



Northern Ireland Audit Office

Navan Centre

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

HC 204 - 29 January 2004



Photograph of Navan Fort and Navan Centre on front cover provided by
Environment and Heritage Service.



Northern Ireland Audit Office

Report by the Comptroller and Auditor General
for Northern Ireland

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Navan Centre

This report has been prepared under Article 8 of the Audit (Northern Ireland) Order 1987. The report is to be laid before both Houses of Parliament in accordance with paragraph 12 of the Schedule to the Northern Ireland Act 2000, the report being prescribed in the Northern Ireland Act 2000 (Prescribed Documents) Order 2002.

J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
28 January 2004

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List of Abbreviations

CCRU	Central Community Relations Unit
DCAL	Department of Culture, Arts and Leisure
DE	Department of Education
DED	Department of Economic Development
DENI	Department of Education for Northern Ireland
DETI	Department of Enterprise, Trade and Investment
DFP	Department of Finance and Personnel
DOE	Department of the Environment
ERDF	European Regional Development Fund
ESF	European Social Fund
HLF	Heritage Lottery Fund
IFI	International Fund for Ireland
IGH	Inter-agency Group on Heritage
MAGNI	Museums and Galleries of Northern Ireland
NaA	Navan at Armagh
NFIG	Navan Fort Initiative Group
NIAO	Northern Ireland Audit Office
NITB	Northern Ireland Tourist Board
T&EA	Training and Employment Agency

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Introduction and Summary

Background

- 1.1 Navan Fort, just outside Armagh, is the premier archaeological earthwork in Northern Ireland. Archaeology, legend and literature confirm its exceptional status as Emain Macha, capital of the Kings of Ulster. It was occupied from the third millennium BC, although its great period was the Late Bronze/Early Iron Age (from 700 BC). Its most famous monument is the 40-metre 'temple', now known to have been built in 94 BC and deliberately burnt down soon afterwards and whose remains lie under the mound which can be seen today. Navan Fort, which is in the care of the Department of the Environment (DOE), stands in an archaeological landscape containing the remains of other prehistoric ceremonial monuments.
- 1.2 In 1985 a planning application for a further extension of a nearby quarry led to widespread concern and a Public Inquiry. The then Minister with responsibility for the DOE announced in 1986 that quarrying near Navan Fort should cease and he also directed that something tangible should be done to safeguard the future of this ancient site. The Navan Fort Initiative Group (NFIG) was set up in 1987 by an independent group with a wide range of interests to consider the best future for the monument and the surrounding area. NFIG commissioned a study that year to assess the feasibility of establishing a major visitor centre at Navan Fort. The study incorporated analyses of the archaeological and historic importance of the area as well as economic and marketing appraisals.
- 1.3 The study concluded that there was a strong case for substantial investment at the Navan Fort complex in its own right, as well as in the context of the initiatives then underway for the regeneration of the Armagh area. A proposal document

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was published in October 1988 and Navan at Armagh, a charitable trust and company limited by guarantee, was established in February 1989. In August 1990 a wholly owned subsidiary, Navan at Armagh Management Limited, was incorporated. Its purpose was to undertake the development of, and to carry on, the commercial activities at Navan Fort.

- 1.4 The trustees secured funding from a variety of sources to acquire land and to build an interpretative centre on the site. The Navan Centre opened in July 1993 at a cost of some £3.2 million in public funding.
- 1.5 The original economic appraisal forecast 160,000 visitors per annum to the Centre within ten years of opening. However, the reality was that annual visitor numbers never exceeded 50,000 and averaged 33,000 over the eight years of the Centre's existence. The trustees felt this was due largely to political instability that reduced the number of tourists visiting Northern Ireland. As a result the Centre was in financial difficulties throughout most of its existence and received regular revenue deficit grants from public funds, the last of which ceased in March 2001.
- 1.6 In July 2000 a fire and associated smoke damage resulted in the closure of the Centre for two months at the peak of the summer season. A refurbished Centre and revamped exhibition were officially re-opened in October 2000.
- 1.7 In March 2001, when a two-year funding package was due to end, the business proposal produced by the Navan Centre for the following three-year period showed a substantial but diminishing need for subsidy from public funds. Government undertook to explore ways of meeting Navan's short-term financial requirements in order to allow time for a decision on long-term funding to be made. However, no monthly payments were issued for April and May 2001 and,

although the Department of Culture, Arts and Leisure (DCAL) made an offer on 18 May 2001 of £50,000 to assist in the short-term, this was declined and Navan at Armagh Management Ltd suspended trading on 4 June 2001. The Centre closed with liabilities of some £125,000.

- 1.8 In August 2003, DCAL confirmed that, in terms of Armagh, its priorities lie with the planetarium and that it is unable to commit funding towards a rescue of the Navan Centre.
- 1.9 At its height in 1995 Navan employed a total of 19 staff both full-time and part-time. By the time the Centre closed in June 2001 the number of employees had fallen to 11 mainly as the result of cost saving measures which had been introduced.

The NIAO Examination

- 1.10 This report examines the arrangements for funding and management of the Navan Centre and in particular the history of the Centre's use and reliance on public funding, the nature of its relationship with various government departments and other public and private bodies and the problems and contributory factors that led to its closure.

Summary and Conclusions

General Findings

- 1.11 The original aims and objectives of NFIG (see Appendix 1) were met only in part. The trustees were successful in raising significant funds. A Visitor Centre was

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successfully established and, in particular, an admirable programme of education was set up at the Centre. No progress was made, however, on the proposed archaeological park due to problems with land acquisition. Employment opportunities and economic activity were significantly below expectations due in the main to the inability to achieve the projected visitor numbers.

- 1.12 When it became clear at an early stage that commercial viability would not be achievable the Navan Centre was affected by the continued lack of certainty regarding future funding. The Navan Trustees and Directors had an expectation of continued core funding and it would seem that they retained this view up to the end. The essentially short-term mechanism of buying-time assistance lasted for four years from 1997 to 2001.
- 1.13 DOE was the Department with the most interest in the venture because of its statutory responsibility for Navan Fort, but after devolution DCAL had the lead role in relation to funding the Centre. This was because it had the necessary statutory authority to support the Centre directly in the manner chosen i.e. by means of a revenue subsidy. In our view, the lack of formal clearly defined lines of departmental responsibility and of a co-ordinated approach to the company and its operation created confusion. Investment appraisals were not fully addressed and the importance of careful monitoring of this high risk and innovative project from the outset was not established.
- 1.14 Clear understandings between Departments should be reached right at the beginning of cross-cutting projects such as this and responsibility for accountability and monitoring arrangements established from the outset. There should be a clear and formal understanding of the business relationship between the lead department and the organisation concerned, especially where there is to be a continued commitment of financial assistance. Established guidelines on project appraisal must be rigorously enforced.

- 1.15 NIAO recognises that a project such as this is crucially dependent on the efforts of unpaid Trustees and Directors who give their time and expertise on a voluntary basis, motivated by public service. The Chairman of the Trustees told NIAO that he was very proud of the contribution which the Board and Trustees made to Navan and he regretted that the public have yet to have the privilege of experiencing the brilliant new exhibition which had been put in place.
- 1.16 NIAO asked DCAL what lessons it had learned from its involvement with the Navan Centre. DCAL told us that it recognised that the NIAO's analysis had raised important issues from which valuable lessons would be learned for the future, particularly in relation to clarity of roles and responsibilities between funding Departments. However, DCAL told us that they were surprised that there was an expectation on the part of the Trustees and Directors of continued core funding as various papers confirm that the Trustees were aware that the funding which ended in March 2001 was time limited in order to provide space for the Trustees to make efforts to identify a way forward towards a viable future. DCAL said that, in its view, there is nothing to indicate any basis for a presumption or expectation of continuing assistance.
- 1.17 The Chairman of the Trustees has asked me to record that it was not his understanding that the funding was to be limited to that which ended in March 2001. He points out that they had been asked by the Department in January 2001 to submit their next Business Plan early and their meetings with the Department had always given the impression that further funding was under consideration.

