The Chairperson: Are you saying that it is mandatory to provide leisure centres?

Mr Boreland: It is mandatory for the council to consider whether provision is sufficient. It has to satisfy itself that leisure provision is sufficient in its area. That is certainly my understanding of the 1986 Order.

The Chairperson: In that interpretation, how do you view this facility as opposed to a leisure facility?

Mr Boreland: This is not a leisure facility, but a tourism facility.

The Chairperson: Exclusively? Is it not an educational facility?

Mr Boreland: It was never designed to be an educational facility. It was originally designed as a tourist facility to attract people into the area and address deprivation.

The Chairperson: Deprivation is a social issue.

Mr Boreland: Yes.

The Chairperson: That is OK. Thank you.

Mr Boreland: The council has a statutory obligation to provide other facilities. In the case of Exploris, it was permissive. It could provide it. Therefore, as I say, it is an interesting comparison to make, but the bases from which both spring are different.

The Chairperson: As you have said. Please continue.

Mr Boreland: The next issue that you raised was the wider promotion of Exploris and that we did not invest in the marketing of it. I will let my colleague to my left talk about that. He has responsibility for the site. However, I will say that, when I was getting the train to Dublin, I saw it advertised on the screens in the railway stations. I think that it has been wider, although, perhaps, not as wide as members might have liked.

Mr Dorrian: In 2007, there was a reorganisation. A full-time marketing officer was not re-employed. However, the function was still carried out by the team of officers at the facility. Every year, a defined budget is set aside for marketing. That budget is used. The marketing ranged from a variety of media, such as television, radio and advertising at the airport. We used a wide variety. Every year a budget is available. It is at the manager's discretion, in consultation with me, to spend that budget on marketing the facility.

The Chairperson: For clarity; is that exclusively from council funds or is it an NI Tourist Board (NITB) grant?

Mr Dorrian: That is exclusively from the budget that is set by the council. It is council funds. To add to that, in July we allocated an additional £20,000 to allow for a new exhibition and additional marketing this summer to promote the facility, again, solely from council funds.

The Chairperson: OK. Thank you. Please continue.

Mr Boreland: Chair, you raised the question about the exercise that we carried out to look for a private-sector organiser. You mentioned TUPE. Can I make it very clear that the procurement exercise that we engaged in and the terms of that were very clear that TUPE applied and that the contractor would have to take on those responsibilities? I think what happened was that his business model was that he would take people over and he would, probably, reorganise fairly quickly — perhaps very quickly, within a period of weeks. However, the council was absolutely committed to the application of TUPE.

The Chairperson: What do you mean by "reorganisation"? Do you mean laying people off?

Mr Boreland: He talked to me about downsizing the organisation. However, as I pointed out to him at the time, as far as the council was concerned, TUPE applied. If staff transferred over, they had to ensure that what they were doing was lawful.

Finally, Chair, you mentioned school visits. I have not had any conversations with the Department of Education because it has not come to me. However, we used to average around 10,000 visits around 10 years ago. They are down to around 5,500. The reasons that we are being given for that decrease are increasing transportation costs and the squeeze on school budgets. We are also being told that the demise of the education for mutual understanding and cultural heritage scheme (EMU) meant that schools were less inclined to spend on visits here.

The Chairperson: Thank you for that.

Ms Lo: I am not sure whether you are aware that the Alliance Party, represented by Mr McCarthy and me, put forward a motion for debate in November when the Assembly comes back after recess. The motion calls upon Ards Borough Council to work with the local community and businesses to formulate urgently a coherent plan for investment and financial support. It also calls on relevant Ministers to offer assistance in developing a plan and to respond quickly to you. How do you feel about that? Have you got the capacity to do that? Would the council be willing to put some money towards the maintenance of the facility? You are talking about a realistic figure of £450,000. How much financial support would the council look for from central government? Would you be able to put together a plan quickly?

Mr Boreland: Just prior to the meeting, I had a conversation with some of my Alliance Party colleagues on the council. I have suggested that that motion needs to be reviewed if there is a chance. My concern is that there has been a unanimous decision by the council — it has been unanimous — to close and dispose. The council has stayed that action until central government comes forward with some sort of funding package, if that is what it wants to do.

