

UNIVERSITY OF ULSTER

SPRINGVALE STUDY: DRAFT REPORT

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1. INTRODUCTION

1.1. Background

This report is about possibilities. It summarises the results of a four month consultancy study into the feasibility of proposals to establish a new university campus, within the University of Ulster, in the Springvale area of Belfast.

The powerful role of higher education centres within urban regeneration programmes has received much attention in recent years, and has been strongly demonstrated in many cities in the UK, and indeed in Northern Ireland.

Recent examples of the regenerative capacity of universities such as are cited in the 1994 Committee of Vice Chancellor and Principals (CVCP) publication

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The University has direct experience of these effects through the impact of the growth of its Magee campus.

The questions posed for our study concerned the possibilities of establishing a new higher education centre at Springvale and the prospects for it acting as a catalyst for economic and social development in the area.

The Springvale Development Scheme dates from Ministerial commitments in 1991 for the physical improvement of the 120 acre site, following the relocation of the Lummas Mackie factory, and to a number of projects aimed at job creation and regeneration. As such it forms an important part of the Belfast Urban Area Plan 2001 and of the Making Belfast Work initiative.

Although the physical rehabilitation of the site is well advanced, and related schemes around the area are proceeding (for example, a new training centre, advance factory and housing development), progress in attracting investment and jobs to Springvale has been disappointing. The West Belfast Development Board (WBDB) suggested that an higher education institution would enhance the development of the site. Following this lead the Department of Education for Northern Ireland (DENI) and the Department of the Environment (DoE) conducted a study to assess the scope for the WBDD idea. The University's proposal, first suggested early in 1993, would represent an alternative strategy for the site.

1.2. The Feasibility Study

The feasibility study arose from a report of the DENI/DoE study to the University Council, which, with strong support from Senate, wished to further investigate the possibility of development at Springvale.

Our remit was thus to assess the feasibility of the University's proposals as a basis for regeneration of Springvale, within a number of other objectives and conditions. Our terms of reference, which identified a number of questions arising from the proposals, were as follows:

Terms of Reference

In relation to the University's proposal to establish a campus on the Springvale site, to investigate and report on the following matters:

1. *projections of the future numbers of Northern Ireland students who will be likely to seek entry to higher education in the Province or outside it, the factors which might affect student choice of institution and the likely demand for places in the University of Ulster;*
2. *the suitability of the site as a campus location:*
 - (a) *for the provision of a full range of university activities and facilities including student accommodation;*
 - (b) *for the recruitment of students and staff;*
3. *the scale of operation which the Springvale site might accommodate and the prospects of achieving a broadly based student intake;*
4. *the likely benefits and disadvantages of establishing such a campus on the economic, social, cultural and recreational life of the area;*
5. *the opinion of local residents, voluntary and statutory groups, public representatives, professional bodies and other education providers on the University's proposal to create a campus at Springvale;*
6. *the necessary infrastructural provision required to ensure suitable physical access to the campus for full- time and part-time students and staff;*
7. *the capital and recurrent costs necessary to establish and sustain a university campus and the sources of funding;*
8. *any financial risks in developing such a campus in relation to the government's funding methodology for universities and the probable need for the campus to carry a large overhead cost in the early years of its operation;*
9. *the possible academic provision which might be made on the Springvale campus including the range and level of courses and disciplines which would be attractive to students and likely to contribute to economic regeneration both locally and regionally;*
10. *the financial and other consequences for the existing campuses of the University;*

11. *any implications for the University in relation to organisational structures and management arrangements;*
12. *such other matters as the Steering Group may request in the course of the study.*

It is clear from these questions that the feasibility study had to take account of a wide range of considerations and interests. We describe in the following chapter how we approached this challenge. Two important points about the remit seem worth emphasising from the outset of our report:

- our brief was to consider the feasibility of establishing a new campus *at Springvale*. We were not required to consider whether Springvale would be the optimal place for the University of Ulster to locate the students and programmes concerned, nor to test whether a university campus would be the optimal use of resources for urban renovation in Belfast;
- it is the nature of a study such as this, and reflected in our terms of reference, to break the proposal into a number of constituent parts, and to assess each of these in a rigorous and largely quantitative manner. Yet the success of a venture such as the Springvale campus will depend on its becoming much more than the sum of its parts, and developing a vision which will realise the potential which this study identifies. We return to this point at the end of our report.

