



# Economic Development: addressing the legacy of conflict

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# Overview

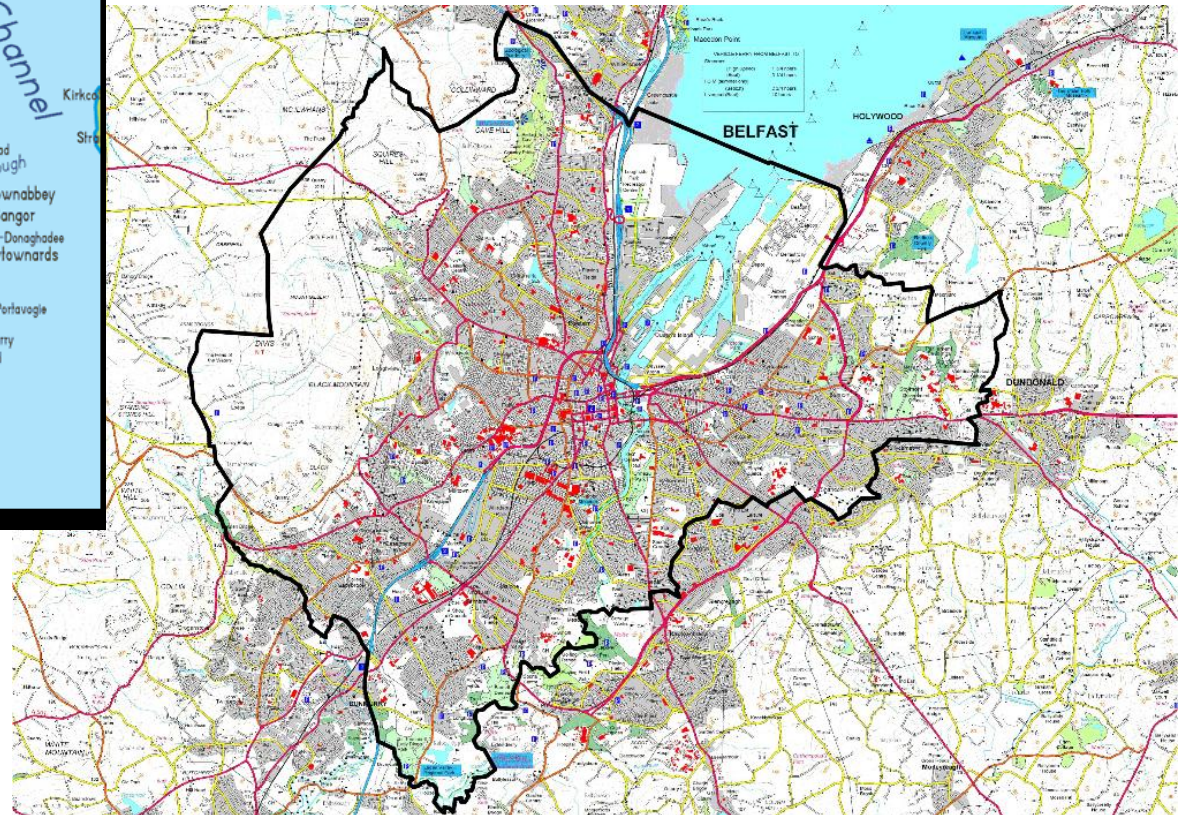
- The Belfast context
- The legacy of conflict – an overview of the key issues
- Economic development in Belfast: the macro level story
- Economic development in Belfast: the micro level story
- Case study: the Gasworks

# About Belfast

- Regional capital
- Population 270,000 (NI population 1.7 million)
- Unemployment rate 4% (but hides significant levels of inactivity)



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# The legacy of conflict: community divisions

- Community tensions
- The human cost
- Dereliction and deprivation
- Suburban sprawl/  
de-population of inner  
area



# The legacy of conflict: governance issues

- Politics: territorial, along religious lines
- Big issues are not discussed
- No lead agency, no plan, no ownership
- Focus has been on managing the decline, not promoting sustainable growth



