



Northern Ireland
Assembly

Committee for the Office of the First Minister
and deputy First Minister

OFFICIAL REPORT (Hansard)

One Plan/Ebrington Barracks/Shackleton
Barracks: Programme for Government
Commitments

12 June 2013

NORTHERN IRELAND ASSEMBLY

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One Plan/Ebrington Barracks/Shackleton Barracks: Programme for Government Commitments

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Members present for all or part of the proceedings:

Mr Mike Nesbitt (Chairperson)
Mr Chris Lyttle (Deputy Chairperson)
Mr Colum Eastwood
Ms Bronwyn McGahan
Mr Stephen Moutray
Mr George Robinson

Witnesses:

Ms Judith Brown	Office of the First Minister and deputy First Minister
Mr Tim Losty	Office of the First Minister and deputy First Minister
Mr Gerry O'Neill	Office of the First Minister and deputy First Minister

The Chairperson: I welcome Ms Judith Brown, Mr Gerry O'Neill and Mr Tim Losty.

Mr Tim Losty (Office of the First Minister and deputy First Minister): Our understanding is that we are here today to talk about some of the Programme for Government commitments that pertain to our work here in the north-west. I thank the Chairperson and the Committee for the opportunity to do that. We are also conscious that we are coming back to the Committee in July to discuss Programme for Government commitments in more detail. We will try to cover as much as we can today and cover other issues at that subsequent meeting.

OFMDFM has responsibility for two Programme for Government commitments that directly impact on the city and the area. Programme for Government commitment 16 is to:

"Develop the 'One Plan' for the regeneration of Derry/Londonderry, Incorporating the key sites at Fort George and Ebrington."

Programme for Government commitment 17 is to:

"Provide financial and other support across government to ensure the success of the Derry/Londonderry City of Culture 2013."

In addition to the above, OFMDFM has responsibility under the Strategic Investment and Regeneration of Sites (Northern Ireland) Order 2003 for the former Shackleton military site at Ballykelly.

You will have heard from Mel, Caoimhín and Gerard about what Ilex has achieved in recent years. We would also like to acknowledge the fact that there has been significant achievement. We have worked very closely with the senior management team and the board over the past year, not just to correct issues of concern, but also to take forward a lot of the very positive work that you have already acknowledged at the Committee.

I will now provide you with an update on some of the Department's sponsorship responsibilities. Earlier, you raised some issues about the single sponsorship of Ilex. Following recommendations from the BDO Stoy Hayward report and the Northern Ireland Audit Office report, and in line with Treasury guidance regarding single sponsorship of organisations like Ilex, OFMDFM, the Department for Social Development (DSD) and Ilex committed themselves to moving as quickly as possible towards single-sponsorship arrangements. That has been achieved. We still have to sort out one or two issues. However, we are currently operating on the basis of single-sponsorship arrangements. That streamlining of roles and responsibilities has helped Ilex as well as us.

Earlier, you also asked questions about the recruitment of the chair and non-executive directors. The Committee will be aware that, following an initial recruitment process for the position of chair in 2012, Ministers believed that we should go out to the market to secure wider experience from which to make a selection; to widen the field of candidates to provide for more scope for appointment. In addition, a number of vacancies have since arisen on the board for non-executive directors. Ministers decided to proceed with the joint competition for chair and non-executive directors. The competition was advertised in February 2013. In total, we received 33 applications for the post of non-executive director and eight for the chair. Interviews were held at the end of March and into April. The Department is now considering the list of candidates who are suitable for appointment. Hopefully, it will make decisions on appointments very soon.

The board of Ilex is also in the process of securing a chief executive. Unfortunately, the first stage of the process failed to produce a suitable candidate. The board has examined a number of options since. It is progressing with the recruitment process. Again, we hope that it will be in the position to make an appointment very soon.

I chair the One Plan interdepartmental group, which identifies the Executive's policies and programmes that can impact positively on the plan's objectives and themes. We meet the One Plan strategy group and the regeneration programme unit to review progress, to identify obstacles or challenges and to determine how they might be addressed in the interdepartmental group. We are also discussing how processes and monitoring of information reporting might, again, be streamlined in the future and also improved. I hope to be able to discuss that with you in more detail in July following a number of meetings that we hope to have over the next couple of weeks.

