

3330 RJM 20/9/91

~~Mr. McAuley~~

P/A Shanks

SEP 1991

To: U. Tiggart



TO: MR MINNIS
FROM: P. McALISTER

Noted

23.9

SHORTS: RELOCATION OF TRAINING FACILITIES

I spoke to David Duncan about his submission of 17 September 1991 to PS\Minister (copy attached). The Springvale development referred to is the proposed location for Lummus Mackies not the site it presently occupies. I explained to David that I was unsure what was meant by the reference, in the draft letter for the Minister's signature, to the fact that the Springvale location "would clearly make a very significant impact on the MacBride campaign."

There have been indications that the MacBride lobby view the Springvale site as an entirely Protestant location - see attached extract from the Directory of Discrimination.

Comptroller Holtzman has thrown her weight behind Shorts affirmative action activities (at least for the present). Any public disagreement between the company and Government on the relocation issue would provide her and other proponents with welcome ammunition to challenge HMG's commitment to providing equality of opportunity.

Patricia K. McAuley

Patricia K. McAlister
18 September 1991

cc Mr Duncan
Mr McAuley





cc Secretary
Mr Hopkins
Mr Gibson
Mr Robinson
Mr Bohill
Ms McAllister
Mrs Kenny
MC

18.9.91

17 September 1991

To: PS/Mr Needham (DED&L)

From: W D Duncan
Policy Review Division

RELOCATION OF SHORTS' TRAINING FACILITIES

1. Mr McNulty has written to the Minister to support the Flax Trust's proposals for the Co-op building in York Street. His view is that the Co-op is the best location for the Novatech/Shorts project and that the project is of importance not only to Shorts but also to the wider equal opportunities cause and to countering the MacBride campaign.
2. IDB has pointed out that Shorts and Bombardier have been according a high priority to fair employment practices which has attracted the attention of North America. Any decision on our part which could be construed as impeding the relocation of Shorts' training facilities to a 'neutral' site could therefore be unhelpful to both Shorts and Government and might provide fuel for the MacBride campaign.
3. Nevertheless, the Minister has discussed the Co-op proposal with the Chairman of IFI, Mr McGuckian, and the Secretary, and they are agreed that we need to return to first principles on this issue and to consider what we are attempting to achieve.

1.



DEPARTMENT OF ECONOMIC DEVELOPMENT



4. Our main concern is to consider funding for Novatech which needs at most 30,000 sq ft of space. Shorts would like about 50,000 sq ft but could reduce their requirements, if necessary, by between 10,000 and 20,000 sq ft. The Co-op project would provide some 180,000 of lettable space and there are no tenants signed up yet for the balance of 100,000 sq ft not required by Novatech and Shorts. Acquisition costs for the Co-op building, at £3m, are considered very high and there is a requirement for a further £5m for refurbishment. Accommodation for Novatech and Shorts could be secured at alternative sites for around £4m to £6m depending on the precise size and location of the building. We have suggested in particular a site in the new Springvale development which would clearly have a major impact on equal opportunities issues, but Shorts feel that the relocation of its training facilities in this area would be too drastic a step at this stage.
5. I think we need to put the position to Mr McNulty in fairly stark terms and make clear that our primary concern in this particular case is the funding of space for Novatech in the most cost-effective manner available to us.
6. A draft along these lines is attached.

W David Duncan

W DAVID DUNCAN
Policy Review Division



DRAFT LETTER FOR MR NEEDHAM'S SIGNATURE

R W R McNulty Esq
Managing Director
Short Brothers PLC
PO Box 241
Airport Road
BELFAST
BT3 9DZ

September 1991

RELOCATION OF SHORTS TRAINING FACILITIES

Thank you for your letter of 6 September about the Flax Trust proposal for the Co-op building in York Street.

I am fully aware of the importance you place on relocating Shorts training facilities alongside the Trust's Novatech project and the impact that such a move could have on wider equal opportunities issues. However, I think we need to consider what we (ie Government and IFI) are being asked to do in this case and whether the proposed site is the best means of achieving that end.

Our primary task is to consider finding space for Novatech. Father Myles Kavanagh is proposing to purchase and refurbish the Co-op building at a cost of around £8m. The project would provide some 180,000 sq ft of lettable space, not all of which would be pre-let. The project costs and risks are substantial and I am not satisfied that it would be the most cost effective way of delivering accommodation for Novatech.

There are some problems with this proposal. First, the acquisition costs, at £3m, are high. It is very doubtful whether, at this price, the building represents good value for money. Second, if the project were to proceed immediately it would have to do so on the basis that tenants still have to be found for about 100,000 sq ft of the total lettable space.

We have been discussing with Father Myles alternative locations, in particular the new Springvale development, and we have been doing so on the basis that it might assist the Flax Trust to formulate a proposal that Government and IFI could fund jointly. It is our view that the Novatech/Shorts project could be provided at lower cost on an alternative site, especially when taking into account the £3m acquisition costs for the Co-op. Unless the Co-op costs can be reduced drastically, we will have to continue to explore other options.

My next step is to meet Father Myles again and I hope to do this shortly. I will wish to see if he can find cheaper ways of developing the project and I think we should re-open the question of a Springvale location which may have been too readily dismissed previously. Such a location would clearly make a very significant impact on equal opportunities issues and the MacBride campaign.

I am, of course, conscious of the need to sort this matter out as soon as possible. However, I would hope that any possible alternative location could be developed largely within the timescale set for the availability of the Co-op building.

RICHARD NEEDHAM

WP CODE: DD223/JAG

11 September 1991

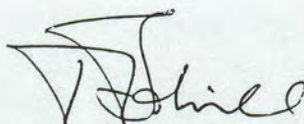
cc Chief Executive
Mr Robinson
Mr Murphy
Ms McAlister

To: Mr D Duncan (Policy Division, DED)

From: M Bohill, Electronics Division

SHORTS: RE-LOCATION OF TRAINING FACILITIES

1. Private Office copied to IDB Roy McNulty's letter of 6 September to the Minister about the acquisition of the Co-op Building for a Novatech/Shorts Training Facility.
2. You will appreciate the priority which both Shorts and Bombardier have been according to the promotion of fair employment practices and the high profile which this attracts particularly in North America. The US has always been an important market place for Shorts and in the year ended 31 January 1991 it accounted for 35% of all export sales. Shorts envisages the North American market becoming even more important in the future as it attempts to sell defence systems products there.
3. Shorts has received favourable comments from US politicians and others for its efforts in recent years to redress imbalances in the religious composition of its workforce. An important factor in Shorts affirmative action programme is the development and implementation of initiatives designed to promote opportunities for young school leavers to receive training to enable them to take up employment in the company. Shorts regards the siting of company recruitment and training facilities into more neutral locations as an important plank in this strategy.
4. In a recent meeting with IDB, Shorts made it clear that it needs to make an early decision on the relocation of training facilities and that the Co-op building is the favoured solution. From an overall investment perspective it would clearly be unhelpful to see a situation arise from which MacBride campaigners are able to cast doubts on Shorts (or HMG's) commitments to promote fair employment.



M BOHILL

12 September 1991