



Belfast City Council

Report to:	Development Committee
Subject:	Research Proposal – Impact of Anchor Institutions
Date:	22 May 2012
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1	Relevant Background Information
1.1	According to the Penn Institute of Urban Research, anchor institutions are entities having a large stake in a city, usually through a combination of landownership and economic impact from their employment, revenue-garnering and spending patterns. They can encompass universities, hospitals, cultural institutions (including museums, libraries, performing arts facilities), churches, military installations and occasionally large corporations. In many places, these anchor institutions have surpassed traditional manufacturing corporations to become their region's leading employers. Where the economic power of these anchor institutions can be more effectively harnessed, they can contribute greatly to community wealth building.
1.2	Numerous studies have documented the scale of their contributions especially those of hospitals and universities (CEOs for Cities, 2001), yet understanding their roles in urban development was relatively unstudied until recently.
1.3	The emerging research, which mostly originates from the USA, suggests that anchor institutions have a great influence on shaping the physical, economic and cultural fabric of cities through their intellectual contribution, their brand, their buildings, their role as a major employer and their contribution as a purchaser of goods and services. The relationship between a city and its anchor institutions is reciprocal: the future of any such institution and the future of the economy and community in which it is located are intertwined and the success of one should enhance the success of the other.

1.4	<p>Key benefits from anchor institutions include:</p> <ul style="list-style-type: none"> - Economic benefits: anchors employ substantial numbers of people and anchors generate demand for, and purchase, local goods and services; - Environmental benefits: the occupation of sizeable amounts of land by anchors, leads to them preserving and caring for buildings, as well as providing venues for community activities; - Social benefits: anchors contribute to education and skills training; and - Reputational benefits: anchors act as recognisable ambassadors for a city, helping to attract talent, investment and tourism to the area.
1.5	<p>Some examples of anchor institutions contributing directly to their city include:</p> <ul style="list-style-type: none"> - The University of Pennsylvania began activities in 1994 in an adjoining neighbourhood with serious issues (reducing population, increasing crime rate, poor schooling and substandard housing stock). Penn's leadership brought together resources from government, the private sector and local non-profit organisations and launched a series of initiatives including beautification, crime fighting, education, housing and economic development (attracting an additional \$370m in private investments). As a result, public safety has improved dramatically; new jobs for residents have been created through retail development and Penn's efforts to procure more goods and services locally (purchasing from local vendors increased from \$20.1m in 1996 to \$61.6m in 2003); a new school opened and it is outperforming most other city schools. - Howard University, which collaborated with local civic and neighbourhood groups and the Fannie Mae Foundation, to create 307 new housing units in its surrounding neighbourhood. This in turn helped spawn commercial development and improvements of nearby vacant and boarded up properties.
1.6	<p>Strategic guidance is starting to emerge to guide city planners and anchor institutes. For example, the University of Pennsylvania has published an anchor Institutions Toolkit based on six key activities: purchaser, employer, real estate developer, incubator for businesses, advisor/network builder, and workforce developer. It includes a three stage guide for neighbourhood revitalization:</p> <ul style="list-style-type: none"> - Section I Picking the Right Tools: Briefly identifies five community revitalization tools utilized by Penn. - Section II Honing the Tools: Provides detailed information on how the tools were used by Penn. Highlights the pathway of Penn's evolution in this work. - Section III Mastering the Tools: Presents guidelines for anchors to determine appropriate tools for community revitalization. Reflections on Penn's approach including key ingredients and guiding principles.
1.7	<p>In practical terms, there are various initiatives anchors can employ:</p> <ul style="list-style-type: none"> - Directing a greater percentage of their purchasing power toward local vendors based in the community. - Hiring a greater percentage of their workforce locally. - Providing workforce training for people needing assistance in the community. - Incubating the development of new businesses, including social enterprise among nonprofits.

	<ul style="list-style-type: none"> - Serving as an advisor or network builder. - Leveraging real estate development to promote local retail, employer-assisted housing, and community land trusts. - Using pension and endowment funds to invest in local job creation strategies and to provide community venture capital for nonprofits, entrepreneurs, and employee-owned firms.
1.8	Based on the definitions, the anchor institutions for Belfast would be the universities and colleges, the hospitals, the docks and airports. The relocation of the University of Ulster obviously creates significant opportunities to look at how we can maximise its benefit as an anchor institution.
1.9	<p>For example, the University of Ulster :</p> <ul style="list-style-type: none"> - Employs over 3000 staff with an annual turnover of more than £200 million (operating expenses are approximately £65M excluding staff, interest and depreciation). - Is a major contributor to the Research and Development capacity within Northern Ireland and supports local business and industry. - Makes a leading contribution to lifelong learning (via eLearning), widening access to education for all - enhancing the region's knowledge base. - Forged partnerships with other educational providers locally, nationally and internationally and has a network of strategic partnerships throughout the world. - In 2010-11 there were 17,075 full time students and 8,264 part-time giving a total of 25,339. - Of these 14,031 were based in Jordanstown (and are likely to be relocated to the city).

2	Key Issues
2.1	Considering the University of Ulster specifically, its relocation will have a significant impact on the city, both in terms of the immediate environs in North Belfast and Cathedral Quarter but also more widely across the city. These impacts include the student population and their likely location; the potential for economic development and being a major provider of the future skilled workforce; its purchasing power; its role as a major employer; transport and connectivity improvements; and the economic multiplier effects of these elements.
2.2	<p>Additionally, as a large land owner it will provide significant regeneration and environmental benefits for the city. It will also have links to the national and international community, which will be beneficial for Belfast. The following list shows some of the more obvious potential benefits:</p> <ul style="list-style-type: none"> - Major physical development projects. - Creating a critical mass of technical and scientific skill due to the closer proximity to Queens, generating new ideas and stimulating innovation. - Developing the skills of the current and future workforce. - Attracting local investment, business relocation and demand for local services, creating jobs. - Attracting people to live in the city, increasing demand for local housing. - Purchasing of local goods and services. - Increasing the multiplier effect of Belfast as the driver of the regions

	<p>economy (as per the 'Capital Flows' report).</p> <ul style="list-style-type: none"> - Providing grants and undertaking community engagement projects and outreach work.
2.3	We propose that research should be undertaken to help fully understand the potential impact of the University's relocation and the other city's anchor institutions and make suggestions for what kind of city governance arrangements we need to maximise their benefits.
2.4	<p>Objectives of the research</p> <ul style="list-style-type: none"> - Identify best practices and review successes and potential failures elsewhere. - Provide analysis of the current and potential impacts of the anchor institutions in Belfast. - Provide recommendations from a policy, governance and practical perspective on how can Belfast maximise the benefits of the anchor institutions.
2.5	Ultimately the Council would seek recommendations from a policy, governance and practical perspective that would ensure the city maximises the benefits of the anchor institutions, including docks, airports, hospitals, colleges, universities with a specific focus on the relocation of the University of Ulster.

3	Resource Implications
3.1	We estimate a required budget of £25,000.

4	Equality and Good Relations Considerations
4.1	There are no Equality and Good Relations considerations attached to this report.

5	Recommendations
5.1	Members are asked to approve the proposed research.

6	Decision Tracking
6.1	There is no Decision Tracking attached to this report