The One Plan interdepartmental group has assessed the economic situation against the prospect of job-promotion figures. An exercise started in February 2013 to gather information on job creation from across all Departments and other organisations, such as the city council, the business community and chambers of commerce. The information from that is currently being analysed by Ilex, as part of its role in statistical monitoring, along with statisticians from our Department and the Department of Enterprise, Trade and Investment (DETI). Given the indications that we are getting from the marketplace and also some of the mitigating actions that have been taken in recent announcements by, for example, Invest NI, we expect to revisit the risk rating on the impact of the economy on targets. The risk rating is likely to be reduced.

OFMDFM is committed to supporting the City of Culture programme. We are now halfway through the year. As regards feedback, everybody will have picked up from the city and also from the media that the city and events have generated a lot of positive publicity locally, regionally and internationally. Some of the recent events, such as the Return of Colmcille festival last weekend and BBC Radio 1's Big Weekend, have brought huge crowds into the city. Other events coming up include the Fleadh, the Walled City Tattoo and Music City. So, there are still exciting programmes to come.

OFMDFM's role is to chair an oversight group, which consists of representatives from the main stakeholders, to ensure successful delivery of the City of Culture programme. We are aware of concerns that have been expressed in the media about issues such as funding for programmes and marketing, but those issues have been largely addressed. The programme content is also expected to continue as planned, and marketing activities will be moving to more tactical actions over the next few weeks. The OFMDFM interdepartmental group continues to meet monthly to identify any difficulties or challenges, to allocate responsibility and to review the programme and its impacts. So,

the group's intention is to identify issues and try to resolve them in the group and to make progress with the programme.

The next important stage is to translate that programme content into legacy issues for the city that will lead to jobs, enhance capabilities and raise ambitions in the city. Work has already started on that through Derry City Council, and OFMDFM will continue to contribute to that through our regular meetings with the One Plan strategy group.

The Shackleton site at Ballykelly was transferred to us for the purpose of generating funds for the Executive. We are dealing with an increase in interest for use of the site, ranging from community and youth provision to leisure and business uses. The decision by the Agriculture and Rural Development Minister to consider the site for the relocation of the Department of Agriculture and Rural Development (DARD) headquarters is being actively pursued, and the business case will determine how much of the site is required. That will also help to generate interest and uses for the site. In the interim, we continue to safeguard the site and adjoining farms from such things as flooding by maintaining the pumping stations. We are also looking after the overrun onto the site from some of the sewerage facilities outside the site. Those facilities service the Ballykelly village area, so we are playing our part in trying to maintain the services there.

We are in discussions with Northern Ireland Water, the Northern Ireland Environment Agency and the Rivers Agency about future responsibility for maintaining the drainage of the site, the rivers on the site and the overrun. We are also in discussions with a number of organisations and private sector interests about future options for the site. We have had meetings with some of the local farmers, community organisations and councils in recent months. Our intention is to continue to do that as we take forward the development.

I hope that that provides an overview of our activities. I am happy to take any questions. Hopefully, I will be able to answer them. If I cannot, I will try to get the answers and come back to the Committee at a later stage.

The Chairperson: I appreciate that, Tim. Thank you very much. There are three areas here: Programme for Government commitment 16; Programme for Government commitment 17; and Shackleton, which George will no doubt have a few questions on.

I will start with Programme for Government commitment 16, which is the development of the One Plan. I do not want to go over the point about the late delivery of papers last time, but I mention it to explain why some of these questions are only coming now. Under the performance indicators at section 2, indicator 1 is on the increase in employment. I notice that the narrative for the three years, 2012-13, 2013-14 and 2014-15, sees a significant change. The previous narrative was about using an agreed measure to have a set number of jobs "created". The word "created" has been changed to "promoted". Why the change? What is your definition of "promoted" as opposed to "created"?