I do not want to commit myself or the council too much because I have not tested this with my elected members. However, I have had conversations with officials from DOE about what a funding package might look like. I have in my head a percentage that would need to apply if a funding package came forward. I made it clear to the departmental officials I have talked to that the lion's share should come from central government, to make it work. If it were to do that, I would be content to make a case to

the council for the continuation of Exploris. If any funding package came from central government, I would fully expect it to be surrounded with many conditions and perhaps even a reorganisation of or a re-look at how Exploris functions. I would not be opposed to any of that. However, the council's decision is absolute at this stage; it has made the decision, subject to consultation and other things that will go on. If a funding package were to come forward, I would be prepared to make that case. I am not sure whether it would be successful, but I would be prepared to argue for it.

Ms Lo: Thank you very much for that. You said that DOE officials talked to you about the seal sanctuary. Was that about keeping it going or the disposal of it?

Mr Boreland: I did not invite the DOE official; he approached us, and —

Ms Lo: He was from the marine division?

Mr Boreland: That is correct. He advised me and my colleagues that it was an obligation of the Department of the Environment marine division to care for the seals, given that they are an endangered species of some description. We had a useful conversation with that gentleman. He told me that he would be at sea for a couple of weeks but that he would then submit a report to the Minister about funding. I think that I asked him for over £100,000 as a test, to see how far I would get. I was disappointed when I heard nothing further. The same official came down subsequently with the senior person from the marine division, so perhaps it is on the agenda again; I do not know. They have not contacted me since. I have had a couple of conversations on the telephone to clarify points arising from that second meeting with the senior official, but I have not heard anything back.

Ms Lo: If the aquarium were closed, how will you dispose of the species?

Mr Boreland: The council has a zoo licence. We will deal with the livestock — the fish and the seals — in accordance with that. We have not looked into the detail of that, because we do not want to be seen to be pre-empting an outcome in what the decision might be at the end of November or what the consultation might throw up. We are treading carefully. I am led to believe that, for example, the seals can be released once they are rehabilitated, but the fish cannot; they have to be rehomed in other aquaria. The council would have to do that. As I said, the council is a responsible organisation. It will not breach the terms of its zoo licence, even if it is surrendering it.

Ms Lo: Is that giving them away to somewhere else?

Mr Boreland: My understanding is that it would have to be to another aquarium. You cannot release them into the wild, for example.

Ms Lo: Would it have to be to somewhere in England?

Mr Boreland: Wherever. In the past, the council has taken turtles that were washed up on the shore to the Bahamas. I would not say that it has to be somewhere specifically. It may be difficult for us to get them rehomed, but that is what we would have to do.

Mr McKinney: We have heard a lot this morning. If I could paint the broadest picture — I will ask you a few questions about this — I have seen a facility that has been characterised as beneficial for the environment, education, science, tourism, jobs, the economy, well-being, the community, joined-up government, and vision. Do you have any responsibility, over and above your corporate responsibility, in that regard for ensuring that, were you to consider anything in relation to its future, you hand it over and keep those aspects intact?

Mr Boreland: Hand over to whom?

Mr McKinney: Whoever. Your council has considered closure, but does it not have responsibility for the aquarium's legacy or a duty of care to the whole concept that extends way beyond closure?

Mr Boreland: I think that it is important to say, again, that this is a councillor-led decision. I have been very clear with my councillors that the officers are not taking a position on this because they realise that there are political interests. The council is like any other public body these days. It has shrinking budgets, growing commitments and increasing public expectations. It has, therefore, formed the view

that, given the significant money that it puts into the facility every year, it has done enough at this stage. It has put in around £11 million in the past 10 years.

We have asked central government before, and the same argument surely carries weight now. We have heard in the press — I do not want to antagonise the Committee — that central government is handing back significant amounts of money to the Exchequer, so surely it could have found what is, in effect, small change to most Departments to keep the facility going, given that it ticks all the boxes. I think that there is a case to be made for that argument. The cost has to be borne on broader shoulders than those of just Ards Borough Council, because the ratepayers — the hard-working families here — have supported it unconditionally since 1987.

Mr McKinney: They have, but you have been able to tell us more today about the disposal of the fish than your negotiations with DETI.

Mr Boreland: The council did not agree to discuss it with DETI.