# The legacy of conflict: investment issues

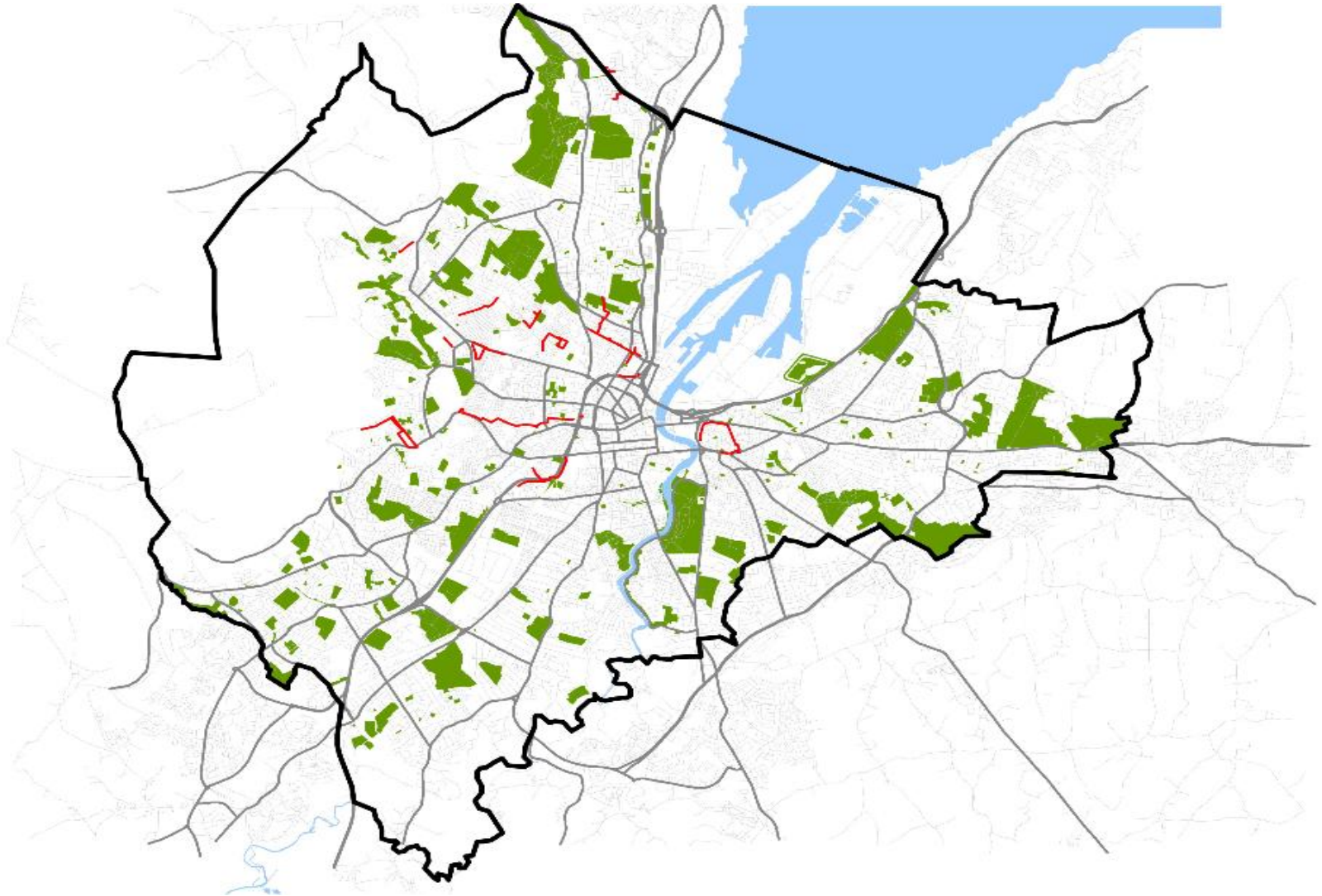
- “Shatter zones” between city centre and suburbs
- Lack of private investment - high risk
- Over-reliance on the public sector
- Lack of investment in infrastructure – resources spent elsewhere