Mr Losty: Ultimately, the objective is to have those jobs created. In discussion with the interdepartmental group, the jobs subgroup and our colleagues in Ilex who are part of that, we are looking to try to measure the impact that the mitigating actions would have. The "jobs promoted" is really a measurement of government and other interventions that have put in money or projects that will create jobs in the area. After a certain time, we hope to come back and analyse the number of "jobs promoted" to see how many have actually been turned into "jobs created". The ultimate intention is still to have a number of jobs created and to identify where those jobs were created. Promotion allows us to measure our input at this stage.

The Chairperson: So, the promotion target for 2012-13 was 1,175. Is that a tick?

Mr Losty: We are still analysing those figures. Colleagues in Ilex and DETI have the raw data that we sourced from Departments, the council and the business community. I cannot confirm whether it has been ticked yet, because there is an issue of making sure that we identify potential overlaps or duplication. We need to remove any duplication and then come up with a figure that is accepted by all parties. What I would say is that the indications are certainly positive; more positive than we all may have thought when we set out on this a year or 18 months ago.

The Chairperson: I think that you have already addressed the next issue, which is the risk and contingencies — the risk management — at section 5. That states that the external economic

environment scored five out five on the probability of risk occurring and five out five for impact. Can you say where you think that those figures will rest after your review?

Mr Losty: We still see the economy as being in a fragile state. However, since we last appeared at the Committee, we have carried out some work in the jobs subcommittee. Just prior to that, we were staring at a potential triple-dip recession. We have avoided that. We have seen Invest NI announce some optimistic job figures in the business that has been created. We have seen the impact from initiatives, such as the regeneration on the sites here and elsewhere in the city, now starting to turn into construction jobs and leading to people coming into those projects. We are seeing an increase in interest for the buildings at Ebrington to be used for business and other purposes. So, we are starting to see a more positive trend, with people believing that they can create jobs and establish businesses in the city. Through our work with DETI, Invest Northern Ireland and the Department for Employment and Learning (DEL), we see that trend continuing.

I said that the economy is still fragile. We still have higher levels of unemployment and higher levels of people without skills than we would like. We have to address those issues. We also have to make sure that we are collectively promoting a positive message to encourage foreign direct investment and to have that spread throughout the region.

The Chairperson: The second Programme for Government commitment — commitment 17 — is about the provision of financial and other support to ensure the success of the UK City of Culture. The third key risk listed under the heading "risks and contingent actions" is that "financial resources are insufficient". The original narrative was:

"A top class team of Cultural Programmers recruited who are working alongside an experienced financial team and reporting to DCC Chief Executive."

You have taken out "top class" and "experienced" so that it is now just a "team of Cultural Programmers" and a "financial team". Why were those —

Mr Losty: It is no reflection on the cultural team or the financial people. It is simply stating that that was the intention, that it is now done and that we have the people in place.

The Chairperson: You did not need to take that out just because they are in place. You just needed to change the tense of the verb.

Mr Losty: We go through various levels of challenge with the Programme for Government delivery targets, and people always try to measure on the basis of objective evidence. We will always be challenged on the use of what are considered to be value-judgement statements. If we say something like "top class", people will come back and ask for a whole load of evidence as to why something would be top class and something else would not. So, it is basically just trying to get to the stage where we say, "We have got people in position; they are doing the job; and we are now looking at the impact and output of that work." Rather than getting into debates about providing evidence for value judgements, we just keep it in objective language. It is no reflection on any of the individuals.

The Chairperson: So, it is about objective language, because why on earth would you seek a team of cultural programmers who were anything other than top class. OK.

Mr Eastwood: Thank you for your presentation, Tim. In your presentation, you said that the interviews for the board members and the chairman of Ilex took place at the end of March or the beginning of April. Is that right? That was about two and a half months ago, never mind how long it was before that when Roy McNulty not only left but said that he was going to leave. That was further back again. It is sitting there now; people have been interviewed. What is the hold-up?

