

DRAFT

HCS/ /93

FROM: D FELL
MAY 1993

CC: PS/Mr Atkins (L,DOE&DED)
PS/Mr Mates (B,L&DFP)
PS/Mr Hanley (B,L&DENI)
PS/Lord Arran (L,DANI&DHSS)
PS/PUS (B&L)
NI Perm Secs
Mr Ledlie
Mr Thomas
Mr Bell
Mr Holmes
Mr Mackenzie
Mr Steele
Mr Watkins
Mr Williams
Mr Wood (B&L)
Mr McCusker
Mr Morrison, DOE
Mr Coote, DENI

PS/Secretary of State (B&L)

PROPOSAL FOR UNIVERSITY AT SPRINGVALEPurpose

1. I wish to consult the SofS on a proposal to build a new additional University of Ulster (UofU) campus at Springvale in West Belfast.

Background

2. In March I was approached in confidence by Prof Trevor Smith, Vice-Chancellor of the UofU, who wished to sound me on this proposal. Smith said that the idea was his own and had been brokered with the university authorities. He saw it as first meeting a

CONFIDENTIAL

DJW/RJ/17140

genuine need for additional capacity and second as a major contribution to the revitalisation of West Belfast.

3. In essence the proposal is to build a new, additional campus for around 3,750 students on land largely owned by DOE under its Springvale development programme. Providing a full range of facilities (teaching, research, educational services, social, cultural, recreational and residential), it would nonetheless aim to focus on applied and vocational subjects such as art, design, therapy, business management, informatics, technology. (It could also prove useful as the focus for nursing education as part of Project 2000.)
4. I gave Smith no commitment. But a small group of NI Permanent Secretaries (DENI, DOE, DED) agreed under my chairmanship that the idea deserved further analysis, and commissioned a report from a DOE planner (Bill Morrison) and DENI higher education administrator (John Coote).

Report

5. Their report is attached: it repays reading for its clear and comprehensive initial analysis. In essence, its main findings, endorsed and elaborated by a subsequent meeting of senior officials (including DHSS and DFP), are as follows:

- (i) higher education case (report, chapters 2 and 3): student members in HE continue to rise, encouraged by Government policy. Growth in mature students is particularly strong. 40% of NI-domiciled students study at GB universities, many not from choice. Project 2000 envisages 1,200-1,500 nursing students in NI transferring to university-based education. If the UofU is to play its part in meeting the additional demand

generated by these sources, it will need significant additional capacity. Given constraints on its current facilities, this could be provided only by either expansion of the current arts and design faculty at York Street or development of a new campus. The choice of Springvale in preference to a rural location seems justified in terms of student population catchment and urban development spin-offs, with no obvious financial downside. In sum, officials believe that a prima facie case for development at Springvale has been made;

- (ii) Springvale (report, chapter 1): this area of West Belfast is the focus of a comprehensive physical development programme covering 120 acres and launched by the then NIO Minister, Richard Needham, in spring 1990. It envisages large-scale redevelopment providing for industry, business/retail, housing and leisure, but with an emphasis on job creation. A crucial aim was to promote a development which would make the area amenable and attractive to both Protestant and Catholic communities nearby (though the subsequent closure of Lanark Way has made this more difficult). The Government has committed a total of [£ m] to the scheme, of which [£ m] has been earmarked for housing, an advanced factory and the development of an extensive training facility. Private sector interest has not been easy to secure. Public expectations remain high, partly as a result of the extensive initial consultation process; and notably Sinn Fein have maintained a vocal and often critical interest. Officials believe that, although the creation of a university campus would require an adjustment to the adopted development plan, the proposal would

make an important and imaginative contribution to the revitalisation of the area as a whole and could be seen as a tangible expression of commitment to West Belfast as a whole. It would have important spin-offs for the local economy; would provide linkages with the campus for firms such as Lummus Mackie and the Royal and Mater Hospitals; and would, if successful, transform the image and self-image of the area. But we are also agreed that success would depend crucially on the campus being seen as equally for Protestants and Catholics;

- (iii) cost and the economic case (report, chapter 5 and Annex A): the cost is estimated (together with infrastructure) at some £100m over 7 years, with the bulk concentrated on years 3-5 from start-up; thereafter recurrent costs of some £4m a year. Although we would want the UofU to seek private funding sources, perhaps particularly in the USA, and IFI might be ready to invest, it would be prudent to plan initially on the assumption of 100% public funding. There is currently no provision in PES, but each of the Permanent Secretaries involved has agreed that the project, if authorised, is of such importance that they would be prepared to forego other expenditure; MBW would also make a contribution. DFP is prepared to help in the process of carving out sufficient funds, which will in any case mostly fall outside the 1993 Survey (even assuming a 1993-94 start). When the full economic case is prepared, the opportunity cost in terms of PE programmes/projects foregone can be fully articulated, but I do wish to emphasise to the Secretary of State that, given the general PE and comparability outlook, the UofU project could be financed only