1.3. Our Report

This report has eleven chapters, including this introduction. The remaining chapters cover:

- a brief overview of how we interpreted and approached our brief, including discussion of the various elements and interests which contribute to determining the feasibility of the campus proposals;
- a review of the University's strategic plans, extended into the next century, within which the Springvale campus must fit;
- a review of the likely development of the higher education system and market in Northern Ireland, and the implications for the Springvale proposals;
- consideration of the academic and organisational options and our recommendations for developing a new university centre at Springvale;
- assessment of the likely income and expenditure position for the new campus;
- assessment of the capabilities of the Springvale site for accommodating a new campus, the likely capital costs, and our recommendations for a site development strategy;
- assessment of the potential economic impact of a new campus in terms of job creation, regeneration effects and benefits for the region and locality;

- a summary of findings from the extensive consultations we held with groups and individuals with interests in the future of Springvale;
- discussion of the requirements for realising the possibilities of a new campus, in terms of project management, funding, and developing
- a summary of our conclusions and recommendations.

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2. OUR APPROACH

2.1. Interpretation of Our Remit

We identified five broad themes for the study, within which we sought to bring together the many questions posed by, and opened up by, our terms of reference. These were:

1. the academic development of the Springvale campus
2. the physical development of the site, including related infrastructure;
3. the impact of the new campus on the local economy, and the degree of local welcome or concerns over the proposals;
4. the economic viability of the proposals, both in capital and recurrent terms; and
5. the potential impact of the new campus on the wider strategy and development of the University of Ulster.

Bearing in mind that our remit was to consider the feasibility of a new campus at Springvale, and not to assess this as one of a range of options, we sought to identify and test the *conditions for success* of the new campus under each of these themes. For example:

- will there be sufficient student demand to sustain a new campus?
- can the site sustain the scale and nature of development required?
- will a new campus benefit the people living around Springvale?
- will the investment required be justified by the economic benefits?
- will a Springvale campus support the strategic plans of the University of Ulster?

To reach answers to these and related questions, our study was divided into three broad phases, concerned respectively with collecting and analysing relevant background information and views; developing and testing alternative models for a new campus; and assessing in more depth the strengths and weaknesses of the preferred model against the criteria of each theme.

2.2. Aspects of Feasibility

We believe that feasibility, for a study like this, should be interpreted as *satisfying the requirements for translating the proposals into reality*. Hence our method of identifying and testing conditions for success. It quickly became clear that the feasibility of the Springvale proposals, in this sense, depends on satisfying requirements across a wide range of interests extending beyond the University itself. The project must support and sometimes reconcile a diversity of policies and objectives if it is to command the necessary support and resources. The principal dimensions to feasibility are briefly summarised below.

2.2.1. Strategic Benefits to the University

The University's objectives and priorities for development to 1997 are set out in the current Strategic Plan. The Springvale proposals arose after preparation of this Plan, but must clearly fit with and sustain its general directions. We discuss this requirement in some depth in Chapter Three, where we consider the strengths and weaknesses of Springvale as:

- a vehicle for the University's plans for substantial growth and academic development over the next ten years;
- a cost effective response to the perceived accommodation constraints on achieving that development on current sites;
- a means for the University to further its mission to contribute to the economic development of Northern Ireland; and
- an option for development with low opportunity costs in terms of pre-empting other opportunities and plans.