On Visitor Numbers and Marketing

- 1.18 The financial viability of the Navan Centre depended crucially on revenue generated by visitors through admission fees and the profits from the shop and

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café. At its inception the visitor forecasts were unrealistic and an element of optimism seems to have continued through the early years of operation (paragraph 4.1).

- 1.19 Various attempts have been made during the lifetime of the Navan Centre to explain the position on visitor numbers. These include the effects of political unrest particularly those associated with the Drumcree protests and the restrictions caused by the foot and mouth crisis. However, in NIAO's view, in addition to these factors, the evidence would suggest that the basis of the forecast numbers was unsound from the outset (paragraph 4.4).

On Monitoring of the Navan Centre

- 1.20 Navan had direct funding relationships with ten organisations including four government departments. There was no clear lead responsibility on the part of those departments and as a result the monitoring of the operation of the Navan Centre was less than satisfactory (paragraph 5.1).
- 1.21 For much of the time, no Department was carrying out a regular and detailed review of the underlying trading performance of the company (paragraph 5.3).
- 1.22 The approval of assistance in 1998 had asked for the Navan Board to report regularly on progress in order to facilitate monitoring and to ensure that value for money in the use of public funds was achieved. The monitoring review committee established to fulfil this monitoring role met representatives of Navan on only three occasions, the latest being within three months of the end of the core funding. The record of these discussions suggests that they were rarely used by officials to probe present and future trading (paragraph 5.4).

- 1.23 In general, NIAO would have expected the minutes of the monitoring committee meetings to properly record the actual and projected financial performance of the Centre at those points and to indicate the depth of probing and discussion that had taken place. We would also have expected the minutes to record details of any agreed action to be taken by the Centre as well as those criteria which would be used to assess the Centre's future performance. However, in the minutes of two out of the three meetings which were held there are no such details recorded. Whilst we accept that there were other on-going contacts between the Departments involved and Navan, during this period, these were no substitute for a properly recorded monitoring procedure (paragraph 5.6).
- 1.24 In our view, it had been abundantly clear for some years that the Navan Centre would never be commercially viable and yet Departmental thinking appeared to be dominated by the belief that this could be achieved. DCAL told NIAO that Departments were consistently concerned about the commercial viability of Navan as evidenced in a series of letters and reports and the subsequent support packages (paragraph 5.7).
- 1.25 Following closure of the Centre, DCAL told us that it made sustained efforts to work with Armagh City and District Council, the Trustees, the National Trust and other interested parties to find a way forward, although these efforts proved unsuccessful. We now understand that there have been on-going discussions between the Trustees and Armagh City and District Council aimed at reaching an agreement whereby the Council would take over the Centre. Details of the agreement have still to be finalised (paragraph 5.9).
- 1.26 The discipline of paying financial assistance on foot of an agreed letter of offer was generally observed except in the case of the 1998 rescue package where the letter of offer was not issued and signed until 26 January 2000, some 10 months

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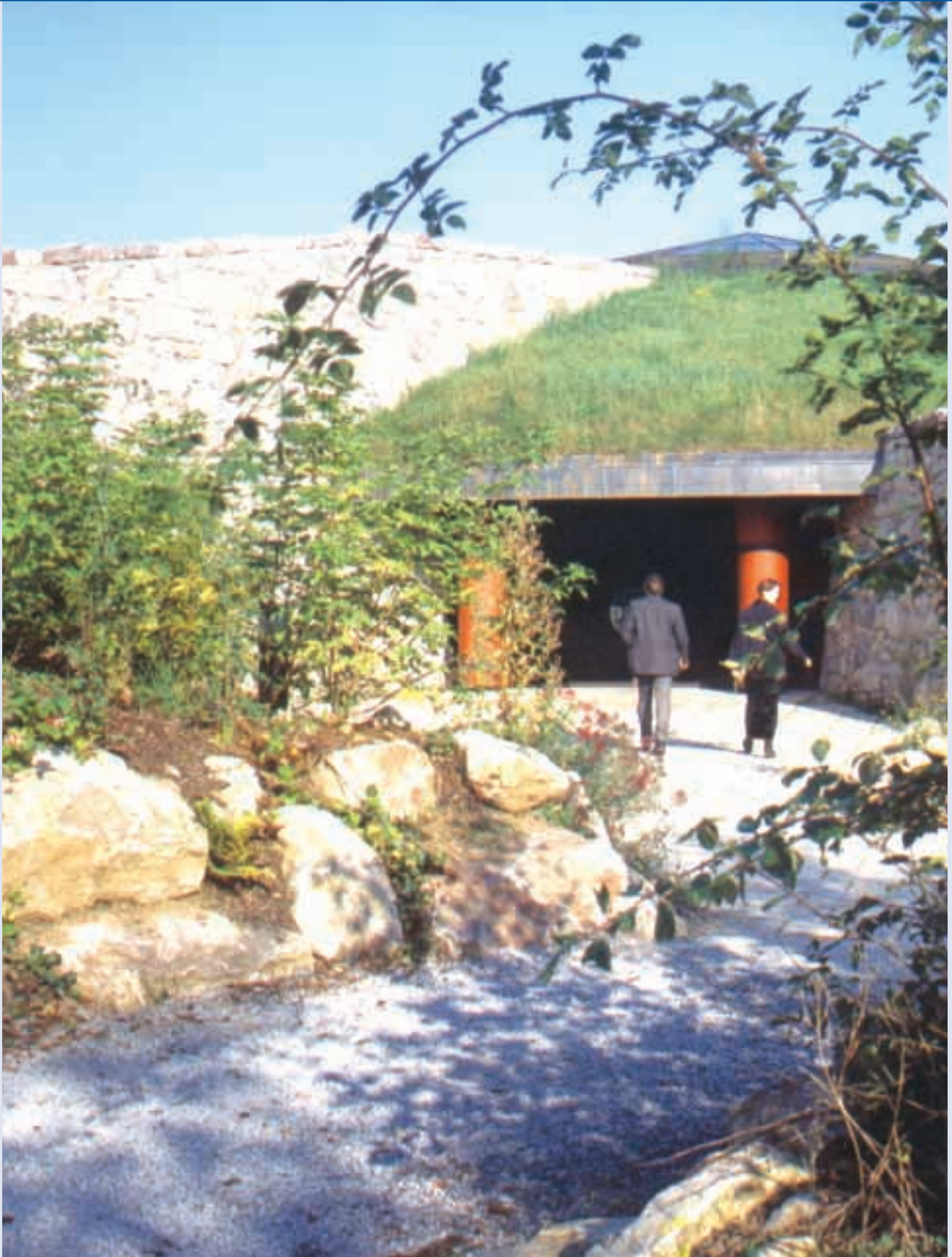
after the start of the financial year (paragraph 5.10 (a)).

- 1.27 In NIAO's view, the oversight of Navan, particularly in the early stages, lacked vigour given the status of the company directors involved and officials dealing with the Centre do not seem to have exercised a strong challenge function. In addition, scant regard was paid to the 1998 economic appraisal largely due to objections from Navan, even though adoption of the appraisal's preferred option might well have helped to reduce the continuing trading losses (paragraph 5.10 (b)).
- 1.28 There was no formally agreed protocol between government departments on Accounting Officer responsibility for the Navan Centre (paragraph 5.10 (c)).
- 1.29 DCAL told us that it has now conducted an analysis of the grant clawback arrangements and this has revealed that each grant was subject to conditions for a set period of time. DCAL has concluded that there is no basis for clawback as the grant conditions were satisfied and the time period relevant to each of the grants has now passed (paragraph 5.10(e)).
- 1.30 While primarily an issue for the Trustees, it was not clear to NIAO what effort had been made by officials to support Navan in securing private or corporate funding for the Navan Centre and the Endowment Fund, envisaged by NFIG, never materialised. DCAL told us that since it was a matter primarily for the Trustees it would not have been unreasonable to expect them to determine, in the first instance, how they wished to approach such fund raising and then to seek assistance from the Department which would have been prepared to provide what help it could, subject to resources. It also said that such help was evidenced in the efforts made by officials from DCAL, in response to requests from the Trustees, to avert closure and put Navan on a firmer footing through a

partnership approach (paragraph 5.10 (f)).

