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AN RÚNAÍOCHT ANGLA-ÉIREANNACH

ANGLO-IRISH SECRETARIAT

BÉAL FEIRSTE

BELFAST

24 October 1996

Mr Ray Bassett
Anglo-Irish Division
Department of Foreign Affairs

Dear Ray,

Springvale project

As will be seen from Mr Tierney's report of today's date on our meeting with DENI Permanent Secretary Pat Carvill and his colleagues (Under-Secretaries Peter Holmes and Don Hill and Chief Inspector Tom Shaw) on Thursday last, the Springvale project was one of the main issues discussed.

The discussions covered, inter alia, the recent decision by the Council of the University of Ulster (UU) announcing that it was putting the project on hold in the face of what, it suggested, was insufficient backing for the proposal from the British Government. Carvill and his colleagues indicated surprise that lack of Government support had been the reason cited by the University for not wishing to go ahead at this stage with the free-standing elements of the project which had been under discussion (a Community Outreach Building - for which the University required ground on the site for the proposed Springvale campus - and a Virtual Community College).

In their view, the University had placed an unnecessarily negative construction on the outcome of a meeting they had in the matter with Minister Ancram on 12 September (the different interpretation of each side as to what had been offered at the meeting was the subject of correspondence - see below). They hinted that the decision to put the project on hold had less to do with lack of Government encouragement than it had with internal politics within the University, involving sharp differences as to whether the existing campus at either Jordanstown or Magee might be expanded as an alternative to concentrating resources on the proposed new campus at Springvale. They suggested that DENI remains very well disposed to the University proceeding with the proposed Community Outreach Building and Virtual Community College, especially as these two stand-alone elements would not have involved any call on public funds.

As background to (and to complement) the report of our discussions with DENI, it might be useful to set out the background to the University's recent decision to put the project on hold (and the negative media publicity which this generated). In addition to getting Prof. Wallace Ewart's perspective on the matter (Ewart, as you know, is the University of Ulster Springvale Project Director) I also had brief discussions recently with Joe Hendron (who, as the local MP, has consistently expressed his support for the project) and with Under-Secretary David Watkins of the NI Central Secretariat (the Central Secretariat has acted as coordinator between the main Departments involved). Their comments on the matter are summarised below.

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UU decision and media reports announcing the death of the project

The Irish News of Tuesday October 8 ("Springvale 'hold-up' shocks politicians") reported that the University of Ulster had been forced to put on hold its plans for the project in the face of what the UU Council had described as the "continuing absence of government support or public commitment" in relation to the scheme.

Two days prior to the UU Council decision in the matter (which was taken on Friday 4 October), the Belfast Telegraph carried an unhelpful article ("Springvale campus plan 'now appears dead' ") citing a letter which Dr Patrick Murphy, Director of the Belfast Institute for Further and Higher Education (BIFHE), had sent to the Institute's 1,000 staff indicating that "the original proposal for a university campus now appears to be dead and the UU has asked the institute to cooperate on the development of community education on the site".

Comment: DENI feel that the Springvale campus project should have a strong emphasis on vocational/further education. While the UU and BIFHE are cooperating in this regard, BIFHE has always followed a very combative approach in competing against the UU for any official funds that may be available.

The Belfast Telegraph article in question also reported that the UU had recently received a disappointing response from the NI Department of Education (DENI) on the project. It speculated that the UU had been told that "no decision was imminent, but that, if pressed, the Department would say no to the proposed campus".

Discussions with Prof. Wallace Ewart

Prior to the UU Council decision of 4 October, Prof. Ewart correctly predicted that, in the face of the lack of support from Government, the most likely outcome was that the Council would put the project on what he described as a "care and maintenance" basis. He would then, he reckoned, have perhaps up to Christmas to see what could be salvaged in relation to the project. He felt it was understandable, in the present financial climate, that Minister Ancram and DENI would be reluctant to give any commitment in relation to the overall University Campus project. He was, however, very disappointed at what he saw as their reluctance to give the necessary assurances in regard to the provision of the ground on which to build the proposed "Community Outreach Building" or to offer the necessary underlying (non-financial) support for that proposal and the other free-standing element under consideration, the Virtual Community College.