2.2.2. Benefits for Higher Education in Northern Ireland

The University will require positive support from Government in order to proceed with a project of this scale, not least to assure the recurrent and capital funding required. It was made clear to us by Government officials that, notwithstanding the potential economic benefits from a Springvale campus, the project must be justified in the first instance as an investment in Higher Education within Northern Ireland. This raises a second set of feasibility criteria, discussed further in Chapter Four, arising from the objectives and policies of the Department of Education for Northern Ireland and the Northern Ireland Higher Education Council (NIHEC). Issues within this dimension of feasibility include:

- fit with the policy priorities of DENI and NIHEC for the development of HE provision in the Province;
- the viability of the University's student number projections in terms of the expected/planned numbers of funded students in Northern Ireland;

- minimum diversion of resources from other HE providers and plans; and
- demonstration of financial viability and sound value for money.

2.2.3. Physical Potential of the Site

A further dimension of feasibility which we considered was the physical potential of the Springvale site to sustain a university campus and to attract students and staff to work there. This evaluation is summarised in Chapter Seven, which discusses:

- whether the Springvale site is suitable for a university campus, and how it might be developed;
- whether concerns over security and physical access are likely to inhibit the success of the campus, and how they might be reduced;
- the requirements for realising the potential of the site, in terms of costs, planning and related developments.

2.2.4. Benefits for the Local Economy and Community

The suggestion of developing a university campus at Springvale was made in the context of providing an engine for the regeneration of the site and locality. It follows that the project must demonstrate the potential to deliver such benefits, and this is discussed mainly in Chapter Eight of our report. Our assessment of this aspect of feasibility considered:

- the potential benefits of a new campus in terms of job creation and increased expenditure in the Springvale area;
- other potential benefits for the regeneration of Springvale, in terms of encouraging industrial investment, providing new opportunities for people in the area, and providing improved social and recreational facilities;
- whether the scale of capital investment entailed would represent a good use of public money in terms of the benefits accruing.

2.2.5. Support from Community and Other Interests

The Springvale area is a sensitive part of Belfast, where community interests and concerns are complex and deeply rooted. The feasibility of the new campus will depend, in large part, on how it relates to these issues and on the response of the local communities to the University's initiative. Particular requirements in this regard will include:

- demonstrating impartiality and an equitable sharing of benefits between the communities in and around Springvale;

- providing real benefits for the local community, in terms of jobs, business for local enterprises and facilities for local people;
- engendering a positive welcome from both local communities which will work to counter the threats to the success of the campus from violence and crime.

Our consultations with the local communities and other interested groups are described in Chapter nine, which considers the prospects for satisfying these conditions.

2.3. Working Method

Our team for the study was organised around the five themes identified in Section 2.1, above, and comprised consultants from Touche Ross Management Consultants supported by specialist professionals from RMJM, Gardiner & Theobald and Mott MacDonald.

We reported to a Steering Group chaired by Dr Harry McGuigan, a Pro-Vice Chancellor of the University, which was representative of the University Council and Senate. We met the Steering Group on a monthly basis to discuss progress, the issues arising and draft sections of this report.

In addition, we led two workshops with the Steering Group augmented by senior members of the University. The first discussed the results of our initial information gathering stage of the study and agreed a set of options for the development of the Springvale campus; the second discussed the results of our evaluation of those options and the preferred development strategy for the new campus.

We have received considerable help from many people within the University and outside, including officials from several Government departments. We are most grateful to all of them.

CONCLUSIONS AND RECOMMENDATIONS

*This chapter brings together our conclusions and recommendations, in terms of the various conditions for success identified in the terms of reference and through our study. In short, we conclude that the proposal to develop a new campus at Springvale **could** satisfy the various requirements of feasibility, subject to the conditions mentioned below. Realising this potential depends on commitment from a number of interests within and beyond the University, sound project and campus management, and the capability to create a sum vision for Springvale that transcends its component parts.*