Mr Losty: It is not so much a hold-up. We have to go through a process to provide assurances to the Commissioner for Public Appointments and to make sure that we get all our documentation right and that we have the information on the candidates right. We then go through the process of providing that information to Ministers. We would all have liked to be in a position where a decision could be made earlier than this. We also have to factor in issues such as getting a time for Ministers to sit down and go through the information, and they have been busy of late. We have to make sure that the documentation is right and to deal with other issues; for example, allowing a certain period for people to challenge the decision not to interview them. We go through all that.

As I said, we would have liked to be in a position to make an announcement before now; certainly, before the Committee. The intention is still to try to push this and to get a decision as quickly as possible.

Mr Eastwood: Is it not with Ministers yet?

Mr Losty: I would prefer to say that it is with the Department. We still need to do things when we are talking to Ministers about the process.

Mr Eastwood: I think that people would have had a bit of patience for two and a half months had there not been all the time previously when nobody was appointed. Ilex is the key organisation in delivering the One Plan. It is no reflection on the people who are doing the work on a temporary basis, but we clearly need a permanent chair. The other non-executive directors also need to be replaced. That goes back further even than Sir Roy.

Earlier, I touched on the commercial development of this site, and I think that we have spoken about it before. There have been previous problems. There is the obvious example of the sandwich van, and people just do not understand why it takes so long to do something that, in their mind, is so simple. I do not think that we should have to wait until the development framework is finished and planning permission and all that is granted. Are you confident that small, simple projects, like a sandwich van or a coffee van, could be put into certain sites? Are we going to be waiting more than a year to let that happen? There is clearly a market for this stuff, and people are dying to get in here and do things. Are you confident that those issues between you and Ilex, or wherever the issue or blockage was, have been ironed out?

Mr Losty: There are two issues there. To take the first one about the directors: when we first went out to market for chairs, we got three applications. That was not a big field, and we want to get sufficient choice and experience that could add value. A total of 33 people have now applied. When we look back, we see that it was a much more difficult time for Ilex when we first went out to recruit a chair. I think that, while it was accidental, the time that was taken has helped us to go out and promote the site to a lot more people and to get a lot more interest from some very credible people who now want to be part of Ilex. So, I think that it is actually turning out to our benefit and the city's benefit.

It should not have taken as long as it did to get the sandwich van on site. As I might have said at the last Committee meeting, if the interim use policy had been turned around in a week when we asked for it, the sandwich van could have been on the site in a week. We now have an interim use policy that we have agreed with Ilex and with the senior management team, and we do not envisage projects like that taking as long. In fact, we hope that the interim use policy will streamline and speed up the process. We are conscious that, because we are dealing with a publicly-owned site and taxpayers' money, when we put something out to the market, people with an interest and a capability should all have the opportunity to register that interest. That is what Ilex is doing. It has tested the market, and there are something like 38 to 40 good commercial interests. The senior management team is taking those forward and is keeping in contact with us so that we know what is happening. So, we are doing it in parallel with the organisation, and, again, the intention is that we want to see businesses and activity on the site as quickly as possible.

Mr Eastwood: I have a question about the City of Culture. I am not particularly concerned that this is going to be an issue, but there has been talk about a shortfall in some of the cash that has come in. Does the Department have a role there in ensuring that there is a contingency fund or whatever to ensure that, if there is any bill left over — I think that we are going to have a great year no matter what — it is not lumped on the ratepayers of the city?

Mr Losty: Our role in OFMDFM is to chair and co-ordinate activities around the Departments, the council and others. The Department of Culture, Arts and Leisure (DCAL) is the main funder of the programme. It has put over £12 million into it. We have invested money in infrastructure. There are other sources of income and funding that have been brought into that funding equation. Business sponsorship and ticket sales are an important part of the funding mechanism, because that means that the taxpayer does not have to pay as much. The Culture Company is still focused on trying to raise ticket sales and bring in more business sponsorship to reduce any potential dependency on taxpayer or ratepayer. It is also actively exploring other funding opportunities. From discussions with

it, we are confident that the money can be generated to maintain the programme as was originally designed. That is still the intention.