Ewart recently provided me with a detailed read-out on the exchanges which the University has had with Minister Ancram and officials in recent months. Given, as indicated above, the different interpretations which DENI and the University are placing on the level of support/encouragement offered by the Minister, it might be useful to set out in some detail the sequence of contacts/discussions involved:

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24 May: NI Civil Service Head David Fell in letter to UU Vice Chancellor Prof. Trevor Smith indicated that he was seized of the importance of the Springvale proposal to the University and was very conscious of its continuing commitment to see it progressed. He welcomed the flexibility which Smith had offered in terms of a willingness to explore what he described as the development of other possible arrangements and relationships. He held out the prospect of a meeting with Ministers who wished, however, to discuss the matter further internally before engaging in such a dialogue.

6 August: Trevor Smith, in a long letter to Fell, stated that Ewart (who had been speaking informally to Fell and some of his senior colleagues) had told him that, in addition to the normal pressures on public expenditure, the resumption of unrest and the impact of BSE made it most unlikely that Ministers would be in a position to give serious consideration to the Springvale project for the time being.

He wished, however, to be able to make some modest progress, for a number reasons: (i) The conception of the project retained its validity and, with the resumption of unrest, it was arguably even more necessary that it should not lapse; (ii) As urged by the Government, the University had raised as much money as possible itself. The IFI had promised £5m (subject to Government sanction of the project). The University had passed the second round in a Millennium Commission bid for the Community Outreach element. A private anonymous donor (who has funded the costs of the project until now) was prepared in principle to allocate a sum to match a successful Millennium bid. And the EU Commission was eager for its Peace and Reconciliation funds to be drawn upon. There was also the prospect of American money; (iii) There was now a growing credibility problem, not just with potential funders, but with local community groups and among lay members of the University Council.

Smith made clear that he had to be able to provide evidence of tangible progress at the forthcoming meeting of the UU Council on 4 October. He also needed to ask the anonymous donor to agree to finance the Project Office for a further year. He could not make such an approach unless he could report real progress.

Smith went on to spell out that he should like to be in a position to request Council approval to seek non-governmental funds to enable the construction of the proposed **Community Outreach Centre** and the creation of a **Virtual Community College**, both of which would be run in collaboration with the Belfast Institute for Further and Higher Education (BIFHE). Some of the land on the proposed campus site would need to be allocated to the University for this purpose.

Secondly, the University would need ministerial support in principle for both proposals. What he had in mind was something along the lines of what the Secretary of State for Scotland had provided in giving his formal blessing for the proposed Highlands and Islands University (UHI) to go ahead. Forsyth's unexpected support in this regard had boosted optimism about the feasibility of the project. Public support by Sir Patrick Mayhew for the two relatively modest proposals being put forward by the UU would have the same favourable impact here.

An important financial consideration was that it would cost £500,000 to prepare the Detailed Appraisal Review (this would have to be done by 1 November) for submission to the

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Millennium Commission as part of the next bidding round.

He was naturally reluctant to seek outside funds for that unless he had (i) some land allocated by the Department of the Environment and (ii) public ministerial support of the Michael Forsyth kind. Time was of the essence in knowing if these two conditions could be met.

30 August: Smith wrote to Fell seeking an urgent response as preparation for the final part of the Millennium Commission was upon them. Nothing would be forthcoming from outside funders who had responded positively without the sort of governmental endorsement he had requested.

12 and 23 September: Trevor Smith and Wallace Ewart had a meeting with Minister Ancram and DENI officials on 12 September. Smith wrote to Ancram immediately following that meeting (copy of the letter is attached at Annex 1) describing the outcome as "unremittingly unfavourable" and saying that it was clear that the Minister had been speaking to a "wholly negative brief". More particularly, he accused the Minister of being unable to offer any tangible support for the Community Outreach proposal. As regards the ground needed for same, all the Minister could offer was to act as a conduit to other Departments who own the land. While willing to speak publicly about the concept of a Virtual Community College, the Minister had indicated it was impossible for him to link the University of Ulster as the initiator of any attempt to bring the concept into reality.