On the Local Museums and Heritage Review

- 1.31 From 1997 onwards, financial support to Navan was presented essentially as buying-time assistance to allow for the completion of a review of local museum and heritage provision. NIAO accepts that it was reasonable to expect the review to create a policy context which would assist in taking decisions about the future structure of specific institutions. However, in our view unrealistic expectations were placed on the review as a means of providing a long-term funding solution for Navan and we find it surprising that decisions on the future of funding for the Navan Centre were postponed for several years pending the review's completion (paragraphs 6.1 and 6.5).



Entrance to the Navan Centre - Photograph provided by the Northern Ireland Tourist Board

Part 2

Sources of Funding

- 2.1 Navan at Armagh (NaA), a company limited by guarantee and not having share capital, was incorporated in February 1989 and is a registered charity. The function of the trustees is the preservation of Navan Fort and its historic landscape for the benefit of people in Northern Ireland, Ireland at large and the general public together with the education of the public in relation to its archaeological, prehistoric, historic, mythological and cultural heritage.
- 2.2 NaA set up Navan at Armagh Management Ltd (Navan) as a wholly owned subsidiary. The company was incorporated in August 1990 to undertake the development of, and to carry on the commercial activities at, Navan Fort. DOE had stressed to the Chairman the importance of getting the right Trustees and Directors for the new Company and in February 1990 it wrote to the Chairman with a number of suggestions for Board members, including local councillors and businessmen.

Initial Funding

- 2.3 The initial funders of the Navan Centre were the **International Fund for Ireland (IFI)**, the **European Regional Development Fund (ERDF)** (through its tourism programme) and the **Department of the Environment for Northern Ireland (DOE)**. The **National Heritage Memorial Fund** also supported Navan's land acquisition programme. The IFI continued to support specific requests for capital and revenue funding during the lifetime of the project.

Further Funding Sources

- 2.4 From 1996 onwards Navan received financial assistance from the **European Social Fund's (ESF)** programme 'Training for the Tourism Industry' administered by the **Training and Employment Agency (T&EA)**.
- 2.5 A number of government departments or agencies were also involved in providing specific grants or revenue deficit grants to Navan. In the early years the **Central Community Relations Unit (CCRU)** and the **Northern Ireland Tourist Board (NITB)** were involved. The **Department of Education for Northern Ireland (DENI now DE)** supported the education programme at Navan from the outset through funding from its community relations budget towards the employment of an education officer.
- 2.6 DENI, through its responsibility for museums, also became the conduit for revenue deficit funding to Navan from 1996 until responsibility was transferred to the **Department of Culture, Arts and Leisure (DCAL)** when it was established in 1999. Since 1997, DOE was the major contributor to the deficit funding support for Navan in view of its statutory responsibility for the Navan Fort. One of its senior staff was a founder trustee and director of the management company. NITB also contributed to a rescue package in 1998 through the **Department of Enterprise, Trade and Investment (DETI)**.
- 2.7 The legislative authority for revenue grants to Navan relied on by DENI, and subsequently DCAL, was Article 115 of the Education and Libraries (NI) Order 1986. In accordance with regulations made under this Article the Department of Culture, Arts and Leisure: "may make grants to persons in respect of expenditure incurred or to be incurred on cultural (and various other) activities". DOE's Environment and Heritage Service told us that it did have statutory authority to enter into management agreements with occupiers of land in the vicinity of monuments, which could include payments for the provision of visitor amenities

and information. It also had power to provide, or assist in the provision of publicity, mapping and information services relating to historic monuments. The Department did, therefore, have statutory authority to support the specific activities of the Navan Centre for which the revenue subsidy was intended. It did not, however, have statutory authority to support the venture directly in the manner chosen i.e. by means of a revenue subsidy.

- 2.8 The **Esmee Fairbairn Charitable Trust**, the **Arts Council for Northern Ireland** and **Ultach** each made donations to the company.

Part 3

The Funding Arrangements

Funding Received

3.1 Navan received some £ 5.18 million in capital and revenue grants in the ten-year period ending 31 March 2001. The sources of the grants paid to Navan between 1 April 1991 and 31 March 2001 are shown at Figure 1 below.

Figure 1: Capital and Revenue Grants received between 1 April 1991 and 31 March 2001

Source	Capital £ 000	Revenue £ 000	Total £ 000	%
European Regional Development Fund	1,841		1,841	36
International Fund for Ireland	825	472	1,297	25
DOE	500	344	844	16
European Social Fund		250	250	5
DENI - Education Programme		227	227	4
- Deficit Funding		48	48	1
Northern Ireland Tourist Board		107	107	2
DCAL - Exhibition Update	50		50	1
- Fire Damage & Deficit Funding		65	65	1
Central Community Relations Unit		38	38	1
Ultach (Charitable Trust)		3	3	-
Arts Council		2	2	-
Capital Unallocated*	142		142	3
Revenue Unallocated*		210	210	4
Business Development Grant*		57	57	1
Totals	3,358	1,823	5,181	100

* The sources of these amounts cannot be identified.

Source: Annual Accounts and Departmental Records

Note: NIAO found it disproportionately difficult to retrieve full details of Departmental and other funding for this body, due to the complexity of the funding arrangements. The above figures may not therefore be comprehensive.

- 3.2 In October 1988 the Navan Fort Initiative Group (NFIG) set out its aims and objectives together with a proposal showing how these were to be achieved. Details are shown at Appendix 1.
- 3.3 The International Fund for Ireland (IFI) announced assistance of £1 million towards this ‘flagship project’ in March 1989. The decision was made after consideration of issues raised in an appraisal report prepared by consultants (Consultant A). The report had concluded that the project merited IFI support in principle but added that clarification was needed on a number of matters not least the need for contingency funding if the visitor numbers did not reach the targets set:
- “The project has been demonstrated to have a minimal level of profitability; thus any shortfall in visitor numbers will have a marked effect on the viability of the project.(it) is forecast to make losses for the first 9 years of operation. There is no margin of safety built into the projections and projected visitor numbers must be achieved to keep the financing on target.”
- 3.4 In May 1990 the Department for Economic Development (DED) announced that the NFIG proposal was short-listed for consideration of grant (cost limit £2 million) from the European Regional Development Fund: Tourism Programme and this was later approved. In July 1990 the National Heritage Memorial Fund also offered a grant of £600,000 towards the acquisition of some 300 acres of land surrounding Navan Fort (this offer of priority funding was subsequently withdrawn in 1996 after Navan had acquired only some 75 acres). In April 1991 DOE committed £500,000 to the project, on an extra-statutory basis, in line with a decision dating back to the Public Inquiry that it would provide this level of contribution.
- 3.5 The Navan Centre opened to the public on 1 July 1993 at a cost of £3.2 million (see Figure 2 below):

Figure 2: Capital Costs of the Navan Centre and Funding Sources

Expenditure:	£000
Site	80
Landscaping and roads	225
Design fees	255
Construction	1,560
Fixtures and fittings	70
Interpretative contract	970
Database	60
Total	3,220
Funded by:	
International Fund for Ireland	825
European Regional Development Fund	1,841
Department of the Environment for Northern Ireland	500
Navan at Armagh	54
Total	3,220

Source: DCAL

The Search for Further Financial Support

- 3.6 In March 1995 the IFI approved a one-off grant of £350,000 to remove Navan’s overdraft burden primarily generated by pre-trading expenses, an overspend on the capital works and the financial consequences of delay in obtaining planning permission. In its application Navan revised downwards the earlier visitor numbers (see paragraph 4.2) but stated that without the overdraft burden “the company can demonstrate its viability and generate the required profits”.
- 3.7 In his annual report on the 1994-95 accounts, published in September 1995, Navan’s Chairman stated that, “The company is still trading at a loss, albeit within the budget, and lack of revenue will continue to be a problem until visitor numbers increase to about 80,000”.
- 3.8 Navan’s directors subsequently concluded at a board meeting in November 1995 that the minimum costs of operating the Centre’s basic functions would require

a throughput of about 90,000 visitors to break even and until this occurred Navan would require external funding. The directors agreed to get a government department to assume 'ownership' of Navan and discussions were opened with the Department of Education (DENI).