Mr McKinney: Yes, but you are here telling us the council's opinion. You have been able to tell us more about the fish disposal than your negotiations with DETI. Have you failed in your responsibilities?

Mr Boreland: Chairman, that is incorrect. I have to work, as members will know, within the terms of the council decision. The council did not instruct me to negotiate with anybody. It simply wanted to find out whether central government would fund the Exploris aquarium. I have never refused to meet anybody. I regularly meet the union, and I have met others. I went at short notice, while on a day's leave, to meet the Minister of the Environment, and I am awaiting contact from Friends of Exploris, which is to come and talk to me. A meeting was arranged with its members, but they put it off. You may say that I did not seek DETI's opinion, but I was not charged with doing that. However, I remain committed to trying to get a solution to this, if one exists.

Mr McKinney: Balanced against everything that I said at the start about all the characteristics and qualities that exist in this environment, have you done sufficient work to ensure that, whatever happens, they get handed on? There been a failure, either by you or the council, to sit down face to face with the Department responsible for tourism in long-term negotiations. Is that not an abdication of the council's responsibility?

Mr Boreland: I do not agree with that at all. If there had been a glimmer of hope or some form of support from central government before we commenced the first exercise to try to find a private sector operator, which was as far back as 2007, I do not believe that the council would have explored the private sector option. I can assure you that the doors were shut in our face at that time. We were told that no central government money was coming and that it was down to the council to run it. So, if it is being suggested that the council is abdicating responsibility now, I would say that Departments have been abdicating responsibility for some years by not supporting this.

Mr McKinney: That is your perception and, against that backdrop, is the real story here that your aim is to get Exploris off the council's bottom line — either this council or a future council?

Mr Boreland: If that question is being personally directed at me, I will tell you my personal view. For me, it would be a matter of regret if Exploris closed, and I want to make that absolutely clear. The ratepayers of Ards have carried the burden, alone, for an awfully long time. Central government has not only washed its hands to date but has actively closed the door in our faces when we have asked for support. The council — as you say, Chair, you were a former councillor, so you will know these things — is up against all sorts of competing priorities with its budgets, and it is making a decision that the elected members think is appropriate.

The Chairperson: Thank you for your openness in giving your personal view. I appreciate entirely that you are here to represent what the council has mandated.

There is a bit of interest in the documentation in front of us, which we are happy enough to share with you. It is a request from our Committee to the Department. In it, the Department says that:

"NITB and Invest Northern Ireland are currently exploring options for other support, if any exists, that they may be in a position to offer Ards Borough Council in support of Exploris".

If they have not been in touch with you, they probably should have been. That is what makes it a wee bit quirky or odd that the Department was left out of the loop. That is not within your wherewithal as chief executive of the council, but it may well be that some options that have clearly been left out of the loop by the council itself may render some benefit to the council, which I am sure that you would welcome. We will share that correspondence with you because it is quite important that there are people somewhere, who obviously have not communicated with you yet, but who are thinking about this project and working through what they could potentially do.

Mr Boreland: I welcome that. Mr McCarthy was with us the day we met the Minister, and I suggested to the Minister at the wind-up of the meeting that he may wish to seek to put together a team of officers from across Departments to meet with me and my colleagues, as I thought that that was the best way in which this could be handled.

The Chairperson: That is the Environment Minister?

Mr Boreland: Yes.

The Chairperson: We are talking about DETI here.

Mr Boreland: I am happy to meet with anyone.

The Chairperson: Just for information, as you have clearly been a bit blindsided, we will give this with you and provide copies.

Mr Dunne: Thank you very much, gentlemen. In your view, where did the contracting negotiations go wrong? You are well aware of your neighbouring council, North Down, which has successfully introduced a contractor to run the new leisure facilities. Have you had any discussions with it about how that operates and what lessons might be learned from it?

Mr Boreland: Can I answer that question outside the meeting? We have not seen any detail of that and we are not going to get any detail of that.

Mr Dunne: Have you had any discussions with it about introduction of contracting?

Mr Boreland: I do not believe that the two are comparable. The reason this fell through was because the council was so keen that TUPE be applied, and the private sector contractor could not provide a comparable pension. Throughout all of this, we took the opinion of senior counsel and we made sure that the decision that the council reached was watertight. That was the stumbling block, simply put.

Mr Dunne: On pensions?