There had been three elements to the original Springvale proposal: on higher educational grounds, a fully-fledged university campus; economic regeneration; and community outreach. At the meeting that morning they had considered the possibilities for progressing certain free-standing elements within that proposal. After three and a half year's work and despite the fact that the University had potentially raised some £13.5m, it seemed evident that even those particular (free-standing) elements found no favour with government.

At this thirteenth hour, he asked the Minister to ensure that the matter was urgently reviewed at the highest level.

As will be seen from Minister Ancram's reply of 23 September (copy attached at Annex 2), he suggests that he, by contrast, had found the exchange useful and certainly not negative. He thought he had put some positive points to Smith, which he hoped he would have found helpful. He went on to make general positive noises on the project (Government very appreciative of the work of the University in seeking to make a contribution to the regeneration of North and West Belfast... nothing between us on that ... need, however, for anything that is done for the area to be practical and well-focussed...).

More particularly, and recognising that "the reality of the present situation is that the University's proposals for a major campus development at Springvale do not admit of any early decision by Government" he said that he saw real merit in the UU's strategy of taking forward "such free-standing elements as seem likely to be able to attract resources to allow them to proceed". The one caveat, however, was that his encouragement for the University to proceed with these two free-standing elements could not be taken to imply that this opened the door for the whole Springvale project.

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As regards the ground needed for the proposed Community Outreach Building, there was "no lack of willingness on the part of Government to be as supportive and helpful as possible". The steps to successful acquisition included, however, "the planning application, and the question of the transfer of ownership" and he could not guarantee the outcome of these. As regards public support, he had explained why he could not publicly endorse any particular Millennium or Lottery bid. He had however indicated that, within that constraint, he would seek an early opportunity to express "general encouragement and support for innovative developments in the use of interactive technology in education", but without referring specifically to the University's Millennium bid in doing this. From the terms of Smith's last letter he was, however, no longer sure that he would find this helpful or worthwhile and asked if he could be advised in this regard.

24 September: Smith responded that, when the "warm words" were "stripped away", the Minister's letter offered "no tangible support of the kind afforded to the Highlands and Highlands University project by Michael Forsyth". Without that "type and degree of ministerial energy and enthusiasm which also typified the style of Peter Walker when Secretary of State for Wales", it was not possible to approach the private donor for further funds to progress the Millennium bid. Smith had reviewed the situation the previous day with senior officers of the University. The overwhelming consensus had been that the Minister's response "was inadequate to facilitate the further progress of the project, or any part of it, at this stage. It will therefore lie on the table awaiting more propitious circumstances."

In the meantime, the University "will continue to see what it can contribute to West and North Belfast in other ways".

Discussion with David Watkins

In discussing the matter last week with David Watkins of the Central Secretariat, he counselled that the best strategy now - not least in the interests of keeping the overall University-campus project alive for possible reconsideration by the next Government - would be to keep the issue "away from Ministers" during their remaining term of office. Any insistence on an early decision (including any such demand by us at a meeting of the Anglo-Irish Conference) would be certain to evoke a negative response and have the effect of killing off the project.

While he accepted that the financial outlay on the first phase of the overall campus project would be relatively small, he saw absolutely no prospect of Ministers in the present Government giving the nod to such a project at the cost of cutting back on expenditure elsewhere within the Education Vote. They could not ignore the fact the P'ieda (consultancy) report on the project had been completely negative.

Echoing something that David Fell had said to us some months back, Watkins said that an evident drawback was that the University of Ulster, despite all the discussions and papers/correspondence in the matter, had never actually submitted a properly-articulated and structured proposal for the project. Somewhat unkindly, he described the University's approach in the matter as "all flummelling". (It will be noted in this regard that Minister

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Ancram in his letter of 24 September said that he had found the specifics even in relation to the stand-alone element of the Community Outreach Centre, and the practicalities of how it might operate, as being "rather difficult to identify". The papers which had been submitted had been "clearer on the concept than on the detail".)