# The legacy of the conflict: physical challenges

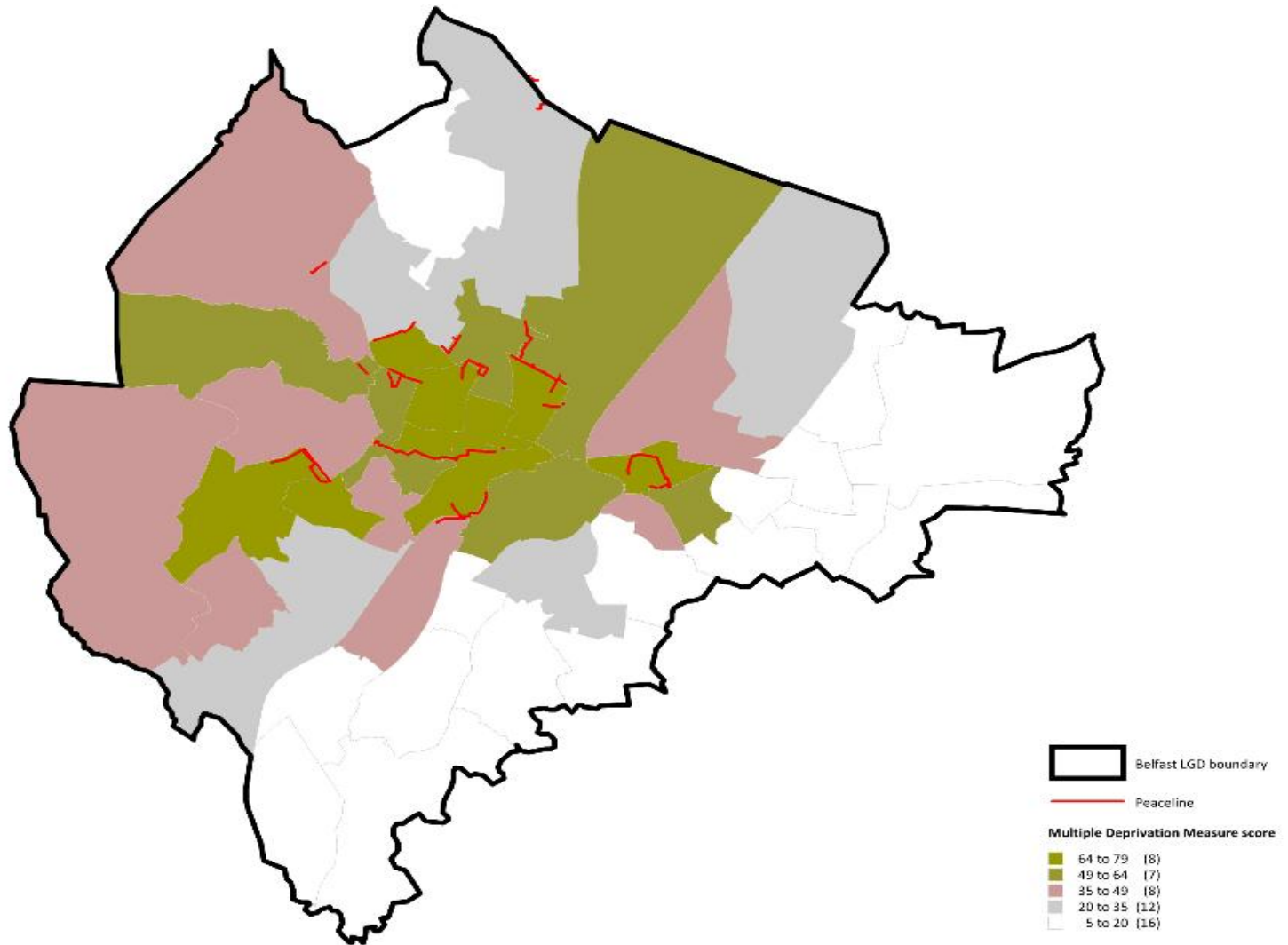
<b>Middle city</b> (between city centre and suburbs within city boundary)	<b>City centre</b>	<b>City presentation</b> (Appearance and impression to residents and visitors)
<ul style="list-style-type: none"> <li>■ Poor linkages to employment/ training locations and city centre</li> <li>■ Years of neglect and underinvestment in specific areas</li> <li>■ Emblems and signage</li> <li>■ Absence of targeted regeneration strategy</li> <li>■ Poor urban townscape</li> <li>■ Interface blight</li> <li>■ Accessibility and traffic management</li> </ul>	<ul style="list-style-type: none"> <li>■ Works in pockets, not as a whole</li> <li>■ Lack of iconic attractions</li> <li>■ Poor links to new development activity</li> <li>■ Lack of city centre housing</li> <li>■ Poor public realm</li> <li>■ Outdated transport connections</li> <li>■ Perceptions of damage</li> <li>■ Limited retail offering (but improving)</li> </ul>	<ul style="list-style-type: none"> <li>■ Dominance of roads infrastructure/severance</li> <li>■ Sectarian emblems/ signage</li> <li>■ Underinvestment/ dirty streets</li> <li>■ Poor quality architecture</li> <li>■ River – underutilised as asset and focus</li> <li>■ Perceived as a dangerous place</li> </ul>