Mr Boreland: Yes. I believe that the pensions issue could have been sorted. I see that new pension regulations have just been published this month. I am not sure what effect they have here.

Mr Dunne: So it is an industrial relations issue that has caused this situation between the unions and the council?

Mr Boreland: I do not see it that way. I would like to think that I have good relationships with the unions and I speak to Antoinette and her colleagues quite regularly. It was the pensions issue. If that pensions issue did not exist, it is my honest belief that the facility would have transferred to the private sector before now.

Mr Dunne: Have you thought about rerunning the exercise to try to get alternative operators?

Mr Boreland: The council has not considered that, given that it has spent £100,000 on the exercise up to this stage. The council may want to do that but I think that, at this moment, it is still considering the expense it has incurred.

Mr Dunne: What has the feedback been to you, as chief executive, from across the borough of Ards, on the proposed closure of Exploris?

Mr Boreland: I was getting lots of e-mails — I say "lots" — perhaps five to 10 a day, when the issue first hit the press. In the past week or so, I have not got anything, and nobody has been phoning or meeting me, other than the people I have mentioned.

Mr Dunne: Is the concern spread across the borough of Ards?

Mr Boreland: I am not sure how I would test that. It is hard to say because we are seeing people on Facebook who —

Mr Dunne: Have there been letters, for example?

Mr Boreland: There have been no letters; none that I have seen.

Mr Dunne: You have not had any letters about it?

Mr Boreland: I have had e-mails about it, but no letters that I can remember.

Mr Dunne: Have other officers had letters?

Mr Dorrian: The majority have been e-mail responses, and from that, it is hard to tell where they are coming from. The vast majority have been from people who have maybe visited once or twice. We have also had messages from people in America and England who said that they came over once a year and visited. However, I have no e-mails from residents of other parts of the borough that say that the council should reconsider this.

Mr Dunne: This is just a general point. I came down from north Down this morning, and I found a lack of signage for Exploris. I saw one sign halfway between here and Kirkistown. From a tourism point of view, does the council not have an input into brown signage? Have you ever thought about that, for example, from Ards down to here?

Mr Dorrian: We put up brown signs, and there are a number of brown signs on the way down. You may have seen them from Newtownards or Comber the whole way down to the peninsula.

Mr Dunne: I came through Ards this morning, and I saw just one. There are other signs about the heritage trail and so on, but there do not seem to be many. I saw one for Exploris, and there were some as we approached the town. However, apart from that, I think there is a severe lack of signage for trying to encourage people to visit.

Mrs Overend: Thank you very much for speaking to us today. You referred to negotiations in 2007 and 2011, when there was a project to try to get private sector investment. How long did those negotiations carry on?

Mr Boreland: It was for just over a year, if I remember correctly. They started in July or August 2012 and they concluded in around September of this year. We tried. With our legal teams, we regularly met the parties involved to try to get those issues dealt with, so it was a fairly intense time.

Mrs Overend: Was it similar in 2007?

Mr Boreland: Yes, we met them a number of times with legal folk and all our accountancy folk, and we tried to put it through. Although I believe that we were literally within days of signing a deal, at that time, it failed because the company in question was taken over by a much larger organisation, and we would not have had sight of that. That ended the process.

Mrs Overend: Was there any link between the first people who were interested and the second?

Mr Boreland: The same people appeared. Five companies came forward in the second exercise, and the preferred bidder was the same person but with a different company.

Mrs Overend: OK. Was the reason why it fell through the second time similar to the first?

Mr Boreland: No, it was the pensions issue the second time. It is fair to say as well that it was not going to be turned into just a facility that had brightly coloured fish. We were very concerned that it should maintain the role of explaining the flora and fauna of the Irish Sea, but we were leaving them latitude to put in different exhibits, where they could within that framework, to try to increase visitor footfall.

Mrs Overend: Do you feel that the management of Exploris was put on hold during those two negotiations?

Mr Boreland: I am not sure what the phrase "put on hold" means. We managed it as is. The council did not commit significant amounts of additional funding or anything of that nature. It was managed on an as is basis. The council still committed a significant amount of funds, and, as my colleague said, even this year, we committed £20,000 or £30,000 for additional marketing. So, it has been managed on an as is basis, but it has not been reduced in any sense.