As regards the two specific stand-alone elements (ie the Community Outreach Building and the Virtual Community College), Watkins wondered if even those were still on the table. In line with the view subsequently expressed to us by Pat Carvill and his colleagues, he suggested that there were perhaps deep divisions within the University of Ulster as between proceeding with the Springvale campus or deciding instead to expand one of their existing campuses. In any event, he felt, like DENI, that the University had not properly "decoded" and could have made considerably better use of the good things that were to be found in Minister Ancram's letter.

Discussion with Joe Hendron

In line with what he has said publicly, Joe Hendron told me that he shares the University's frustration in regard to not getting encouragement, let alone a positive response, in the matter from the British Government. He continues to hope that the project is not dead. He had invested a lot politically in the project. If the Secretary of State does ultimately say no in the matter, Hendron would intend, as he has said publicly, to accuse the Government of treachery for having led people on for the last three years. Unlike the other areas of Belfast, nothing of any significance had ever been done in North or West Belfast.

Hendron and Cecil Walker MP have requested, and have been waiting for some time, to have a meeting with Minister Ancram on the project.

Assessment/Conclusion

It seems very clear at this stage that there will be no (positive) decision on the overall Springvale campus project during the remaining term of the present British Government. As Minister Ancram put it in his letter of 23 September to UU Vice Chancellor Trevor Smith, "we both recognised (at the 12 September meeting) that the reality of the present situation is that the University's proposals for a major campus development at Springvale do not admit of any early decision by government: there are real difficulties, financial and otherwise, which make this impossible".

At the same time, the view of the University (as expressed in Trevor Smith's letter of 24 September) that Ancram's response in the matter had been "inadequate to facilitate the further progress of the project, or any part of it, at this stage" - and the follow-on decision in this regard of the UU Council on 4 October - has put paid, for the moment at any rate, to the development of even the two free-standing elements, the Community Outreach Building and the Virtual Community College. In Ewart's view, if there had been "adequate" government support for the two elements, it is possible that the UU Council at its meeting on 4 October might have proved agreeable to allow them to proceed, even in the absence of any commitment by government to the overall campus project. While the two elements are not

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dead (the UU Council could consider them again at a future meeting and he has also taken the precaution of re-submitting the application for assistance to the Millennium Commission), he is worried that attitudes may now have hardened. The UU Council may now prove more reluctant to give the go-ahead to the two free-standing elements in the absence of any commitment by government to the overall campus project.

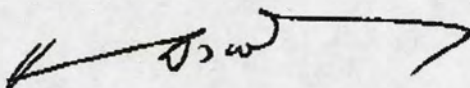
Way Ahead

The best approach might be for us to put it to the Secretary of State/Minister Ancram that, while we accept that they may feel unable to take an early decision on the overall project, they should now at least demonstrate that they are prepared to examine seriously how this very imaginative project (which has generated such high expectations in the very deprived North and West Belfast area) might be carried forward, suitably modified as required. The practical way ahead in this regard might be to set up a small working group, chaired by the Central Secretariat and including representatives of DENI (education), DED (urban regeneration in North/West Belfast), DoE (ground for the Community Outreach Building) and CCRU and/or 'Making Belfast Work' (social/community aspects) as well as the University of Ulster and the Belfast Institute for Further and Higher Education. Accepting that the original proposal from the UU (as subsequently revised) needs to be modified and revised downwards in cost, the task of the Group would be to:

- (a) devise a modified (more viable, less costly, better focussed) and properly formulated and costed proposal covering the main areas dealt with in the UU proposal - higher education, economic regeneration, applied research centres, community outreach, training etc. [Since it would take some months for the Group to produce its report setting out the re-worked proposal, it would be accepted that implementation, if agreed, would realistically have to await the term of office of the next Government.]
- (b) examine, and report in the shorter term, on how the UU, in close cooperation with BIFHE on the community education aspects, might take forward the two stand-alone elements (Community Outreach Building and the Virtual Community College), with the necessary active encouragement and support of Government.