- 3.9 By early 1996 the company's financial position had worsened and Navan approached DENI for bridging finance of £150,000 over the three-year period starting in 1996. The application noted that there had been no success in raising private funding to date and argued the justification for public sector support in the following terms:

"the Directors have delivered a prize-winning facility which is making a major contribution to the economic, cultural and educational redevelopment of Armagh and Northern Ireland. The Navan Centre is a major, Anglo-Irish, political flagship. Investment of nearly £4m would be an embarrassment if allowed to fail. The assets would be of no particular value. We have resolved the capital funding difficulties. The revenue funding required is relatively small in comparison with assistance given to other attractions e.g. museums, and is not open ended."

- 3.10 DENI was concerned at Navan's inability to cover its costs fully and believed the revised visitor projections to be optimistic. Policy for support of visitor centres was unclear and further time was needed to consider the future. DENI therefore approved and paid at the end of March 1996 a 'one-off' grant of £45,000 to clear Navan's overdraft. The Department also indicated that it proposed to take a continuing interest in Navan in the coming year in order to assess the developing financial position and to consider the best means of securing the Centre's future.
- 3.11 In addition to the deficit grant DENI continued to make available project based funding of some £30,000 per annum from its community relations budget towards the employment of an education officer at the Navan Centre.

- 3.12 From 1996 onwards, Navan received support under the European Social Fund: Training for the Tourism Industry Programme administered by the then Department of Economic Development through its Training and Employment Agency.
- 3.13 By early 1997 the Centre was forecasting further year-end deficits and suggesting that the political unrest during 1996 had a very detrimental effect on visitor numbers especially in the peak summer months. DENI and DOE agreed an approach which was conveyed to Navan in May 1997 in the following terms:
- “our shared view is that Navan provides a unique blend of heritage interpretation and museum related facilities which are beneficial to the educational process and also contributes to greater understanding of our culture and background as well as having a beneficial effect on tourism. Because of this and to allow time for work associated with the review of the tier of museum and heritage provision which operates at sub-regional and local levels, we are prepared to provide grant aid for the 1997-98 financial year.”
- 3.14 This commitment was later confirmed in an offer of grant, not exceeding £50,000, on 7 August 1997. This ‘buying-time assistance’ was designed to enable the company to operate until the end of October 1997 and to prepare a draft short/medium term plan for the Centre by 30 September 1997, in consultation with the Northern Ireland Museums Council, and for its subsequent appraisal by DOE and DENI.
- 3.15 In September 1997 Navan submitted the draft short/medium term plan to DENI. The company concluded that the original forecast of visitor numbers in 1988 had proved unrealistic in relation to what had since been achieved in other similar centres in Northern Ireland. The directors contended that the staffing, operation and efficiency of the Centre was as cost effective as possible. In effect, Navan was at this stage seeking adequate and continuing core funding from government of up to £150,000 per annum.

3.16 On 28 November 1997 Navan's directors resolved that "unless the Board receives a formal commitment from Government by 12 January 1998 to adequate core funding for at least one year that the decision taken today to cease trading from 16 January 1998 will be implemented at their meeting on 14 January". The Chairman of the Trustees also lobbied widely amongst Members of Navan at Armagh and others for support for government intervention.

The 1997 Review

3.17 DENI had earlier commissioned a firm of consultants (Consultant B) to review the Navan Plan and their appraisal report was received in December 1997. This report concluded that:

- "If the Navan Centre is to survive financial security must be secured in terms of long-term revenue funding. Similar to the majority of projects of this nature it is unlikely that the Navan Centre will become a commercially viable unit.
- We believe that the preferred option can only be determined once evaluation criteria have been established since the outcome will depend on the focus of the decision maker i.e. commercial/educational/cultural. From a commercial point of view the obvious option would be to cease trading; however, since the objectives of Navan at Armagh are not primarily commercial, the other options must be given due consideration.
- It is important to note that the review of local museums and heritage/interpretive centres is about to be commissioned by Government and the outcome of this could be fundamental to the future of the Navan Centre.

- We believe that an informed decision cannot be made regarding the best future option without a detailed Economic Appraisal in accordance with HM Treasury Guidelines. The Economic Appraisal would consider the justification for public funding of the Navan Centre and would recommend a preferred option based on a detailed options appraisal of the monetary and non-monetary impact of each option, using options identified in this report.”

The 1998 Economic Appraisal

3.18 DENI and DOE jointly agreed in January 1998, with the support of their Ministers, to offer further bridging finance of £88,000 to assist Navan to continue operating until the end of March 1998 and to enable Consultant B to conduct an Economic Appraisal and allow the report to be considered by both departments. Subsequently, a further bridging grant of £36,000 was made available in April 1998 to allow Navan to continue trading until the end of June 1998 whilst the various options were considered. That consideration took much longer than had been expected and on 26 November 1998 DENI, on behalf of DOE, informed Navan of continuing bridging finance of £70,000 to 31 March 1999.

3.19 Drawing from the earlier assignment Consultant B appraised the following options:

- do nothing;
- minimal refurbishment and refocusing of facility;
- restricted service for education sector only;
- restricted service focusing on education sector with limited additional opening;
- restricted service focusing on education sector with limited additional opening through management contract with Armagh District Council;

- management contract with Armagh District Council; and
- cease trading.

3.20 Consultant B completed the economic appraisal report in early April 1998. Its preferred option based on a combination of monetary and non-monetary (educational, cultural, tourism, conservation and economic) factors was a refocusing of the service on the education sector, supplemented by full visiting facilities for six months of the year with a management contract with Armagh District Council. The report concluded that whilst the closure option was the cheapest it was the least attractive in non-monetary terms since none of the criteria were met.

3.21 In May 1998 DOE wrote to the Chairman of Navan stating that:

“The Department of Education (DENI) has been in the lead in providing funding for Navan at Armagh over the last few years with the support of this Department (DOE). However, it is clear from the consultant’s Report that the current operations are not sustainable without a substantial subsidy and I have agreed with colleagues in DENI that, given the wider responsibilities of DOE for Navan Fort, we in DOE should take the lead in assessing how Navan at Armagh might secure a sustainable future and researching the possibility of revenue support.”

New Business Plan - August 1998

3.22 Navan directors were critical of Consultant B’s report and its conclusions and argued for a three-year subsidy from government to enable it to re-design the Centre in a way that would attract new visitors. The directors accepted the need for a closer working relationship with Armagh District Council but considered that revenue funding should be available pending the outcome of the Museums Review. DOE agreed to move forward on this basis provided a business plan was drawn up by consultants and the Navan Board was strengthened by someone

with commercial expertise who would act as a facilitator in moving the organisation forward through a period of change to reduce costs and increase revenue.

3.23 Navan subsequently commissioned another firm of consultants (Consultant C) to produce a Business Plan and George Priestley OBE was appointed to the Board and later became Chairman.

3.24 The Business Plan was produced in August 1998 and resulted in a drive for a reduction in costs. The Director and Technical Manager posts were made redundant and Armagh District Council agreed to provide administrative assistance. Targets for visitor numbers were reduced to more realistic levels (see paragraph 4.2), and a new emphasis was to be given to marketing and to freshening the exhibition to attract more visitors. The possibility of attracting monies from corporate and charitable supporters in the United States of America was to be pursued. However, the forecast revenue deficits over the three-year period to the end of March 2001 amounted to over £300,000.

Rescue Package

3.25 The Department of Finance and Personnel (DFP) challenged DOE's proposals on funding, value for money and the intended extra-statutory nature of the proposed funding. After further inter-departmental discussions a funding package (also described as a rescue package) of £100,000 per annum, from within existing public expenditure, was assembled from DOE (Built Heritage) £50,000, DED (NITB) £40,000 and DENI (Local Museums) £10,000 with payments to be made via DENI as before. DENI would in addition continue to contribute annually towards the education officer post.