It was an ambitious programme, which this region has never been involved in or seen the like of previously, so there is a learning curve while we go through it. If you look at the content of the programme and how it has been delivered, you can see that it has raised people's ambitions and capabilities, has generated a lot of interest and there is a lot of optimism as a result of it. Now people are saying that they do want to get on the bandwagon, so we do think that it is positive for the city. We believe that the funding can be met, and we hope that the funding equation or portfolio will reduce the burden on the taxpayer and the ratepayer, rather than it all coming from the taxpayer and ratepayer. We share those objectives.

The Chairperson: Tim, in your previous answer, you mentioned 40 expressions of interest. I think that that is within the context of an ambition to have a final, completed development framework by September. How confident are you that the September target will be met for that final delivery framework?

Mr Losty: That is the plan that we are working for, but the development framework also requires us and Ilex to go out to discuss and consult with the stakeholders in the city and the region, and also to take a view of what is happening in the current and future operating environment. There may be a delay because we have to factor something in, but we still want the development framework to be completed by the end of the third quarter of this year, after which we will move forward for planning permission.

The Chairperson: September is in the PFG.

Mr Lyttle: Tim, thanks for your presentation. I take on board what you said about the plan being ambitious. Accordingly, I will try to couch my questions sensibly, but there also needs to be accountability and clear communication. Why are there two sponsoring Departments for Ilex?

Mr Losty: There were two sponsoring Departments because DSD has responsibility for urban regeneration, and OFMDFM has responsibility for the development of this former military site. Combining the regeneration of the city and Fort George with regenerating the Ebrington site brought the two Departments into play. That is why there was joint sponsorship at that time.

Mr Lyttle: Treasury guidance states that there should be only one sponsoring Department. Have two Departments impeded progress?

Mr Losty: I do not think that it has impeded progress. Colleagues in Ilex may say that it has caused them difficulties through having two reporting mechanisms. Bringing in DSD expertise and best practice in regeneration, not just for the city, has added value to the work that the organisation has been involved in. OFMDFM has brought its ability to co-ordinate across Departments, so there were benefits in that. However, I think that all of us would agree that the preferred status is to have a single sponsor body. Our preference was to move to that, and we have done so. We believe that that will streamline the reporting.

Mr Lyttle: How quickly will you be able to move to the single sponsor?

Mr Losty: It is operational now. We want to sort out some issues, but they are not major.

Mr Lyttle: It has been communicated to me that one of the issues that seems to have been complicated by having two sponsor bodies is the lack of clarity on the development of the Fort George site. The briefing paper states:

"The Development Framework for Fort George was submitted for Outline Planning in July 2012 and ... Funding of £12 million has been secured for the North West Regional Science Park and construction work is expected to start in March 2013".

I listened to a media debate on the radio today about what was happening with Fort George, and the DSD statement was in response to whether or not there would be a stadium. However, today's briefing states that work on a science park should have commenced in March 2013. Will you clarify that issue?

Mr Losty: DSD owns the site, so it would have to answer that question. What I can —

Mr Lyttle: Does that mean that that is no longer part of Ilex?

Mr Losty: DSD has taken the regeneration of the site. It was its site, came under its ownership, and it is lining up for the review of public administration (RPA). Ilex is still involved in the overall development of the site. Once the site is developed, you want people and businesses on it, so Ilex's role will be to market and promote the site, and that is where our involvement will continue. We will work with Ilex to help it get the message out to the marketplace.

Mr Lyttle: What about the science park?

Mr Losty: From discussions with DSD and colleagues in the science park, we understand that the project will go ahead. I am not sure what was said in the interview this morning, so I would not wish to comment because I would only be speculating. We can try to find out from colleagues in DSD and provide the Committee with an answer in writing.

Mr Lyttle: Where does the £12 million go if the science park does not happen?

Mr Losty: The offer will be towards the science park, which has gone through enough business cases and economic appraisals and has been tested enough to enable the project, hopefully, to go ahead.

Mr Lyttle: Is there any reason why that has not happened as of March 2013?

Mr Losty: As I said, I would only be speculating —

Mr Lyttle: That is fair enough.

