



MEDIA RELEASE

Review of Northern Ireland Water's sale of Portavoe Reservoir

The Comptroller & Auditor General, Mr Kieran Donnelly CB, today published a short report examining the process followed by Northern Ireland Water (NIW) to sell Portavoe Reservoir in June 2020.

Portavoe reservoir, located in Bangor Co Down, was an operational reservoir until the 1980s when the abstraction of water ceased and it fell into disuse in 1992. The reservoir was used for a number of permitted activities such as fishing, walking, hiking and bird watching in more recent years prior to the sale.

NIW declared the reservoir as surplus to requirements and suitable for disposal in its Estate Management Plan 2010-2018. An adjoining land owner to the reservoir, Portavoe Estates Ltd, a private limited company, repeatedly expressed an interest in buying part of the land. NIW sought and received advice on the possible disposal of the land, offering it to the local council through a public sector trawl in 2013. Shortly after this Portavoe Estates issued High Court proceedings against NIW. The court judgement favoured Portavoe Estates and required NIW to sell the reservoir to adjoining land owners. Land and Property Services (LPS) valued the reservoir noting a number of material constraining factors including restricted future development potential, the retention of forest rights by the Department of Agriculture, Environment and Rural Affairs and existing fishing rights. The total sale value was £67,575.

Mr Donnelly's report was commissioned after concerns were raised with the NI Audit Office over the sale. It concludes that NIW followed the appropriate processes and guidance on the disposal of the reservoir to the former land owners, or their successors, in the event of disposal. It also finds that the assumptions underpinning the LPS valuation appear reasonable, reflecting the constraints of the site, but adds that there may have been merit in considering a second, up to date, valuation to provide further assurances that the disposal value was satisfactory.

Commenting on the report's conclusions, Mr Donnelly said:

"This was a somewhat unusual case whereby the value of the asset in monetary terms was considered not to be substantial, however the value to the local community is significant. Whilst the legal requirements and processes were followed by NI Water, it is disappointing that many in the local community feel disadvantaged by the outcome.

"I recommend the relevant bodies continue to vigorously pursue the ongoing matters such as fishing access and the responsibilities for the management of the trees on the site."

ENDS

THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION OR BROADCAST BEFORE 00.01 hrs ON 21 JULY 2022

Notes for Editors

1. The Comptroller and Auditor General, Mr Kieran Donnelly CB, is Head of the Northern Ireland Audit Office (the Audit Office). He, and the NIAO, are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. The report is available on the [Audit Office website](#). It is embargoed until 00.01 hrs on 21 July 2022.
3. Background briefing can be obtained from the Audit Office by contacting Colette Kane (028 9025 1064).