3.26 DFP subsequently approved the rescue package of an annual subsidy of up to £100,000 per annum for the period 1 April 1999 to 31 March 2001 pending the

outcome of the DENI review of local museums and heritage centres. However, and in light of its earlier concerns DFP considered it essential that “the Navan Board be required to report regularly on progress to facilitate the monitoring of spend, and to ensure that value for money in the use of public funds is achieved. The package should be up to March 2001 only, when the situation should be reassessed. I again stress the need to continue to explore alternative management and financing arrangements to ensure the longer term viability of the Centre.”

3.27 DOE informed Navan of the conditional approval of revenue deficit grant on 27 November 1998. However, the formal letter of offer was not issued and accepted until 26 January 2000, some 14 months later.

Funding of Revamped Exhibition

3.28 Navan had been keen for some time to revamp and modernise the exhibition and the decision to provide core funding enabled this project to proceed. The project costs were initially estimated at £260,000 with anticipated support from a number of bodies as follows:

	£
Heritage Lottery Fund	100,000
International Fund for Ireland	75,000
Department of the Environment	50,000
Navan (including voluntary labour)	35,000

3.29 Navan submitted applications and during this process DOE assured the IFI that: “The Department is satisfied that all reasonable steps have been taken to secure the future of the [Navan] Centre”. DOE told NIAO that, in its view, this statement was reasonable in the context of its time in light of the various steps that had recently been taken to secure the future of the Centre. These included cost reductions, a marketing plan, involvement of Armagh City and District Council, a robust business plan and the securing of the revenue subsidy.

- 3.30 IFI subsequently offered grant of £75,000 and DOE offered £50,000 through the ERDF Tourism Sub-Programme (Conservation of the Natural and Built Environment Measure). The HLF declined to offer grant since it lacked confidence in the future viability of the Centre. Faced with a shortfall in its budget Navan sought and received assistance from DCAL (it had now taken over DE's role) in the form of a grant of £50,000 on the condition that Navan secured the remaining £50,000 shortfall and that DCAL's grant was paid before the end of March 2000. This in effect meant that Navan had to find an additional £50,000 towards the project and it did so largely by extending its overdraft facility.

Fire Damage at the Centre

- 3.31 During the course of the refurbishment project the Centre suffered a fire on 1 July 2000, which closed the premises for two months. The insurance settlement was £100,000 but Navan later requested DCAL to pay a further £50,000 to cover the loss of revenue during the period and to meet the costs of the exhibition project that had fallen to Navan. By the end of March 2001 DCAL had paid £44,670 in addition to the agreed core funding.

Closure of the Centre

- 3.32 When the rescue package ran out in March 2001 the business proposal provided by the Centre for the following three-year period showed a substantial but diminishing need for subsidy from public funds. Government were unwilling to commit to any further long-term funding of the Centre and the Navan Board decided that, because of mounting debts, they could no longer continue to trade and the Centre closed on 4 June 2001.
- 3.33 In April 2002, and after the Centre had closed, DCAL committed to further buying-time assistance of £4,500 to cover Navan's security and maintenance costs from 1 April to 30 June 2002 to enable further consideration to be given to survival plans. DCAL also agreed to meet the cost of preparing a business plan in order to facilitate a possible buyer.



The Atrium at the Navan Centre - Photograph provided by the Northern Ireland Tourist Board.