The Chairperson: I suggest, Chris, that we write to the Committee for Social Development to pose those questions.

Mr Lyttle: Fair enough. I have the PFG 2011-15 delivery plan here, which was originally dated 15 November 2012 but has been changed to 28 February 2013. I would like some clarity on the process for PFG commitment 16, which is to do with the development of the One Plan. I presume that it has been provided to us by the Department to track changes.

It is quite hard to follow the tracked changes. Under the headings of "action", "timescale" and "responsible organisation(s)", at indicator 4 for Fort George —

"Approval of Development Framework and outline planning for the site"

— I think that the original target was quarter 2 of 2012, but that has been changed to quarter 1 of 2013. It is quite hard to follow, but from a principle point of view, how are we to monitor progress against target dates that are constantly changing in the delivery plan? I know that we have been told before that these are "living documents", but do you accept that it is quite difficult for a Committee to try to follow whether targets are being met when they are presented in that way?

Mr Losty: I agree that the coloured tracked changes are difficult to follow on the page. We have tracked the changes so that you can see where we have made changes. Where we have taken out phrases such as "top class team", for example, you have the opportunity to ask us why we have done so. A timescale may change if a deadline has been missed, and you can see that.

Mr Lyttle: So this document is transparent?

Mr Losty: There is a transparency. You may miss a time deadline, but if you still achieve the target, it is important that that be recorded. The Programme for Government management team will appear before the Committee at some stage, so you can ask them about that. We will report your comments to them.

The Chairperson: We will now move on to Shackleton Barracks in Ballykelly. I am not sure whether you can answer this, Tim, because we have now established that DSD had ownership of Fort George at one point. However, it seems to me that the Londonderry Port and Harbour Commissioners may have owned that land, and it was taken by the Ministry of Defence (MoD) to use as a military base. When the MoD had finished with it, it was handed back and was subsequently sold by the commissioners to DSD. Is that your understanding?

Mr Losty: I would want to be absolutely certain, but I believe that that is the case.

The Chairperson: If that was the case, that would explain why DSD refers to the MoD "surrendering" the land to the harbour commissioners rather than "gifting" it. The basis on which we are talking about it now, under OFMDFM control, is that we were gifted it by the MoD, including Shackleton Barracks, as part of the 2010 Hillsborough agreement.

We now know that the annual cost of maintenance, security and pumping — it is below sea level — are estimated at £500,000 to £600,000 per annum. It is now 2013, so we could, as taxpayers, have funded about £1.8 million in maintenance, security and pumping. Has there ever been an attempt, between the 2010 Hillsborough agreement and today, to sell the land?

Mr Losty: Yes.

The Chairperson: What was the best price that could have been secured?

Mr Losty: The MoD attempted to sell the land before it was officially transferred to us. I think that the figure was —

Ms Judith Brown (Office of the First Minister and deputy First Minister): There was no sale so the bids were and are subject to commercial confidentiality because some of the bidders may still be interested. However, it is common knowledge, and it would be unfair of me to say otherwise, that the top bid for the site was in the region of £1.5 million. However, that was subject to due diligence and further investigation of title and contamination and so forth. So, one could not say whether the sale would have gone through at that rate. Strictly speaking, we still intend to sell the site so the level of offers and who offered them are a matter of commercial sensitivity.

The Chairperson: I appreciate your candour, but the conclusion is that the site is already in negative equity if it has cost £1.8 million to keep it in its current condition. There is also the question of remediation. Do you know how much it will cost to decontaminate the entire site fully?

Mr Losty: A decision about keeping the site rather than accepting the offers at that time is based on what the site would be used for. As well as raising money, would it be of community, social and economic benefit? Those factors had to be brought into play. At the time, it was considered that it did not satisfy all those criteria.

In moving forward with the site, we have a number of interests, and, depending on the interest and the eventual use, that would dictate what would need to be done on decontaminating the site. MoD reports and the Central Procurement Directorate (CPD) indicate the location and expected levels of contaminants. Decontamination levels would depend on whether the site would be used for housing as opposed to commercial or leisure use, so costs have not yet been determined.