# The physical legacy of conflict: “peace” walls

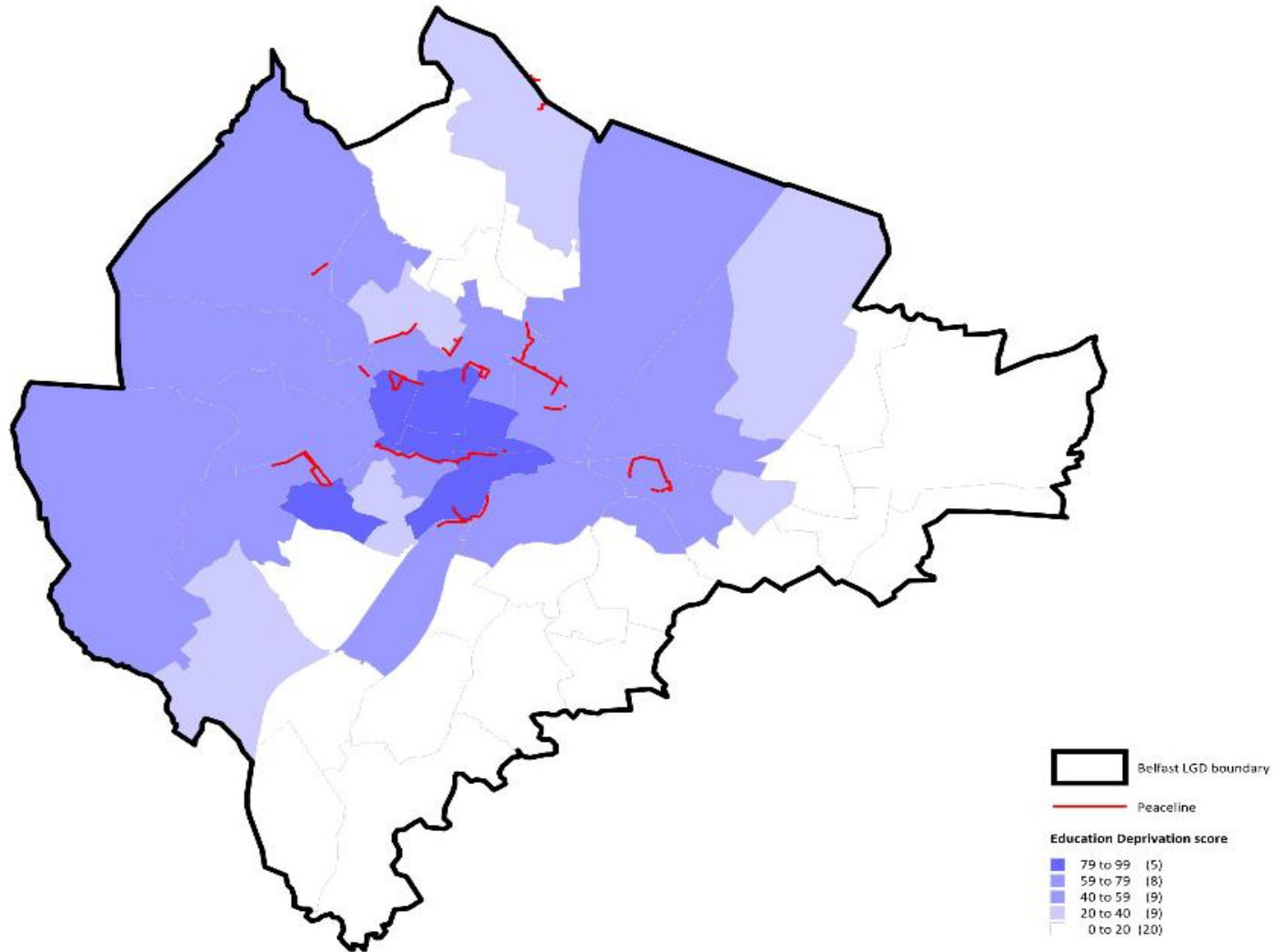




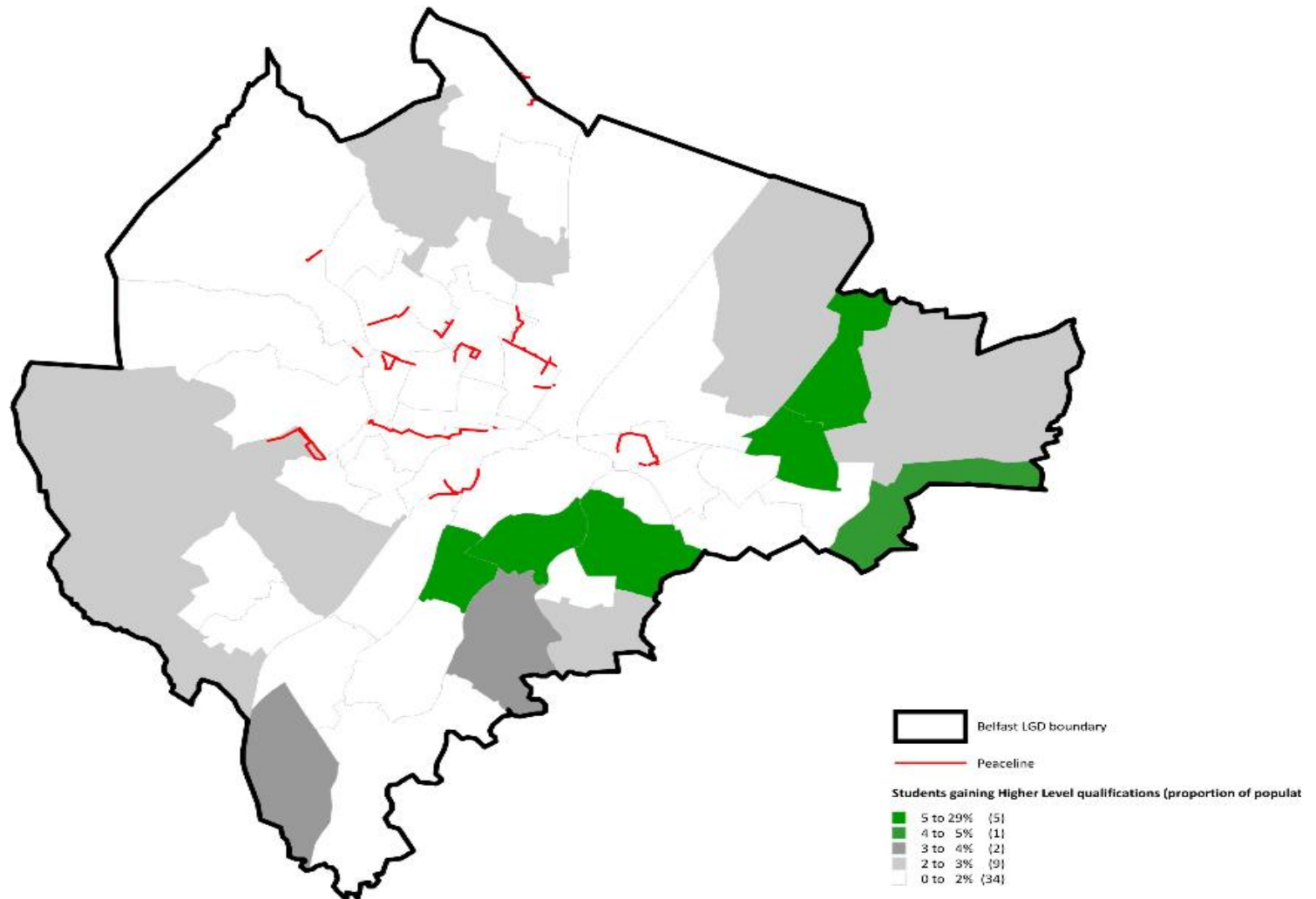
# Deprivation levels across the city



# Education deprivation levels across the city



# Higher Education attainment levels



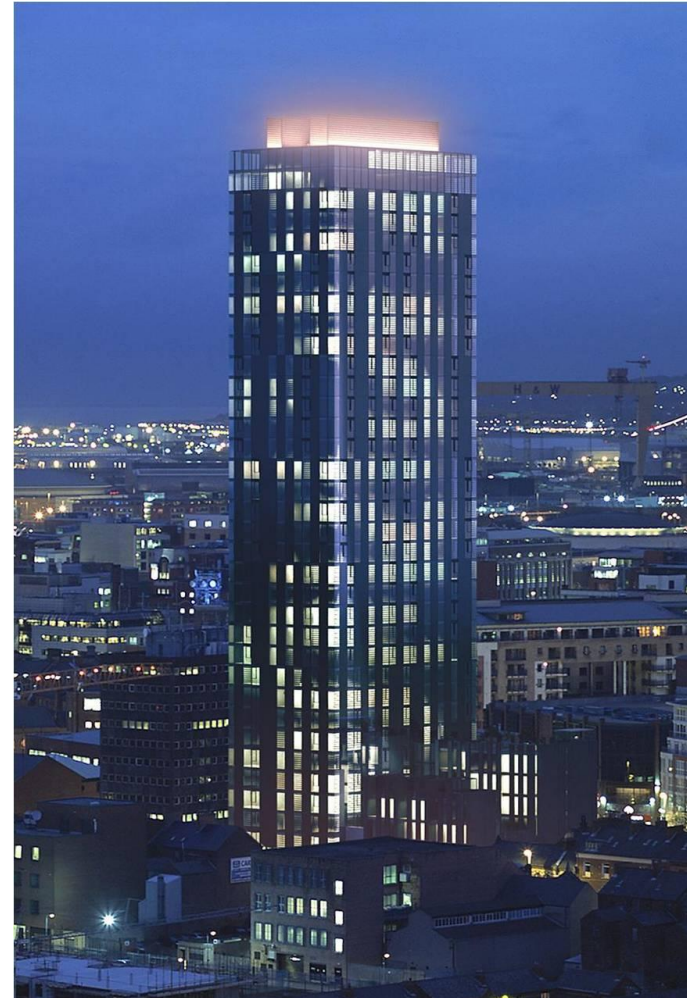
# Economic development in Belfast: the macro level perspective (city level)

- The city has changed significantly in recent years
- An element of “playing catch-up” – starting from a relatively low base
- Second fastest growing regional economy in the UK
- Second most successful UK region (behind Scotland) in attracting foreign direct investment
- Unemployment has fallen 75% since 1991
- 99% increase in Gross Value Added from 1998-2008
- Changing sectoral structure: manufacturing decreasing (from 19% in 1995 to 9% in 2015); service sector increasing (from 28% in 1995 to 58% in 2015)



# How has the growth happened?

- Political stability has created the conditions for business to prosper
- Increased investor confidence has spurred investment flows into new development schemes
- Role of the University: research centres of excellence
- Competitive wage levels and overheads
- Role of inward investment: 69% of full-time employees in FDI companies earned more than the Northern Ireland average
- Commitment to investment in the city centre - stabilise/grow population of the city
- Supported by international interest in the city/region
- Devolution has underpinned confidence: business leaders support local administration