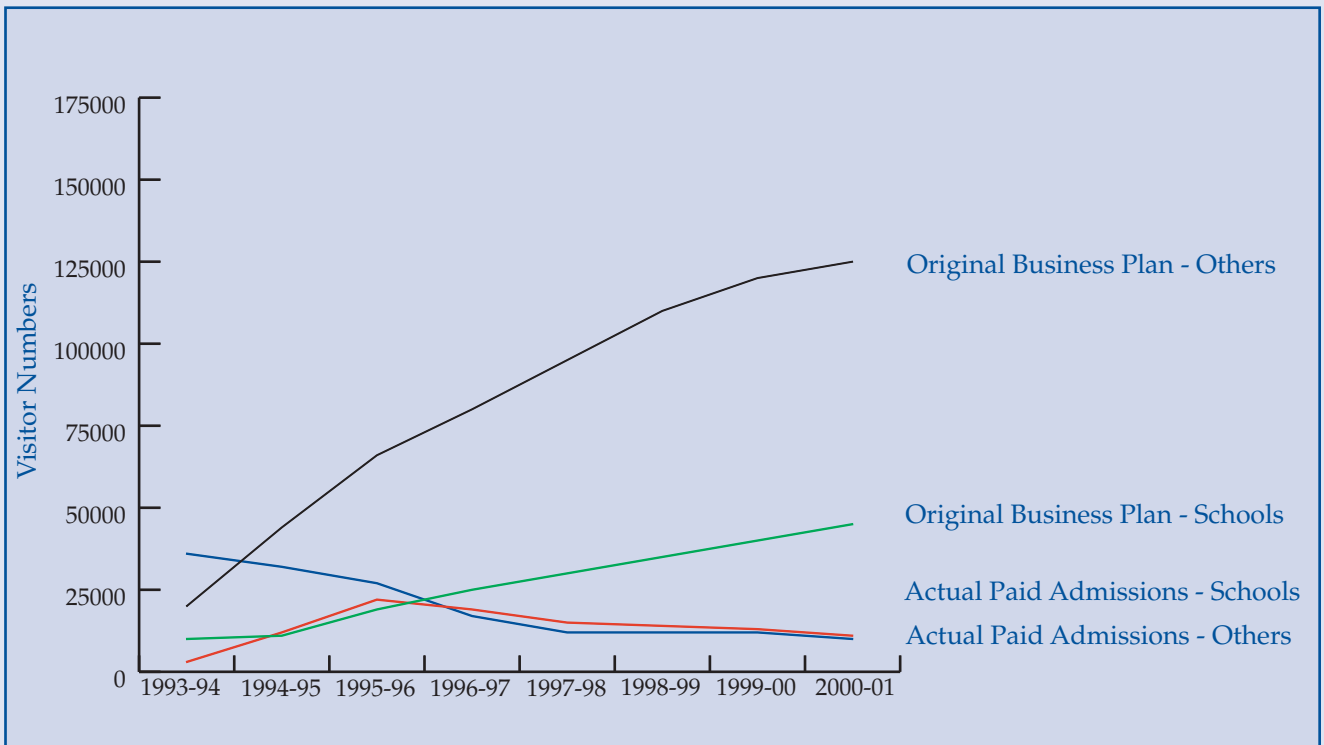
Part 4

Visitor Numbers and Marketing

Visitor Numbers

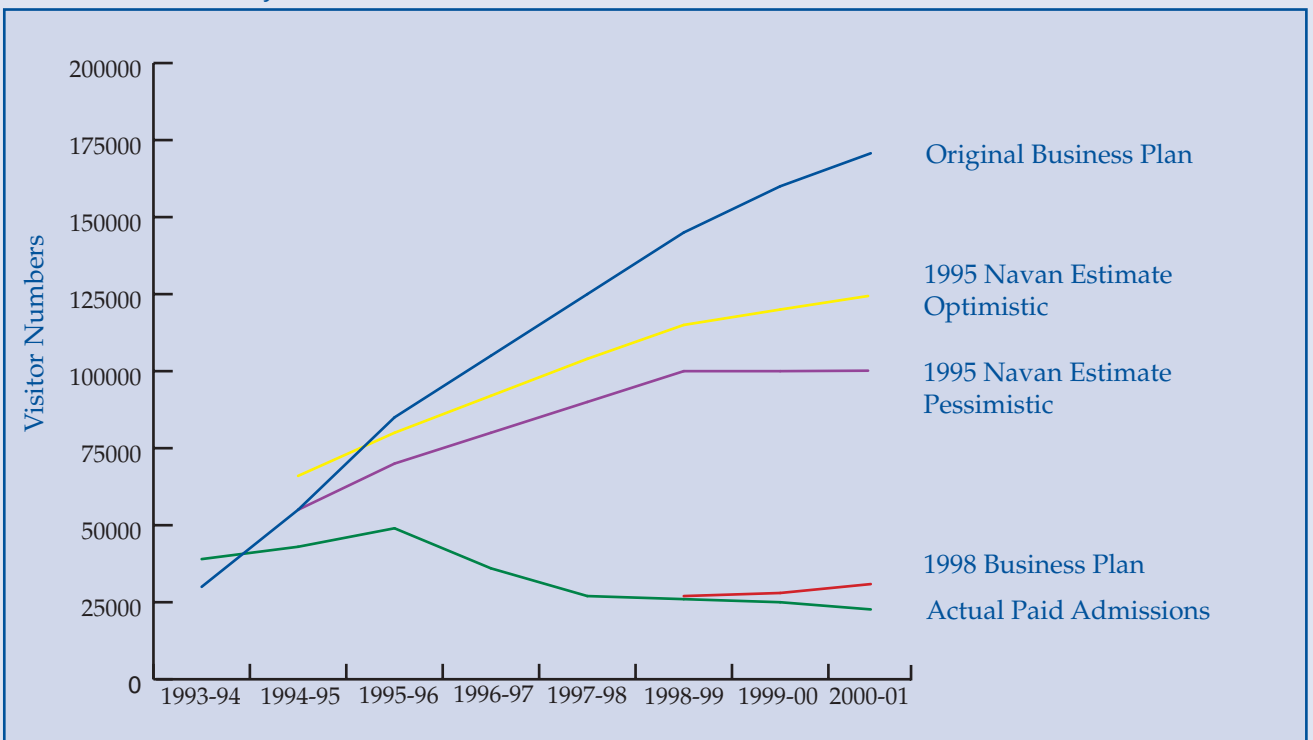
- 4.1 The financial viability of the Navan Centre depended crucially on revenue generated by visitors through admission fees and the profits from the shop and café. At its inception the visitor forecasts were unrealistic (see Figures 3 and 4 below and Appendix 2) and an element of optimism seems to have continued through the early years of operation.
- 4.2 Figure 3 below shows the forecast figures for paid admissions from schools and other visitors shown in the original business plan compared with the actual admissions for the period 1 April 1993 to 31 March 2001. Figure 4 below shows the forecast visitor numbers in the original business plan, forecasts produced by Navan in January 1995 (both optimistic and pessimistic) and forecast figures from the August 1998 business plan compared with the actual figures for all paid admissions.

Figure 3: Forecast and Actual Paid Admissions from Schools and Other Visitors: 1993-94 to 2000-01



Source: NIAO Analysis

Figure 4: Forecasts of Visitor Numbers at Various Stages of the Project and Actual Paid Admissions



Source: NIAO Analysis

4.3 The impact of the lower than expected revenue from paid admissions was dramatic and resulted in year on year operating deficits as the analysis of Navan’s annual accounts at Figure 5 below shows.

Figure 5: Comparison of Trading Results with Visitor Numbers

Year to 31 March (£000)	1993	1994	1995	1996	1997	1998	1999	2000	2001
Expenditure	157	548	418	384	389	429	333	308	n/k
Income	21	213	241	261	215	180	147	138	n/k
Operating Deficit	136	335	177	123	174	249	186	170	198*
Visitor Numbers	0	39,000	43,000	49,000	36,000	27,000	26,000	25,000	21,000

* Estimated

Source: Navan at Armagh Management Ltd Annual Accounts

4.4

Various attempts have been made during the lifetime of the Navan Centre to explain the position on visitor numbers. These include the effects of political unrest particularly those associated with the Drumcree protests and the restrictions caused by the foot and mouth crisis. However, in NIAO’s view, in addition to these factors, the evidence would suggest that the basis of the forecast numbers was unsound from the outset.

Forecast of Visitor Numbers

4.5 In 1988 the NFIG proposal stated that:

“On the basis of the studies by the Northern Ireland Tourist Board we believe that 120,000 visitors a year can be achieved within five years of opening and that a number of factors suggest a more optimistic view. This figure, therefore, is seen not as a maximum but as a foundation.”

NFIG also indicated that even with visitor numbers at this level the project would continue with a revenue deficit, albeit reducing, over the first nine years of operation.

4.6 It is clear, however, that NFIG had chosen as their yardstick two successful locations, both further from population centres than Navan, namely the Giant’s Causeway and the Ulster American Folk Park. The comparative figures published in the proposal are shown in Figure 6 below.

Figure 6: Comparative Visitor Numbers used in the 1988 NFIG Proposal

Location	Year (of operation)	Visitor Numbers
Giant’s Causeway	1979	120,000
	1986 (visitor centre open)	250,000
	1987	300,000
Ulster American Folk Park	1978 (3rd)	48,314
	1982 (7th)	53,388
	1987 (12th)	81,717
Navan Centre (projected)	1991 (1st)	30,000
	1995 (5th)	120,000
	1997 (7th)	160,000

Source: NFIG Proposal

4.7 In the event, the comparative position for the three locations for the year 2000 was to show a significant under-achievement by Navan in meeting the original forecast (see Figure 7 below).

Figure 7: Actual Visitor Numbers in 2000

Location	Visitor Numbers
Giant’s Causeway	395,247
Ulster American Folk Park	120,464
Navan Centre	23,737

Source: NFIG Proposal

- 4.8 Concerns were raised at different stages of the project about the potential sensitivity of commercial viability to visitor numbers commencing with the early reference in the appraisal report prepared by Consultant A in 1988 - (see paragraph 3.3).
- 4.9 In January 1995 Navan continued to estimate unrealistic visitor numbers (see paragraph 4.2 and Figure 4) but by then it was very obvious that commercial viability would require some 90,000 paying visitors each year. Two years later the December 1997 Review reaffirmed that it was unlikely that the Navan Centre would become a commercially viable unit (see paragraph 3.17).
- 4.10 Consultant B’s suggested option for survival (see paragraph 3.20) was not taken up due to opposition from Navan. The subsequent business plan prepared by Consultant C in August 1998 showed substantially reduced visitor numbers (see paragraph 4.2 and Figure 4) and even these proved impossible to achieve.

Marketing

- 4.11 Navan commissioned a firm of consultants (Consultant D) in May 1997 to carry out market research in order to gain a better understanding of the potential

market. Their report contained the following findings:

- awareness of Navan Fort is low even with prompting - a more direct advertising approach seems to be needed with the objective simply of projecting the existence of Navan Fort;
- the incidence of visiting is low and the likelihood of paying further visits is also weak. Navan Fort is seen as somewhat intellectual and educational rather than recreational;
- a tendency to take a view that 'once is enough' emerged from those who had visited indicating a need to maintain and project fresh interest;
- interest in taking someone else, such as a relative or visitor, was widely expressed as a possible reason for a further visit; and
- there was no evidence of any significant difference in visiting rates according to religion indicating that the culturally derived perceptions of Navan Fort have not had any adverse impact so far.

4.12 In the appraisal of the project in December 1997, Consultant B had a number of criticisms of Navan's marketing function as follows:

- marketing expenditure was considerably higher than the average marketing spend of visitor attractions on the island of Ireland;
- unfortunately this spend had not been converted into visitor numbers but Consultant B acknowledged that marketing was not the only factor involved as other Armagh visitor attractions were experiencing the same trends;
- much of the spend had been on general activity and public relations as opposed to a focused and targeted approach; and
- the consultant was surprised that the marketing strategy (1995)

had not been updated since the previous marketing manager had been made redundant.

Proposed New Marketing Strategy

4.13 In the light of the May 1997 marketing report, Consultant B recommended that a new marketing strategy be drawn up along with a detailed marketing plan. Navan was critical of this view but the August 1998 business plan, prepared by Consultant C, proposed a new marketing strategy, central to which were the following objectives:

- revitalising the exhibition and strengthening its connection to the Fort;
- to stimulate return visits;
- to increase promotional activity; and
- to maximise joint marketing activities e.g. with the 'Armagh Marketing Initiative'.