Comment: The fact that the Working Group would be examining seriously how the overall campus project might be taken forward might offer the necessary reassurances needed by the UU Council to agree to give the go-ahead to the two stand-alone elements. At the same time, proceeding with those two elements could provide a boost to the prospect of the overall project being proceeded with subsequently, and might also have the effect of attracting other economic/commercial activity to the Springvale area.

Yours sincerely,



Kieran Dowling

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Annex I

The Right Hon. Michael Ancram QC, DL, MP
Minister of State
Department of Education for N.I.
Rathgael House
43 Balloo Road
BANGOR
Co Down BT19 7PR

12 September 1996

Dear Minister,

I write to you immediately following this morning's meeting, whose outcome we have interpreted as unremittingly unfavourable.

It was clear that you were speaking to a wholly negative brief:

1. It was frequently suggested that you lacked information about our proposals, whereas we believe we have provided a continuous stream of detail about them to government.
2. Scepticism was expressed about the extent of the progress we have made with local schools and community groups: we have proceeded as far as is prudent given the dangers of raising unrealistic expectations and we have kept government informed.
3. You were unable to offer any tangible support for the Community Outreach proposal.
4. While willing to speak publicly about the concept of a Virtual Community College, you indicated that it was impossible for you to link the University of Ulster as the initiator of any attempt to bring that concept into reality.
5. All you could offer in relation to our need for land in the Springvale area was to act as a conduit to other departments who own the land, and you were not briefed as to which (DoE or DED) was the relevant one.

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You will no doubt let me know, point by point, if you regard the foregoing as an incorrect interpretation of our discussion.

There were three elements to the original Springvale proposal; on higher educational grounds, a fully-fledged university campus; economic regeneration; and community outreach. This morning we were considering the possibilities for progressing certain free-standing elements within this proposal. After three-and-a-half years' work, and despite the fact that, as requested by you, we have potentially raised some £13.5M for outreach to us that even these particular elements find no favour with government.

All this contrasts very sharply with the experience of the Highlands and Islands project.

What are we (and you) now to say

1. to those with a commercial interest (Fujitsu, Wellworths, etc) who wished to be involved
2. to those in Washington, Brussels and Dublin who voiced their support, and
3. to the communities of North/West Belfast?

At this thirteenth hour I must ask you to ensure that the matter is urgently reviewed at the highest level. In order to facilitate this I should be willing to return from the DfEE delegation to Mexico, to be led by your colleague Lord Henley. You will appreciate the irony of having to sell U.K. higher education to the Mexicans when I have so conspicuously failed to sell U.U.'s proposals to the Northern Ireland government.

Yours sincerely,

TREVOR SMITH

Annex 2

*RWE
1155/11*



FROM THE Rt. HON. MICHAEL ANCRAM QC DL MP
MINISTER OF STATE



E1137/96

Professor Sir Trevor Smith
University House
COLERAINE
Co Londonderry
BT52 1SA

23 September 1996

Dear Trevor,

I was surprised to receive your letter of 12 September following our discussion on aspects of the University's Springvale initiative. I had found our exchange useful, and certainly did not regard it as negative. I thought I had put some positive points to you, which I hoped you would have found helpful, so our perceptions of the discussion were certainly very different.

Before looking at the specific points you raise, I want to make it clear that the Government is very appreciative of the work of the University in seeking to make a contribution to the regeneration of North and West Belfast. There is nothing between us in terms of the desire to achieve significant improvements in the social, economic and cultural circumstances in these areas. I know that the project has required, and benefited from, a significant amount of time and energy from you personally and your senior colleagues, and I am grateful for that. I believe we share a common concern that whatever is done in the area, whether short term or long term, should be practical and well-focused. Many of the questions which I posed were seeking to see how this practical focus might be sharpened. I regarded that as constructive.

We both recognised that the reality of the present situation is that the University's proposals for a major campus development at Springvale do not admit of any early decision by government: there are real difficulties, financial and otherwise, which make this impossible. In these circumstances, as I explained, I can see real merit in the strategy adopted by the University of trying to take forward such free-standing elements of the project as seem likely to be able to attract resources to allow them to proceed. That was one



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of the key messages which I wanted to give you, and I certainly did not regard it as a negative one.