CONFIDENTIAL

at the cost of other programmes. A full economic assessment would have to be carried out if the Secretary of State agrees to the project in principle, but chapter 5 of the report suggests that there is a prima facie case when the impact on student grants/loans, multipliers, etc, are taken into account. In particular, the project could create up to 1,300 jobs (400 in construction) in an area suffering acute unemployment;

- (iv) risks/downsides: apart from cost/PE, a number of risks and downsides arise. Perhaps most important are the risks that the campus will not in the event be seen as being equally for both communities - the physical planning and promotion of the campus would have to pay particular attention to this; and that the image of the area will make it unattractive to students (and parents). This could be addressed, among other things, by ensuring that the courses offered at the campus are unique to NI, and also that there is direct and rapid access by a new [?£5m] road linking the campus with the M1 motorway (a proposal which could in itself prove contentious). On initial plans the campus should include land currently occupied by a company (J E Metals Scrapyard), a primary school, Springfield Road RUC Station (planned to be taken over by the Army, though preliminary indications are that the Army would be ready to seek an alternative location if the land were needed for economic use and a small leisure park owned by Belfast City Council. Acquiring these (and in the case of the school and RUC Station providing alternatives could prove awkward as well as costly [but the costings make some provision for acquisition

CONFIDENTIAL

DJW/RJ/17140

costs]. Further sources of criticism, apart from some local groups such as Sinn Fein which might be opposed, could be QUB (who might resent a UofU only development, though ways of reducing tension might be sought) and the Belfast Institute for Further Education (who might argue that).

Assessment

6. Officials believe that the initial report has made out a good preliminary case for the UofU proposal. There is a need for additional HE places and some attraction in seeking to make HE in NI rather than GB more attractive. If managed well, the proposal could make a decisive contribution to the Springvale and wider MBW project. Although there is a prima facie economic case, the PE cost, at around £100m, would be high and fundable only at the expense of other programmes/projects throughout the Block. There would be physical planning impediments (possibly requiring a public inquiry) and doubtless some political criticism. The risks in community ownership terms are clear and would have to be tackled.
7. The balance, officials believe, lies decisively in favour of the proposal.

Process

8. The normal process would be for DENI to evaluate the UofU's proposal, once endorsed by the [University Council], very fully following its initial assessment. Only then would Ministers be invited to endorse the plan. In this case, however, the intense interest of the proposal means that (1) it could leak, perhaps from the UofU, at any time; and (2) it would, in my judgement, be politically impossible to decide against the proposal

CONFIDENTIAL

following full evaluation once a favourable decision in principle had been announced. In other words, Ministers should regard an "in principle" announcement as irrevocable in practice.

9. Both these factors suggest that (1) an early announcement should be made, but (2) this will in effect have to rely on the present preliminary analysis. There are risks in this (eg, the outcome of the full analysis might differ materially from the preliminary), but, if full political advantage is to be taken in relation to a proposal whose political dimension is important, an early positive decision should be taken.

10. The modalities of an announcement remain to be determined with UofU but might involve Ministers responding positively to a public planning proposal from the University. I assume that, if they decide in favour, Ministers would wish to be closely identified with the proposal.

[11. I will wish to consider with DFP, DENI and other colleagues what steps, if any, we may need to take with Whitehall.]

12. In the meantime, since several departments are involved (DENI, DOE, DHSS, DED) in the planning, I have asked David Watkins to chair a project steering group, at least until the implementation phases have been reached, when departments can take further control for their own contributions.

Timing

13. The pacing factors are (1) the district council elections on 19 May - an announcement should not precede these; and (2) the risk of a harmful leak. I recommend that, if

CONFIDENTIAL

DJW/RJ/17140

Ministers support the proposal, an announcement should be planned for late May. This would be consistent with a project start this year.

Recommendation

14. I recommend that the Secretary of State:-

- (i) note the proposal from UofU and our initial assessment;
- (ii) agree with officials' appreciation that there is a clear case in favour on HE and West Belfast/ political grounds which justifies planning to fund the proposal within the Block at the cost of other expenditure foregone;
- (iii) agree that an announcement should be made towards the end of May, associating the Government with support for the proposal.

15. Officials are ready to discuss this with the Secretary of State if he would find that helpful.

DAVID FELL

CONFIDENTIAL

DJW/RJ/17140