The company's marketing efforts were enhanced with the appointment of Mr George Priestley, who is highly experienced in marketing.

4.14 The Centre was damaged by fire on 1 July 2000 (see paragraph 3.31) and had to close for two months. The exhibition was refurbished and officially opened in October 2000. However, this did not succeed in altering the downward trend in visitor numbers.

4.15 There is considerable credence in the suggestion by Navan directors that the political situation and civil unrest around the Drumcree parade in July each year had a negative impact on visitor numbers. For example, Navan reported that in July 1999 only eight people visited the Centre and it is clear that other visitor attractions in the Armagh area do seem to have been disproportionately affected (see Appendix 3).



Part of the original exhibition at the Navan Centre - Photograph provided by Mr J Finnegan.

Part 5

Monitoring of the Navan Centre

Responsibility for Monitoring

- 5.1 Navan had direct funding relationships with ten organisations including four government departments. There was no clear lead responsibility on the part of those departments and as a result the monitoring of the operation of the Navan Centre was less than satisfactory.
- 5.2 In most instances the formal arrangements necessary for monitoring were in place. For example, various letters of offer required the production of regular financial information, the submission of annual accounts and minutes of company meetings. DCAL, the lead Department with the statutory authority to make payments to Navan, received financial information on a monthly basis but not annual accounts or minutes of company meetings. These were received and held by DOE.
- 5.3 DCAL's prime concern was to ensure that the financial information received each month from Navan was sufficient to sustain monthly installments of the approved grant. This involved consultation with the Department's internal auditor (an acceptable practice). However, for much of the time, no Department was carrying out a regular and detailed review of the underlying trading performance of the company.

Monitoring Review Committee

- 5.4 The approval of assistance in 1998 had asked for the Navan Board to report regularly on progress in order to facilitate monitoring and to ensure that value for money in the use of public funds was achieved. The approval letter also stressed the need for the Board supported by officials to continue to explore alternative management and financing arrangements to ensure the longer term viability of the Centre. To fulfil this task a monitoring review committee was established under DOE's responsibility, but from the initial approval in 1998 to the final rescue package, the monitoring committee met representatives of Navan on only three occasions, the latest being within three months of the end of the core funding. The record of these discussions suggests that they were rarely used by officials to probe present and future trading.
- 5.5 DOE told NIAO that, although it ran the monitoring committee because of the size of its annual contribution to the rescue package, it was not the 'lead' Department with responsibility for managing the expenditure. DOE also told us that the reason the records of the monitoring committee meetings do not contain evidence of probing the present and future trading position was because the meetings took place following the presentation by Navan of the latest trading figures to the Departments concerned, where the position was self-evident. It also said that the meetings were timed at the suggestion of Navan to take place shortly after the latest six-monthly figures were available.
- 5.6 There was a gap of almost a year between the monitoring meetings in January and December 2000, although this was a period in which there was an interruption in trading due to the fire. In general, NIAO would have expected the minutes of the monitoring committee meetings to properly record the actual and projected financial performance of the Centre at those points and to indicate the depth of probing and discussion that had taken place. We would also have expected the minutes to record details of any agreed action to be taken by the Centre as well as those criteria which would be used to assess the Centre's future performance. However, in the minutes of two out of the three meetings which were held there are no such details recorded. Whilst we accept that there were other on-going contacts between the Departments involved and Navan, during this period, these were no substitute for a properly recorded monitoring procedure.

The Approach to Further Funding

5.7

In our view, it had been abundantly clear for some years that the Navan Centre would never be commercially viable and yet Departmental thinking appeared to be dominated by the belief that this could be achieved. The case for financial assistance on social grounds was not advanced although this may have been influenced by the absence of a clear departmental policy towards visitor centres. Matters came to a head in the early part of 2001, when the rescue package was due to run out, and Navan began to press for a decision on future funding. DCAL told NIAO that Departments were consistently concerned about the commercial viability of Navan as evidenced in a series of letters and reports and the subsequent support packages.

5.8

DCAL told NIAO that its approach was to maintain a strong line on the issue of further long-term funding beyond 31 March 2001 until an acceptable business plan, that indicated a sustainable future, had been prepared. The three-year business proposal submitted by Navan at a meeting with DCAL on 9 March 2001 showed the need for a substantial but diminishing subsidy from public funds. A target date of 31 May 2001 was set by DCAL to decide the Centre's future and in the meantime DCAL undertook to explore ways of meeting Navan's financial requirements for April and May 2001. However, no funds were forthcoming and on 18 May 2001 the Navan Board decided that they could no longer continue to trade because of mounting debts.

5.9

At a meeting held later the same day with representatives of the Navan Board to explore ways of saving Navan from closure, DCAL offered £50,000 to assist in the short-term until a decision on the long-term future of the Centre was made. However, the Chairman advised DCAL that £50,000 would not solve their problems and it proved impossible to find, in the time available, an acceptable solution to Navan's financial difficulties and the company suspended trading on 4 June 2001. Following closure of the Centre, DCAL told us that it made sustained efforts to work with Armagh City and District Council, the Trustees, the National Trust and other interested parties to find a way forward, although these efforts proved unsuccessful. We now understand that there have been on-going discussions between the Trustees and Armagh City and District Council aimed at reaching an agreement whereby the Council would take over the Centre. Details of the agreement have still to be finalised.

NIAO Comment and Conclusions

5.10

Other observations on the monitoring process are as follows:

- (a) the discipline of paying financial assistance on foot of an agreed letter of offer was generally observed except in the case of the 1998 rescue package where the letter of offer was not issued and signed until 26 January 2000, some 10 months after the start of the financial year.
- (b) in NIAO's view, the oversight of Navan, particularly in the early stages, lacked vigour given the status of the company directors involved and officials dealing with the Centre do not seem to have exercised a strong challenge function. In addition, scant regard was paid to the 1998 economic appraisal, largely due to objections from Navan, even though adoption of the appraisal's preferred option might well have helped to reduce the continuing trading losses.
- (c) there was no formally agreed protocol between government departments on Accounting Officer responsibility for the Navan Centre.
- (d) DCAL did not assess the cost benefit of the exhibition refurbishment in 2000 before committing further spending, at a time when a potential funder had withdrawn because of concerns about the long-term viability of the Centre. DCAL told NIAO that the refurbishment was originally to be funded by HLF, IFI, DOE and Navan itself and, at the time when the decision was taken to proceed, each of the parties to the funding arrangement has assessed the refurbishment in accordance with their own appraisal processes. DCAL pointed out that when it committed its funding the refurbishment was virtually complete and a shortfall had been created by HLF's later reluctance to provide assistance. It also told us that the only options open to it, at that stage, were either to keep the Centre going by meeting as much of the shortfall as possible or not providing assistance and precipitating early closure.
- (e) DCAL told us that it has now conducted an analysis of the grant clawback arrangements and this has revealed that each grant was subject to conditions for a set period of time. DCAL has concluded that there is no basis for clawback as the grant conditions were satisfied and the time period relevant to each of the grants has now passed.
- (f) while primarily an issue for the Trustees, it was not clear to NIAO what effort had been made by officials to support Navan in securing private or corporate funding for the Navan Centre and the Endowment Fund, envisaged by NFIG, never materialised. DCAL told us that since it was a matter primarily for the Trustees it would not have been unreasonable to expect them to determine, in the first instance, how they wished to approach such fund raising and then to seek assistance from the Department which would have been prepared to provide what help it could, subject to resources. It also said that such help was evidenced in the efforts made by officials from DCAL, in response to requests from the Trustees, to avert closure and put Navan on a firmer footing through a partnership approach.

Part 6

The Local Museum and Heritage Review

6.1 From 1997 onwards, financial support to Navan was presented essentially as buying-time assistance to allow for the completion of a review of local museum and heritage provision. On 7 December 1999 the Minister for DCAL announced the Local Museum and Heritage Review. The Steering Group reported on 26 March 2001 but at the completion of this NIAO examination the government had not responded to the review report. The report includes the following comment in relation to visitor amenities:

“Following the establishment of the new Northern Ireland Assembly, DCAL was allocated specific responsibility for visitor amenities. However, there has been no clear definition of what this entails or how DCAL’s responsibilities relate to heritage responsibilities of other Departments. It is recommended that DCAL should engage with other Departments and agencies through the IGH (a new body recommended by the review group), to address this ambiguity and reach a workable definition of visitor amenities which will enable it to specify and plan its responsibilities in the context of heritage policy and strategy for Northern Ireland.”