I did have to add one caveat, and it is one which I know you fully appreciate: that is, that my encouragement for the University to proceed on the two elements which we have discussed cannot be taken to imply that this opens the door for the whole Springvale project. I am very pleased that you may be able to take these elements forward, but they should be capable of being entirely free-standing and of operating successfully without reliance on further development; progress on these fronts should not be taken as implying approval or agreement for the main campus element. I was glad to have your confirmation that they were capable of successfully operating as free-standing projects, not dependent on the campus proposal. I think that in itself makes it easier for them to be taken forward.

You invite me to respond to your five points, which you have cast in negative terms. I should like you to read my replies in the general and welcoming context which I have set out above.

- (1) In terms of seeking information about the proposals for the Community Outreach Centre and for the Virtual Campus, my questions were intended to be constructive. I confess that I did find the specifics of community outreach, and the practicalities of the actual operation of a Community Outreach Centre, rather difficult to identify. The papers you have submitted are clearer on the concept than on the detail. Hence my desire to explore the practicalities. You in turn explained the difficulty - which I understand - of working up the details with others in ways which could raise expectations at a time when they could not be delivered. I found your responses helpful: the concept of the University as - in the words of one of your colleagues - a catalyst for others activities, and the Centre as providing a base which other agencies could use to enhance the accessibility and quality of the service they provide to the area.

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helped to explain how you saw it operating. That of course makes it all the more important to be able to have confidence that it would be accepted as such and fully used in this way. That was exactly the point of some of my questions.

(2) I did not express scepticism about the progress made with schools and community groups: I simply asked what had been done to ensure their ownership of the proposals, something which you and your colleagues acknowledged was vital to the success of both projects. There are, inevitably, aspects of each of these two elements which will need to be addressed further with the various interest groups, including the schools, and with the providers of various services, such as the Education and Library Board. The Virtual Campus, in particular, is a new and very interesting departure and will require close collaboration among the various parties to bring about the most positive outcomes. We stand ready to play our part in these discussions. But I thought it was our common view that more work will need to be done.

(3) and (5) You did not seek a financial contribution (capital or recurrent) for these two elements, other than in relation to the site. Regarding the land there is no lack of willingness on the part of Government to be as supportive and helpful as possible. My purpose in alluding to the stages necessary to successful acquisition was to emphasise the point that there are steps, including the planning application, and the question of transfer of ownership, which will have to be dealt with and which are not trivial, and I cannot guarantee the outcome of these. Insofar as ownership of the site is concerned, it would be impossible for anyone to know who owns it until the precise location is determined; and that is a matter for the University in the context of looking at the overall planning of the site, and allowing for the possibility of future major development. The fact that I was able to point you towards a "one-step" contact point for help with all of

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these land-related issues I thought would have been taken as an indication of a desire to help, not the reverse.

- (4) I believe I explained why I could not publicly endorse any particular Millennium or Lottery Bid. I have been entirely consistent in this regard with all project promoters. But I also indicated that, within that constraint, I would seek an early opportunity to express general encouragement and support for innovative developments in the use of interactive technology in education - which again I thought would be helpful to you, and which you would be free to call in aid. It would not be proper for me to refer specifically to the University's Millennium bid in doing this. However from the terms of your letter I am no longer sure that you would find this helpful or worthwhile. In these circumstances there would be no point in my doing so. Perhaps you could let me know if you would still find it helpful.

Lest there be any doubt, may I repeat that I welcome the interest which the University has shown. I would be more than happy if, by a combination of Millennium resources and private sector funding it proves possible for the University to take forward its community outreach proposal and its virtual campus proposal to the benefit of the schools, colleges, and communities of North and West Belfast. I hope that you will continue to pursue those objectives, and I wish you well in doing so.

I hope that what I have said clarifies the position. I regret that our respective perceptives of our meeting differed so greatly.

John Hiney
Michael

THE RT HON MICHAEL ANCRAM QC DL MP
Minister for Education