The Chairperson: What are the parameters?

Mr Losty: For total costs?

The Chairperson: Yes.

Mr Losty: We have not really looked at parameters. We have looked at our experience with the Maze/Long Kesh site and decontamination there.

The Chairperson: What was that figure?

Mr Losty: I will come back to you, but I think that it was about £3 million.

The Chairperson: How long would that take if you were to transpose it to Ballykelly? Two years?

Mr Losty: The Maze/Long Kesh site is about 350 acres. Ballykelly is 730 acres, and, as you know, the site is almost divided in half. Housing was mostly in the top half so it has limited contaminants. There are more contaminants down towards the airfield. It would depend on what the site would be used for. We are not saying that, for Shackleton, it would be double the spend on the Maze/Long Kesh site, because it is not the same level of contaminants, and they are not spread across the site. I am reluctant to make a guess at this stage about how much it would cost because it depends on the use of the site or individual parts of the site.

The Chairperson: I accept that we are in the realms of speculation, but let us say that we agreed everything today. Would you allow two to three years to decontaminate fully, to put it out to tender and so on?

Mr Losty: The tendering process takes some time, but there are processes for dealing with that. It depends on the contaminants. There may be some contaminants where buildings with asbestos have been knocked down, and the asbestos is buried somewhere; that is easy to deal with. Another contaminant may be aircraft engine oil, which is more difficult to deal with. I am not an expert and do not want to hazard a guess, but two years may not be too far off the mark for the decontamination of some parts of the site.

The Chairperson: If we add the annual cost of £500,000 to £600,000 to a ballpark figure of £3 million for remediation work, that is at least £6 million — it could be £7 million, £8 million or £9 million. I am not asking you to comment. I am making the observation that the "gift" comes at a cost of £5 million to £10 million to OFMDFM, the Executive and the taxpayer.

Mr Losty: That is based on the assumption that we would do nothing with the site, but we are doing, and intend to do, things. We have a conacre agreement, for example, and are leasing out part of the site. There are fee-paying community uses. We are looking at the costs of the site. Essentially, we are paying to stop the overflow from Ballykelly village going out onto other farms. That is not our responsibility, but we have to act as a good neighbour. We are meeting the relevant agencies in the next week or so to ensure that they take on responsibility for their area. So that reduces the overheads, and, at the same time, we expect to start to generate income from the use of the site.

It may also be the case that, where we identify part of the site and decide either to rent it out or sell part of it, that may come with a proviso that the person who buys the site also does the remediation work. There are options. The intention is to reduce the cost to OFMDFM but, at the same time, maximise the community benefits.

The Chairperson: I will pass over to George in a moment. Again, I do not expect you to comment, but I have a vision of the military commanders who gifted the site at Hillsborough in 2010 having a very large and enjoyable gin and tonic on the flight back to Sandhurst or wherever they were going.

Mr G Robinson: Quite a lot of the questions that I intended to ask have been asked.

The Chairperson: Sorry, George.

Mr G Robinson: The expectation is that DARD will eventually move onto the site. Is that still a feasible option? How far on are we with that project?

Mr Losty: DARD has set up a project implementation team, of which we are members. It is looking at the feasibility of the buildings that should be there and whether there should be a mix of new and existing buildings, where DARD could go on the site and how much land would be used. Those issues will be factored into a business case, which will then be presented to the Minister and the Department of Finance and Personnel (DFP) for approval. It is very much a live project.

Mr G Robinson: Maybe you do not know too much about the site, but I do. I would divide it into two sections: the top camp and the bottom camp. DARD will probably take over the top portion. Is that correct? Is that the proposal?

Mr Losty: That is the part that DARD is concentrating on — where the buildings and road infrastructure are.

Mr G Robinson: The existing buildings?

Mr Losty: Yes. As you move down the site, as you know, there are the aircraft hangars, the runways and the equestrian centre.

Mr G Robinson: Those are in the bottom camp.