# Economic development in Belfast: the micro level perspective

- Inactivity is a major issue: disparity in employment rates - from 77% to 32%
- Disparity in graduate share of workforce: from 59% to 2%
- Over half of net new jobs in Belfast over next decade will require graduate qualifications; less than 1 in 7 will require no qualifications
- Lowest levels of qualifications, educational attainment in areas affected by conflict
- Increasing migrant labour force: integration challenge



# Challenges

- Conflict has had greatest impact in north and west of the city
  - Still furthest behind (unemployment levels, educational attainment, psychological impact)
  - Major growth prospects unlikely to happen in these areas
  - Can't just build industry – need for alternative responses
- Accessibility: cannot replicate services in every area - need to improve transport access: no radial routes
- In-commuting levels are unsustainable
- Dereliction: 33 ha of surface car parking and gap sites in city centre – vibrant city centre is indicative of wider economic success
- Culture of benefit dependency: breaking the cycle – value of work: not just financial
- Predicting future skills needs and ensuring that training is employer-led
- Promoting inclusive, sustainable development

# Case study: Gasworks Business Park





# Gasworks Business Park



- Council-owned asset (or liability?)
- Part of wider riverside development programme (Laganside)
- Source of employment for over 4,000 people
- Has attracted private investment of £114,785,000 including:
  - £12 million Radisson hotel;
  - £10 million Business Centre; and
  - Purpose built Halifax Direct Centre

# The surrounding area

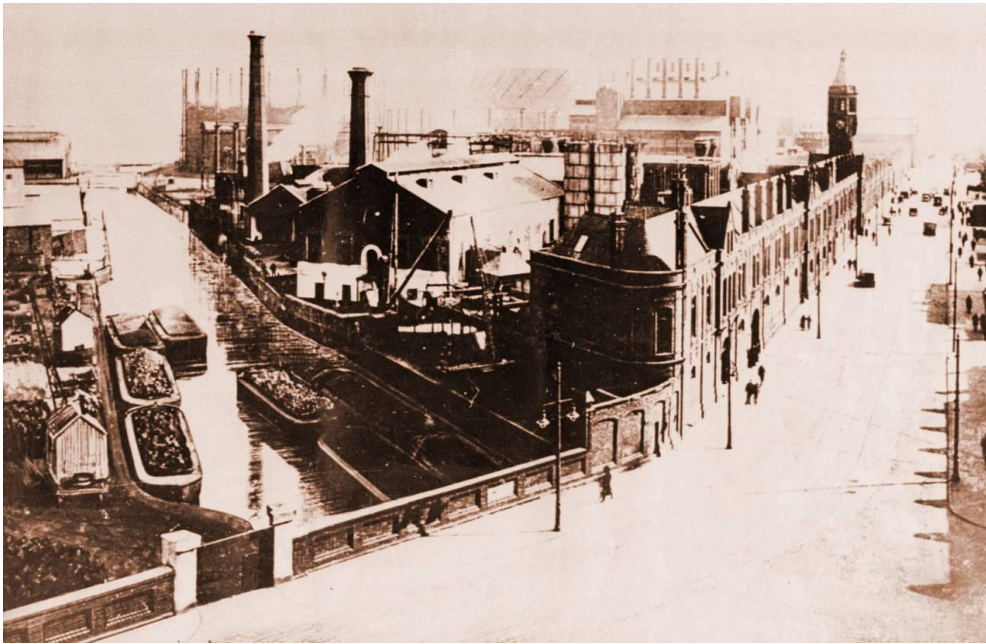
## East Belfast

- 77,749 residents, 29% of Belfast population
- 62.2% economically active (37.8% inactive)
- 58.2% of school leavers gained 5 or more GCSEs in 2004/05 (NI average is 63.1%)
- Median gross weekly earnings are the lowest in Belfast at £330.50
- 67.3% of houses are owner-occupied (56.1% Belfast average)
- Predominantly protestant population

## South Belfast

- 92,236 residents - 34.5% of Belfast population
- A distinct feature is the 2,513 immigrants – 57% of all migrants in Belfast
- Least deprived ward in Belfast, although there are pockets of deprivation
- 63.3% of residents are economically active (Belfast average 56.9%)
- Unemployment rate is lowest of all areas in Belfast at 3.4%
- 60.4% of houses are owner-occupied (Belfast average is 56.1%)
- Area adjacent to Gasworks site is an interface