12.1. Educational Requirements

- a campus of around 3,750 students at Springvale should be readily sustainable within the likely size and nature of the HE market in Northern Ireland around the turn of the decade, particularly since some 2,000 of these students would represent transfers from other University sites;
- the Springvale development can moreover be accommodated within the University's wider plans for growth to over 20,000 fte students over the next ten years, without predicated over-optimistic assumptions about market size or the University's market share;
- the proposal is thus compatible with the University's strategic mission and plans, and also with Government policies to encourage access and increase the proportion of Northern Ireland's young people who study within the province;
- moreover, the total number of students projected for the University by 2004, including those at Springvale, are within broad planning parameters which DENI has indicated as reasonable;
- the question of whether students would attend a Springvale campus cannot be answered definitely in a study of this kind. Some of the courses proposed for Springvale would be unique within Northern Ireland, and innovative curriculum design should give strong appeal to others. The campus will be custom-built and attractively set. Good marketing and promotion will nonetheless be important;
- projections of revenues and costs for the new campus, based on the costs and revenues currently used by the University indicate that the project would run deficits for at least its first five years. The potential drain on University finances would be eliminated by projecting (and achieving) improved non-teaching revenues and/or lower teaching costs;
- we recommend that the York Street campus be closed and sold once Springvale is available to accommodate the art and design faculty. This will contribute some capital, and significant cost benefits, to the Springvale project.

12.2. Physical Requirements

- the Springvale site can sustain a moderate density development to accommodate a 3,750 fte student campus, including 500 residential places, and has no major physical disadvantages and offers an attractive parkland setting. Expansion beyond this size could be possible, but only if additional space on or near the existing site were made available;
- the costs of a development of this scale would be approximately £98m, spread over an eight or nine year programme. This total includes some £10m for infrastructure developments apart from the Springvale site (mainly road improvements) and also £4m for land purchase costs;
- we estimate that these costs, which are broadly in line with those for other building projects in the sector (excepting the off site costs), are approximately 7.5 per cent higher than they might be for a comparable development on another site;
- the new campus would place an additional load on already congested roads around Springvale. We propose an additional entrance to the site from the west side, and also recommend that the mooted Cupar Way link road from the Shankill Road be developed.

12.3. Economic and Community Requirements

- our consultation exercise indicated a degree of scepticism about the prospects for establishing the Springvale campus, but general good will towards the proposal. This good will must be built upon as part of the further development of the project;
- the campus should create around [300] new direct jobs and between 230 and 340 indirect jobs in the Belfast area, and generate additional expenditure of between [] and [] each year in the region. The capital development programme will generate another 380 jobs each year while it continues;
- the net present value (NPV) of these economic benefits is worth between £73m and £105m, depending which multiplier factor is applied. The most likely factor suggests benefits with a NPV of £82m. This compares well with the projected NPV of the project development costs, which is [?£50m] for the nine year programme;
- it has to be noted that, while these benefits should accrue mainly to the Greater Belfast area, only a small proportion of the new jobs and spending impacts appear likely to benefit the immediate area of Springvale. The local benefits should improve over time if and as the area becomes more economically active; the implementation planning for Springvale will need to identify ways in which this process might be accelerated;

- there would, nonetheless, be significant on-quantifiable benefits for the Springvale area from the new campus, through the increased numbers of people and the range of activities which it will bring to the locality. The campus will provide sports and recreational facilities which should be available to local people. As the site develops, it will attract other activities and enterprises to the area, as has happened around the Magee campus.

12.4. Making It Happen

- since the new campus is unlikely to generate financial surpluses for some years, the project will depend on external capital contributions, with Government as the primary source. Additional potential sources, to be explored further, include EC restructuring funds and the IFI. It may also be possible to attract private sector capital for elements of the project;
- the target of opening the new campus for October 1998 is achievable but requires an immediate start and allows for very little slippage. Commitments, at least in principle, are therefore needed from the University and from Government as soon as possible. Some planning activities should be started now, even if this requires a small amount of contingent spending;
- the implementation of the project will be a major and complex undertaking, which will require dedicated staffing and resources both within the University and for a project team;
- in addition, we recommend strongly that an overall champion for Springvale be appointed soon, to maintain the momentum and support built up to date and the turn the vision into reality.