6.2 The Navan Centre received only the briefest of mention in the review report as follows:

“In the context of its discussion of regional museums, the Locum study pointed to what was described as the ‘anomalous’ position of Armagh County Museum, which is part of MAGNI, and Somme Heritage Centre and the Navan Centre, which receive special revenue funding from Government. It recommended that more detailed consideration needs to be given to the position of these three facilities in the context of museum development at regional level.

The Steering Group recognises that there are special factors in relation to each of these facilities. However, in considering how to move forward, we believe that it is essential to take into account the implications of a new policy and strategy context which will emerge from implementing the recommendations of this Review.

In this context, the key priority is to ensure that these facilities are provided with the necessary pastoral support to deliver a quality service to the public.”

6.3 In addition to Navan, DCAL has in the recent past supported the Somme Heritage Centre in Conlig, County Down and in this case a shortfall in visitor numbers has also been the main cause of difficult trading conditions. DCAL expects its involvement with the Somme Heritage Centre to continue.

6.4 Navan directors had an expectation that the review would provide a policy context within which Navan’s future need for core funding could be addressed. This was clear from the correspondence from DOE in November 1998 and in subsequent discussions. For example, at a progress review meeting with DOE and DCAL on 26 January 2000 the following is recorded in the minutes:

“The revenue funding grant of £200k,, is due to end in March 2001 at which time it is expected that the Review will have identified a future structure for the Navan Centre which will guarantee its viability for the foreseeable future. There could be several potential outcomes in the case of the Navan Centre. For example, it could be subsumed into the Museums structure to be directed and funded by that (new) organisation or it could be left outside, but selling its services to the structure. It was agreed that this is an interesting time for Navan”

However, eleven months later, at a similar meeting on 14 December 2000 the minutes record an entirely different position:

“The review was briefly discussed and it was agreed that evaluation of its relevance would have to wait until the report is published. It is currently being completed and early indications are that it will have little directly to say about the management and funding of the Navan Centre in the short-medium term.”

6.5

NIAO accepts that it was reasonable to expect the review to create a policy context which would assist in taking decisions about the future structure of specific institutions. However, in our view unrealistic expectations were placed on the review as a means of providing a long-term funding solution for Navan and we find it surprising that decisions on the future of funding for the Navan Centre were postponed for several years pending the review's completion.

Appendices

The NFIG Proposal - October 1988

Aims

- To preserve Navan Fort and its associated monuments.
- To present them to a wider public in a setting appropriate to their importance.
- To promote research into the archaeology of the Navan area.
- To stimulate economic activity in Armagh City and District.
- To ensure the whole community reaps the benefit socially and economically.

Objectives

- To create an international tourist facility based on a visitor centre, an archaeological park, a research programme and a wide range of events and attractions.
- To attract at least 120,000 visitors per annum to Navan (and the Armagh area) within five years of opening.
- To initiate a long term programme of research, including excavation, which will increase the understanding of Navan and enhance the quality of the Navan displays and collections.
- To increase employment opportunities in the area by generating a new industry and stimulating economic activity.

- To increase the resources (educational, social and recreational) of the Armagh area.
- To complement and support important sites on both sides of the border and other initiatives which share similar objectives, particularly the Armagh District Council Tourist Development Plan and the North West Passage scheme.

The Proposal

Organisation

- An independent charitable trust (The Navan Trust) to purchase and hold the titles to the land, to raise funds for the archaeological programme and the capital developments, and to oversee the project.
- An operating company (Navan Trust Management Limited) to manage the operations and develop the commercial side of the project on behalf of the Trustees.

The Park

A programme of land acquisition, followed by active conservation and restoration measures, will lead to the creation of an archaeological park of some 300 acres offering a setting for the existing monuments and a wide range of additional attractions.

The Navan Centre

An international visitor centre (The Navan Centre) adjacent to Navan Fort will offer visitors 'the Navan experience' with the theme 'Navan: Capital of the Ulster Kings'. Archaeology, mythology, and history of the Celtic world will be brought to life by the best techniques of modern interpretation together with a wide range of programmes and services for visitors and researchers.

Finance

Initial funding will be raised for the project's capital requirement and the marketing strategy. An endowment fund to support research and future development will be launched.

Appendix 2

(Paragraph 4.1)

Navan Centre: Forecast and Actual Visitor Numbers Between 1 April 1993 and 31 March 2001

Year to 31 March	NFIG Original Projections			Navan's Estimate in January 1995		Business Plan -1998	Actual Paid Admissions		
	Schools	Others	Total	Optimistic	Pessimistic		Schools	Others	Total
1994	10,000	20,000	30,000	44,000	44,000		3,000	36,000	39,000
1995	11,000	44,000	55,000	66,000	55,000		12,000	31,000	43,000
1996	19,000	66,000	85,000	80,000	70,000		22,000	27,000	49,000
1997	25,000	80,000	105,000	92,000	80,000		19,000	17,000	36,000
1998	30,000	95,000	125,000	104,000	90,000		15,000	12,000	27,000
1999	35,000	110,000	145,000	115,000	100,000	27,000	14,000	12,000	26,000
2000	40,000	120,000	160,000	120,000	100,000	28,000	13,000	12,000	25,000
2001	45,000	125,000	170,000	124,000	100,000	30,000	11,000	10,000	21,000

Source: NIAO Analysis

Number of Visits Made to Armagh Visitor Attractions in 1996 and 2000

Visitor Attraction	Ownership	Free/ Charging	Visitor Numbers		% change on 1996
			1996	2000	
Navan Centre	Private	Charging	49,300	23,700	-52
St Patrick's Trian	Local Authority	Charging	60,000	37,800	-37
Palace Stables Heritage Centre	Local Authority	Charging	28,500	39,500	39
Armagh Planetarium	Government	Charging	49,500	26,200	-47
St Patrick's Catholic Cathedral	Private	Free	14,800	13,000	-12
Armagh County Museum	Government	Free	15,200	12,400	-18
Armagh Ancestry	Local Authority	Free	5,400	4,200	-22
		Totals	222,700	156,800	-30

Source: December 1997 Appraisal Report for 1996 figures
NITB for 2000 figures

List of NIAO Reports

Title	NIA/HC No.	Date Published
2002		
Northern Ireland Tourist Board Accounts 2000/01 } Travelling People: Monagh Wood Scheme }	NIA45/01	26 February 2002
Indicators of Educational Performance and Provision	NIA48/01	21 February 2002
NIHE:Housing the Homeless	NIA55/01	21 March 2002
Repayment of Community Regeneration Loans	NIA59/01	28 March 2002
Investing in Partnership - Government Grants to Voluntary Bodies	NIA78/01	16 May 2002
Northern Ireland Tourist Board: Grant to the Malone Lodge Hotel	NIA83/01	20 May 2002
LEDU: The Export Start Scheme	NIA105/01	2 July 2002
Compensation Payments for Clinical Negligence	NIA112/01	5 July 2002
Re-Roofing of the Agriculture and Food Science Centre at Newforge	NIA24/02	17 October 2002
The Management of Substitution Cover for Teachers	NIA53/02	12 December 2002
2003		
The Sheep Annual Premium Scheme	NIA 75/02	6 February 2003
The PFI Contract for the Education and Library Board's New Computerised Accounting System	NIA99/02	20 March 2003
Areas of Special Scientific Interest	NIA103/02	27 March 2003
Financial Auditing and Reporting: 2001/02	NIA 107/02	3 April 2003
The Use of Operating Theatres in the Northern Health and Personal Social Services	NIA111/02	10 April 2003
Investigation of Suspected Fraud in the Water Service	HC 735	26 June 2003
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