Mr Losty: That is also where some of the flood plain is. That land is still of use and of interest to people. We have been talking to three interested parties since March about using that land, so it is still of value.

Mr G Robinson: Further on down, at the bottom the camp, there is the big hangar — hangar 6. It is massive. I am sure that there is great potential to use it. I do not know whether there is an option for commercial use or whether anyone has shown an interest in it.

Mr Losty: A number of organisations have shown interest in the hangar. A number of community/cultural organisations have also shown an interest. I will not declare who they are because we are still in negotiations with them. There is interest. The ideal situation would be that somebody would take on the site as a single entity, but we also have people who are interested in some of the buildings and some parts of the site. We continue to talk to all of them.

Mr G Robinson: Are any other Departments interested in any part of the site?

Mr Losty: Some of the organisations that we are talking to are public organisations. They are looking at parts of the site for potential uses.

Mr G Robinson: There is a bloke who is very interested in taking over the old watchtower and turning it into an aviation museum. It would lend itself to that.

Mr Losty: Do you mean the control tower?

Mr G Robinson: Yes.

Mr Losty: We are in discussions on that and have met people.

Mr G Robinson: You are aware of that?

Mr Losty: Yes.

Mr G Robinson: That is fine. From my point of view, the north-west in general has lost a lot of employment over the past few years. As I see it, some of the Chairman's considerations about decontamination and so forth can be erased. It would be an excellent site for employment opportunities for the north-west. I would like to encourage you so that we do as much as we can to utilise the full site for the benefit of the whole community, from a jobs point of view and for recreation and leisure, if that can be incorporated.

Mr Losty: When the decision was taken to keep the site rather than to look at some of the offers that were on the table, it was on the basis that people could see that there was more economic and job creation potential in the use of the site, or parts of the site, and that we should work towards that. It is still our ultimate objective to try to do that. At the same time, we are talking to local organisations about sport and leisure on the site. We have had three motorsport events. Two of them were very well attended. We had rain for the most recent event, but people still showed up. We would like more such use.

Mr G Robinson: This might be pie in the sky, but the film industry is going well. It would be an ideal site from an aviation point of view. There is also the history of the area.

Mr Losty: Initially, some film industry organisations were brought up to look at the site and the hangar. We intend to try to get them up again. I agree with you that it could be used for a lot of those purposes.

The Chairperson: Sorry that I stood on your patch, George.

Mr G Robinson: You are all right; do not worry.

The Chairperson: With the remediation work, presumably, following any kind of standard process, you would ask people to give you an assessment report on what is required and then put it out to tender. Is there a difficulty with the same companies being involved in this specialised remediation work? There are so few companies that it would be difficult to separate out the assessment and the actual carrying out of the work.

Mr Losty: It is true that there are only a few organisations with the specialist expertise, but we have used a number of organisations and companies for remediation work on the removal of asbestos as opposed to engine oil. Depending on the amount of money involved, we are obliged to put tenders into the European journal, and we use CPD to make sure that the process is transparent. By making sure that there is transparency in trying to get as many people as possible to tender, we also have to factor in delays and the bureaucracy that goes with that. It is about getting the balance right. It is much easier if we are dealing with smaller amounts of land with fewer contaminants.

The Chairperson: Fair enough. Are members content?

Mr G Robinson: I have one small supplementary question. We are talking about decontamination and so forth. Are there any consequences for DARD moving onto the site?

Mr Losty: That would be factored into the decision. DARD will look at the potential for contaminants. However, given the location on the site, and from the reports that we received, there would be very limited or low-level risk from contaminants. You know the area very well, so you will also be aware of the mythology and the rumours. There are no depleted uranium atom bombs, aircrafts or anything else buried there or thrown over a hedge. We have certainly not seen or picked up anything. We are talking about brownfield contaminants. There could be some low-level contaminants from a firing range, but the levels would be similar to those from a luminous watch.

Mr G Robinson: It will not stall the decision.

Mr Losty: No.

Mr G Robinson: That is good news. Thank you.

The Chairperson: Judith, Gerry and Tim, thank you very much indeed, and apologies for the delay.