Mrs Overend: When the negotiations fell through, did you step back and say that you would put your own plan in place?

Mr Boreland: When the negotiations fell through, we went back to the council and revisited the report that was written in 2011 because it had other options besides going to the private sector. It also talked about reinvestment, and it contained about 51 recommendations that could be implemented. We put it in front of the council and, essentially, asked the members what they wanted to do.

Mrs Overend: We talked about the failure to implement the employment of a marketing officer back in 2007, but you said that that role had been taken over by other people. Was the budget increased in any way throughout the time? Can you give us any more detail on the budget that went towards marketing?

Mr Dorrian: The budget was more or less the same each year. It was not reduced, and within the council's normal slight rises in accordance with the rate setting process, we allowed that provision. It was not greatly enhanced, but it was not reduced.

Mrs Overend: Do you think that you should have looked at trying to increase the marketing to try to promote Exploris further?

Mr Dorrian: When we are talking about marketing, it is the direct marketing allocated to here, but within our tourism strategy and our tourism office, it is marketed in another way. The council does secondary marketing with the Strangford Lough and Lecale Partnership and with our partners in Down District Council. That is the sole direct marketing for here, but we did it in separate ways, and other budgets were used to market it, as with other facilities.

Mrs Overend: OK. With reference to the running costs of Exploris, you talked about the park being linked. Is that included in the running costs? What will happen to that if Exploris is closed?

Mr Boreland: The council's decision is to close and dispose of Exploris, not the park. It is the footprint of the building, the paths around it and the unusual access to the building, but it does not include the park. That is not my understanding of the decision.

Mrs Overend: Do the running costs that you referred to include the park?

Mr Dorrian: At the moment, the maintenance of the park is borne by our parks section. It is not included in the Exploris figure. It is run through the central parks budget.

Mrs Overend: OK. That is great. Thanks for that. I want to ask about the Queen's research facility. What are the terms of the contract for that? How long is that contract? Do you have commitments to fulfil that for a certain period of time? Will you be able to do that? Maybe you can give us some more detail on that.

Mr Boreland: The contract that we have with Queen's predates my time in my current role. It is effectively a perpetuity that has been granted to Queen's, so even if the council decided to close and dispose of this premises, we would still be obligated to pump sea water to Queen's.

Mrs Overend: What proportion of your running costs is that?

Mr Dorrian: A formula has been worked out that has been agreed with Queen's on what it pays. At the moment, it is in the region of less than £1,000 a year. Queen's pays for the pumping of additional water. It is a complex arrangement. It is allowed so much free in lieu of the land for the lease and then it pays for the additional water. However, it all depends on Queen's activities. It has ideas to expand new initiatives, and it could come seeking more water, but, over the past year, Queen's paid less than £1,000.

Mrs Overend: OK. Thanks very much.

The Chairperson: Who is responsible for the retention and maintenance of those pumping systems?

Mr Boreland: The council. It is a contract that we would not enter into these days because it is so disadvantageous to the council. It must have suited folk at the time, but it certainly would not be a contract that we would enter into now.

Mr Flanagan: Thanks for the presentation. In respect of the motion that was agreed by the council to close it within two months but to contact Departments, was any rationale given about why DETI was not approached?

Mr Boreland: It was not explained to me.

Mr Flanagan: Was DETI mentioned at all in the discussion that took place in the council meeting?

Mr Boreland: Not that I recall.

Mr Flanagan: So, a council in which DUP is by far the largest party did not see the link in that their party had the tourism Minister but felt that it was appropriate to contact two Sinn Féin Ministers and an SDLP Minister. Nobody in the room thought to say, "What about tourism?"

Mr Boreland: All that I am going to say is that I have no overall control of my council. It was a unanimous decision of all parties. I do not know why.

Mr Flanagan: Do you think that it is strange that there was no recommendation or proposal that somebody contact DETI to deal with it?

Mr Boreland: Being a former councillor, Chair, you will know that these debates sometimes get a bit hot and heavy.

The Chairperson: Not in my council.

Mr Boreland: I accept that, Chair.

The Chairperson: We just establish facts.

Mr Boreland: I do not know, is the short answer. It was the ones that people thought impacted on the facility. They went through Education because the number of school visits have dropped off, they went through DCAL because they thought that it impacted on the area in particular ways, and they talked about DOE, probably because of my conversation with them about the meeting that I had with its officer. I do not know that I can conclude anything more than was decided on the night.