# Situation before development



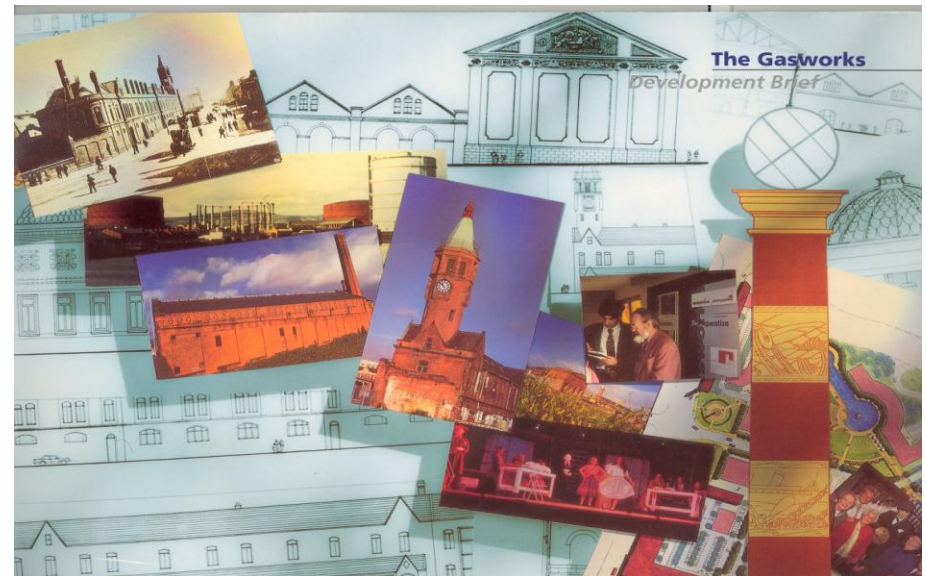
# After closure of gas production, the site was...

- Derelict
- Contaminated
- Located in an interface area



# Project Objectives

- Enhance the quality of life for those living in the city, particularly the adjacent communities
- Provide a source of employment
- Act as a catalyst for inner city regeneration

