

Report to: Policy and Resources Committee

Agenda Item: 6.6

Report Title: Update on Necarne Estate

(Paper J)

Date: 11 July 2018

Report by: Director of Corporate Services & Governance

For Publication: Yes/No *(please delete as appropriate)*

If 'not for publication', Insert reference to grounds upon which information is deemed 'confidential' [ref Local Government (Northern Ireland) Act 2014 section 42(2), (3)] or 'exempt' [ref Local Government (Northern Ireland) Act 2014 section 42(4) Schedule 6]:

(i) Confidential grounds: n/a

(ii) Exempt grounds: n/a

1. Relevant Background and Introduction

Necarne Estate is currently leased by the Council to the Department of Agriculture, Environment and Rural Affairs (DAERA) as a specialist equestrian centre. The current lease term runs to May 2023, but DAERA has expressed a wish to surrender early as the Department has had no significant activity at the Estate since 2012.

In July 2016, the Council issued an open public invitation for proposals for the lease of the Necarne estate. Following assessment and due diligence, it was concluded that the proposal from Gardrum Holdings Ltd was the most realistic, achievable, offering the best potential for long-term stability and that the company had the necessary funds to invest in the venture. Hence, in February 2017, Council approved the recommendation that officers progress further discussion with Gardrum representatives, as the preferred bidder, for the purpose of:

- providing a more detailed report on the proposals;
- negotiating to ensure the local community maintain social advantage;
- arranging for proposals to be presented to the community for consultation; and
- arranging a further presentation to council prior to recommendation of a long-term lease.

Several updates have been provided and most recently, members were advised that there were ongoing discussions between representatives of Gardrum Holdings Ltd, the Northern Ireland Environment Agency (NIEA) and the Department of Communities Historic Environment Division (Buildings) relating to options and scope for sustainable use development of the Necarne Estate. As it was evident from the protracted nature

of these discussions, that any significant development proposal is likely to take some time, probably years, to progress, the Council asked Gardrum to confirm their proposals for short, medium and long-term use and development of the Estate, considering the likely timescales for any development proposals, and to address other key issues in relation to the proposal.

2. Key Issues

- 2.1 An informal meeting with Members took place on Wednesday 4 July 2018 where representatives from Gardrum, including Mr Derek Keyes, outlined their vision and commitment to the project. The proposal is to create a sustainable, multi-purpose tourism and leisure destination, comprising a holiday retreat (aimed at the short family break market) with a range of accommodation, outdoor activities, enhanced walkways and cycle paths, events space and the re-instatement of Necarne lake.

A copy of development strategy proposal is provided at Appendix 1.

- 2.2 A phased delivery plan was outlined, which, subject to obtaining suitable statutory consents where required, as follows:

Short-Term: 1-2 years

Improvements to Footpaths and Walkways; Creation of new Cycle paths and Equestrian trail; General improvement to estates buildings; Promotion of the estate as an event space; Development of Castle Courtyard; Touring Caravan site on hard standing; Submission of planning application for holiday retreat.

Mid-Term 3-5 years

Begin construction of holiday retreat to include new build lodges in key areas and re-development of existing stable block; Establishment of family activities including archery, mountain bike hire, canoeing; Establishment of café onsite; Construction of Necarne Lake.

Long-Term (5+ years)

Growth of Holiday Retreat; Promoter of Castle refurbishment; examine potential for specialist respite facility and/or nursing home facility.

- 2.3 Gardrum have provided an assurance that access will be maintained for local users and have highlighted that the proposals, which will include opening the main Enniskillen Road entrance, will offer improved access.
- 2.4 Consideration of the proposals in the context of the Community Plan for the district highlights contributions to priorities, outcomes and indicators in all three theme areas (People & Communities; Economy, Infrastructure & Skills; Environment) – further information is provided at Appendix 2.

In particular, the proposals note the potential for sustainable job creation, both throughout construction and works stages and with the ongoing running and operation of the estate.

- 2.5 Gardrum advise that, to date, they have incurred costs in excess of £40,000 in developing the proposals. To maintain and service the current estate, Gardrum have budgeted an annual sum of £150,000, in addition to the original proposal which offered the Council an annual rental amount of £20,000. In order to submit the planning application, Gardrum have budgeted a sum of £250,000, to include various studies, reports, design development and other fees. Commitment to this expenditure is now required in order to progress the various ecological studies on a timely basis.
- 2.6 If approvals are achieved, the development of the holiday retreat accommodation would require a further significant capital investment and the lease terms will need to facilitate this level of investment in the project. Similarly, review terms will be required to protect parties in various circumstances. Some initial discussions on legal heads of terms have taken place, however these require further development.
- 2.7 Gardrum have engaged in some local consultations to inform the proposals to date and have provided letters of support from local community representatives. They have stated that they are committed to further engagement to support the development of the project.

3. Resource Implications

- 3.1 Financial
Potential additional revenue received from lease rental amount – estimated to be £20,000 per annum.
Potential saving in respect of future Estate upkeep liabilities and overheads.
- 3.2 Human Resources
Not applicable
- 3.3 Assets and Other Implications
Necarne Estate would be subject to a long-term lease.

If fully delivered, this proposal has the potential to be a transformational project for the district, regenerating a historical site which is currently vacant into a destination tourism attraction, with strong alignment to the outcomes of the Fermanagh and Omagh Community Plan.

4. Equality and Good Relations Implications

- 4.1 Equality
Neutral impact
- 4.2 Good Relations
The initiative should provide a positive Good Relations outcome.

5. Sustainable Development Implications

The initiative supports all three pillars of Sustainable Development

6. Rural Proofing Implications

No adverse rural impact.

7. District Electoral Areas Affected

Irvinestown – Erne North

8. Recommendations

That the Council:

- **agrees in principle to progress a long-term lease with Gardrum Holdings Limited subject to agreement of satisfactory lease terms and further local community engagement; and**
- **that further update(s) will be provided to Council on relevant matters.**

9. Appendices and Attachments

Appendix 1 – Gardrum Holdings Ltd – Development Strategy Proposal – Necarne Estate

Appendix 2 – Consideration of the proposals in the context of the Community Plan for the District

10. Background Documents

Not applicable