Mr Flanagan: The council agreed to contact three Departments. What exactly did you ask for when you contacted them?

Mr Boreland: I have to work within the context of the council's decision, and I wrote to each of the three Ministers and advised them that, on the previous evening, the council had agreed to close and dispose of the Exploris aquarium but had postponed the enactment of that for two months to allow those three Departments to come forward with proposals for firm funding packages. As you can imagine, I stayed fairly close to what the council agreed, and, to ensure that everybody was kept on the right side of this, I got those letters hand-delivered to the Ministers' offices the following day. I am happy to share the letters with the Committee.

Mr Flanagan: In those letters, you did not indicate how much funding was needed.

Mr Boreland: I did not, because I was not instructed to seek funding. In fact, I was not even instructed to write the letters. However, I reached the conclusion that, if I do not write the letters to the Ministers, how will they know about this? I hoped that sending the letters to the Ministers would prompt officials to talk to me, and that did happen.

Mr Flanagan: In your personal or professional opinion, how important was the location of this facility in Portaferry in the council's decision to opt for closure?

Mr Boreland: The council is very keen to keep costs low and has, in the past, shut a leisure centre in Newtownards, for example.

Mr Flanagan: Sorry; what?

Mr Boreland: It shut a leisure centre in Newtownards.

Mr Flanagan: What are you doing with leisure centres in Newtownards at the minute?

Mr Boreland: We had two in Newtownards. We had a very large one and a smaller one that specialised largely in squash.

Mr Flanagan: Am I not right in thinking that you are proposing to build a new one in Newtownards?

Mr Boreland: Let me conclude. The council made those decisions, as I believe is the case on this occasion, based on the cost figures rather than on any other consideration. Similarly, with the closure of the leisure centre in Newtownards, it was a case of looking at how much we were paying and how much value we were getting out of it. I heard nothing to lead me to conclude anything else.

In Newtownards, we have a leisure centre that is performing very well and gets over 600,000 visitors a year. It is falling to bits and needs reinvestment, and the council has agreed to do that.

This is perhaps an interesting point. Last night, I talked to the council about another project that it is doing. In all this work, the council has not taken into account any savings that it might make from closure or otherwise. This is being dealt with discretely. The council has plans that are not impacted upon by Exploris. There is a demonstrable need for a new leisure centre in Ards. However, the council also recognises that there is a leisure centre in north Down, and we are building a smaller one than north Down's to make it complementary rather than to compete with it. Equally, the council has a leisure facility in this town that it runs in collaboration with St Columba's College. It tries to spread its facilities around to get the best economic impact, and all I heard talked about on the night in question was the figures.

Mr Flanagan: You dismissed or issued a word of caution about the report and the £3 million. Was that not a council document?

Mr Boreland: It was prepared for the council by an outside party to support a funding application, and whilst the funders were content with the content of the report, if you were to try to come up with a figure for the secondary or tertiary spend in the area as a result of Exploris, you would need to carry out a very precise piece of work to calculate that.

Mr Flanagan: The report was on the economic impact of tourist and leisure day visitors to Exploris. It sounds fairly specific to me, looking at the impact that Exploris has on the local economy. If that was a good enough figure to put into a funding application from the council, I cannot comprehend how you can dismiss that figure from those who are trying to keep this place open.

Mr Boreland: If you recall, I did not dismiss it. I said that it comes with a health warning based on the methodology that was used to achieve it.

The Chairperson: Yes. I heard you use the word "precise". I hope that the council is not using imprecise material to support applications.

Mr Boreland: It depends on the degree of precision.

The Chairperson: So, you use lesser degrees of precision when making funding applications?

Mr Boreland: No. Like all public sector bodies, you have to be aware that you are spending other people's money, and, as a result, you would not engage in an overly elaborate piece of work for a funding application when a less costly piece would suffice.

Mr Flanagan: Is the economic benefit of the Exploris centre £3 million or not?

Mr Boreland: It is stated in the report that it is £3 million. However, as I said, I would make it subject to the caveats that I set out earlier.

Mr Flanagan: When you put in the funding bid, did you make that caveat as well?

Mr Boreland: We made the report available, so it saw that.