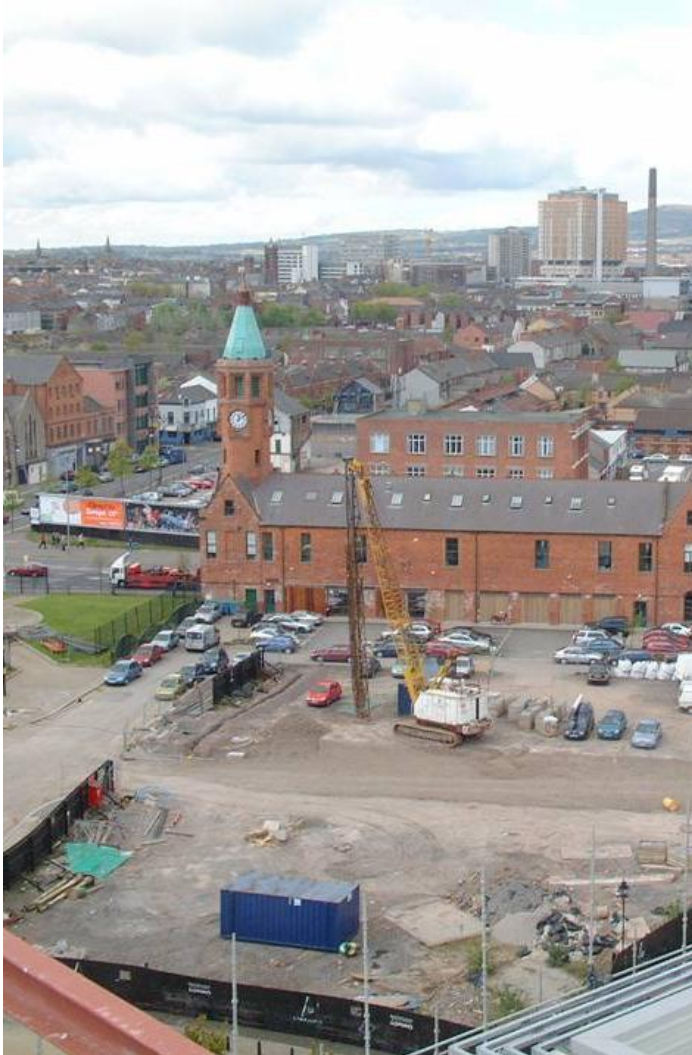




# Transformation process

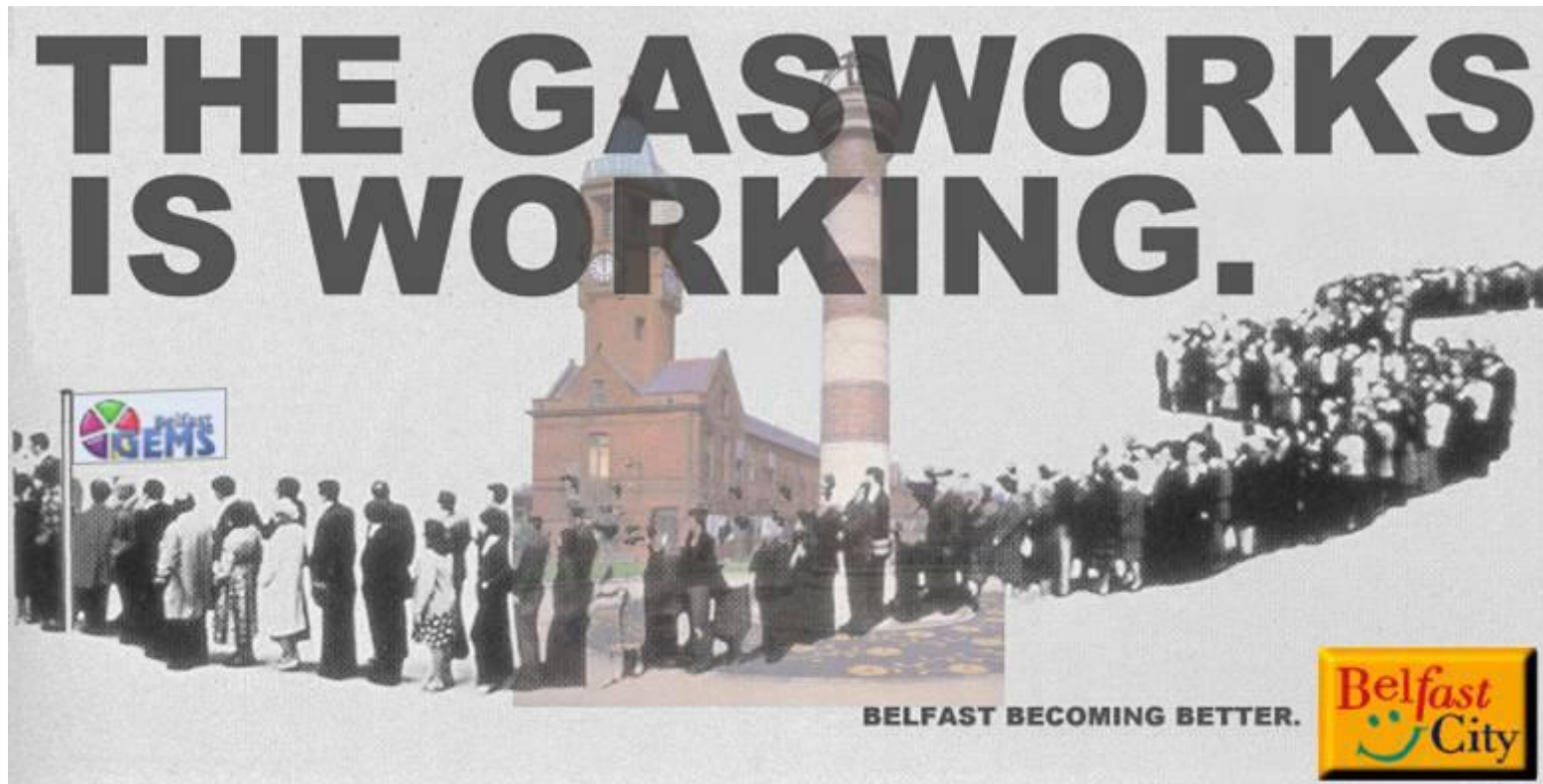
- Council spent €15million (with ERDF assistance) on land acquisition, remediation and infrastructure development
- Mixed development with emphasis on the creation of jobs
- Release of development plots (based on criteria, including number and types of jobs offered)

# Measures to maximise impact



- Imposition of annual rent based on a percentage of final amount
- Capital payment of developers
- Created a long-term income stream for council which was used to support local initiatives
- Activities to support access to employment for local people – create sense of ownership

# GEMS – Gasworks Employment Matching Service







# GEMS

- Instrument to tackle high levels of unemployment in adjacent area
- Assists long-term unemployed local residents in accessing work, focusing on Gasworks and adjacent development sites
- Secures employment and provides training
- Ensures that local communities benefit from development
- Received public funding (approx €400,000 over 3 years)
- Assisted 348 clients into employment and provided further training to 347 residents

# Gasworks: Other Outcomes

- Over 4000 people now employed on the site
- 28 units for local start-up enterprises developed
- New public open space (ca. 4 ha) including new cycle and pedestrian connections
- By completion 61,561m<sup>2</sup> of commercial space at a cost of nearly €170 million
- Full occupancy will generate a rental income of ca. €9.5 million per annum; €3,570,000 in local taxation
- Private investment at ratio of 1:10



# The completed site





# Lessons learned: Gasworks development

- Importance of engagement of local residents and elected representatives
- GEMS: importance element in making local people feel ownership of this development
- Employers are open to this type of approach: helps with recruitment and retention
- Through introduction of viable uses, restoration of 3 listed buildings
- Geared equity rent - reinvesting surpluses back into local projects
- Enhanced connectivity of the site with surrounding communities and the city centre



# Economic Development to address the legacy of conflict: lessons learned and key challenges for the future

- City (and region) cannot function on half a city
- Focus on promoting sustainable growth, rather than managing the decline
- “Trickle-down” does not work
- It’s not just a matter of providing the space
- Need to be creative: look for new ways of working
- Economic development can provide neutral spaces and underpin wider regeneration
- Economic development can be a driver for change and create confident communities