Mr Flanagan: Were those caveats in the report?

Mr Boreland: I did not make any caveats in it, but the report was available to the funding body. It could see how the basis of the figures was —

Mr Flanagan: The report is still available to everybody, so I do not understand why you are making the caveats now instead of at the time.

Mr Dorrian: The report was submitted as part of the INTERREG funding, as I said earlier. The report contains the assumptions that were made by the people who did the investigation. They set out very clearly the assumptions that they used in preparing the figures.

The Chairperson: How much did you get from that funding application to INTERREG?

Mr Dorrian: You are asking me to come from memory on that application. I think that it was nearly £300,000.

The Chairperson: I used to be on the oversight body for those measures.

Mr Boreland: You will know that, when you put in an application, it will accept a certain type of supporting documentation. It is not green book by any stretch of the imagination. There are those varying degrees.

The Chairperson: Phil, is that you finished?

Mr Flanagan: I went about two minutes over, Patsy.

The Chairperson: OK. We will be precise.

Miss M McIlveen: You are welcome. It is good to see you all. I want to go back slightly to look at some of the criticism that has been levelled at the council. I am looking at a response from you around the idea that perhaps the deficit is the result of the council's poor financial management.

Mr Boreland: I defy anybody to have better financial management than Ards Borough Council. We are pretty good. No one has ever made that charge against us. The local government auditor was with us the other night and spoke glowingly about us. I do not know where that would come from.

Miss M McIlveen: That is obviously something that is being mooted. I am looking for you to clarify whether you are content that the council has done everything that it can to make this a viable project.

Mr Boreland: That is a very broad question. The council has done everything that it can within the constraints in which it operates to make it a viable project. The council has a budget within which to operate. Members will decide what acceptable rates increases are. Within the framework of the facilities that you want to provide and the rates increases that you want to see, the council has done the best it can with the resource that has been provided.

Miss M McIlveen: If we move forward in a positive tone and money becomes available from central government, I am really not clear about where you stand on what you regard as a sufficient level of funding. What level is required for you to feel that you could go back to council members to recommend an alternative decision?

Mr Boreland: I said to departmental officials who spoke to me that it has to be two thirds of the net operating costs. That is the figure with which I could confidently go back to elected members to make a case.

The Chairperson: Sorry; two thirds —

Mr Boreland: Two thirds of the net operating costs: £450,000.

The Chairperson: So, Ards Borough Council is down to one third of the responsibility for the place? Is that what you are saying?

Mr Boreland: One third of the funding of it. We would still manage it.

The Chairperson: So, that is why we are here today.

Mr Boreland: The council has made the unanimous decision to close and dispose. I have been asked about the threshold at which I would be prepared to argue a case to the council. Frankly, I do not think that, politically, I would get it through with anything less than that.

Miss M McIlveen: That is based on the current business model as opposed to a changing business model.

Mr Boreland: That is correct. If anybody from any Department wanted to have conversations with me about what sort of conditions might attach to funding, such as the sort of reconfiguration of the facility that they might want, those would be useful. The DOE has had them. Others have not. It is on the basis that it is operating as is.

You would also need to factor in some sort of recurring expenditure for capital investment. The big thing that stood out in the private sector application to run this was that its marketing budget was far in excess of what any public authority's marketing budget would have been. It would have made regular capital investments in the facility to freshen it up; probably once every five years. You would need to build something into a financing package to rotate on a five-year basis to give you a regular input of significant capital money. When I say "significant", I mean half a million pounds.

Miss M McIlveen: To date, any capital investment has been for essential works. Anything that is non-essential has probably been done when money has become available.

Mr Boreland: That is correct, although, during the summer, we also allocated unbudgeted funds to the marketing exercise and the exhibition exercise that Brian mentioned.

Miss M McIlveen: When you go back to council, will capital needs also be taken into consideration? That may be through pot of money from whichever Department.

Mr Boreland: I hope that, before anything is crystallised and unable to change, a government official will have a conversation with me so that I can talk about this type of capital requirement as part of a funding package. This is very important and cannot be lost. If you were to reinvest half a million pounds every five years, that will add about £120,000 to your revenue budget every year. It needs to be factored in, because, without that constant refresh, you tend to lose ground.

Miss M McIlveen: You will also lose potential new visitors and returning visitors.

Mr Boreland: Footfall would deteriorate; correct.

Mr Flanagan: I want to ask about what you deem to be an acceptable level of revenue coming from the Executive. Would it be more acceptable to the council if the ownership and responsibility for running and managing the facility were transferred to the Executive or a Department as opposed to being left with the council, which then has to seek money from the Executive?

Mr Boreland: The council has not formed a view on that. All that it has said is that it wants to see whether central government will fund it. If there were central funding coming forward, I am not averse to a partnership approach. If a funding package came forward, who owns the building would perhaps be less important than the management arrangements that surround it. I would have to test that with the council, to be honest with you.

The Chairperson: I hope that you are not telling Departments that, if they are making an offer of anything less than 60% funding, you do not want to hear from them.

Mr Boreland: You warned NIPSA about holding guns to heads. I certainly would not dream of doing that.

The Chairperson: I would certainly hope not.

Mr Boreland: You asked me for my personal view. The council made a decision to close and dispose. I was asked what, in my view, would be necessary, and I have given my view. I would be prepared to go back to make an argument. I did not say that the council will accept my argument.

The Chairperson: I am sure that you are very articulate in making an argument.

Mr Boreland: It depends on the evening.

The Chairperson: We can flick it back at you.

Mr Boreland: There are two people in the Chamber who can tell you about that better than me.

Mr McCarthy: We are all starving with hunger. It is very good to see you all again.

Mr Boreland: It is good to see you.

Mr McCarthy: Cathie McKimm from Friends of Exploris said that she wants to see a will and a vision. From this conversation, I detect a will from the chief executive. He said that he wants Exploris to continue and does not want it to close. Is that correct?

Mr Boreland: I said that it would be a matter of regret for me if it closed. I caveated that by talking about how much the ratepayers —

The Chairperson: There is that word again: regret.

Mr McCarthy: That is very encouraging. That is the will for it to stay open. The vision is the problem. Is Ards Borough Council prepared to sit down around the table with the various Departments? We are not talking about just one Department. There are a number of Stormont Departments that should be sitting around your table to prepare the vision of how Exploris can move forward rather than going the other route?

Mr Boreland: I am happy to meet with officials from any and all Departments. I am also quite happy to meet people who sit outside the public sector, such as Friends of Exploris. I have no issue with meeting anyone.

Mr McCarthy: That is a very positive note. I hope that the Committee takes that on board.

The Chairperson: That is why we are here today.

Anna, you wanted to make a brief point.

Ms Lo: Thank you for your indulgence, Chair. I want to pick up a point that you mentioned earlier. You said something like, if the council closes the aquarium, there may be business interest afterwards. Is it the hope — or a ploy, if you want to use that word — of the council to close it and make all the staff redundant so that the private sector can then pick it up and run with it?

Mr Boreland: It would be very foolish of the council to have that ploy in its mind. I have never heard it articulated. All that I can say is that the decision is to close and dispose. In these days of the review of public administration, when councils are affected, there is a whole process to go through in dealing with staff. Closure would not necessarily result in the staff here being made redundant, because there is a very detailed and complex process to go through in respect of redeployment, voluntary redundancy and the usual things. The council has never articulated that. However, one of the reasons why it may have chosen to close and dispose is because it thinks that there is business interest out there. Equally, it may close and dispose because there will be a significant ongoing cost of maintaining this building even without any livestock, which would also be a burden on the ratepayer. The decision to close may result from either/or. However, I can assure members that we will deal with staff by the letter of the law.

Ms Lo: Is it a means of clearing the way for the private sector to step in?

Mr Boreland: I would advise the council against having that as an objective, because you have to deal with staffing issues. In my view, that would be a legislative and litigation minefield, so I would not even recommend that to the council.

The Chairperson: Gentlemen, that concludes our session. I found it very useful and informative. I thank members, some of whom made a very long journey to be here. I also thank you for your time and for being with us. We will have a full meeting of the Enterprise, Trade and Investment Committee tomorrow. We will formulate our view and what we will do about it. We will keep you posted and make sure that you get copies of the correspondence that we received from the Department on the matter. We referred to the Department that is missing from your council motion. Hopefully, that information will be of some benefit to you as well. Thank you for your hospitality in receiving us here today.

Mr Boreland: Thank you very much.