

***Potential Impacts
of the ‘Turning Our
Town Around’
Vision***

May 2015

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'Turning Our Town Around: Advancing the Vision to Create East Anglia's Waterfront Town' (May 2015) sets out a vision and how that vision can be realised for Ipswich becoming East Anglia's Waterfront Town. AECOM were commissioned by Ipswich Central to identify some of the potential economic impacts of implementing this vision and provide justification for delivering it. The impacts are presented at a 'high-level' and are indicative only to reflect the broad ranging nature of the vision and activity identified.

The range of activity includes: delivery of 2,000+ new homes; new high-end / quality office space; new / improved car parking; a new public transport hub (rationalising from 2 sites to 1); greater pedestrianisation and linkages between key hubs in the town creating a north-south axis; public realm improvements; and an improved retail, leisure and tourism offer potentially including a 'flagship' attraction on the waterfront.

New Homes (assumed 2,000 new homes delivered over a 10 year period)

- The construction of 2,000 new homes **could generate around £186 million capital investment** representing a significant amount of private sector investment in to the local economyⁱ.
- This investment would **support circa 100 net construction jobs in Ipswich's economy per year** for ten years. Further employment would be supported in the wider economyⁱⁱ.
- The value of a development is usually measured through its contribution to local GVAⁱⁱⁱ – a measure of the value that a specific sector or industry adds to the local economy. The construction of the homes **could generate an additional £7.9 million GVA per annum** to the local economy^{iv}.
- The new homes will lead to an influx of some new residents, although a significant proportion of houses will be taken by people already resident in Ipswich. After discounting for displacement of spend, the new homes **could generate £1.5 million of additional retail expenditure within Ipswich per annum. This would support around 6.5 retails jobs per annum (above and beyond existing employment)**^v.
- *Assuming all new homes are net additional*, **Ipswich Borough Council would receive £15 million in New Homes Bonus payments over 6 years. The Council would also receive £3.2 million in additional council tax payments per annum**^{vi}.
- Other benefits would include an increased population, developer contributions which could be used to fund other social infrastructure from Section 106 and Community Infrastructure Levy, and meeting local housing targets.

Retail

- An improved retail offer can have wide-ranging economic benefits including: the generation of additional business rates, further inward investment, an improved visitor experience, a decrease in crime and increased visitor numbers, dwell time and expenditure.
- Ipswich has dropped from 50th in 2010 to 58th in 2013 in the retail rankings^{vii} and is falling further behind its competitors. In comparison, Bury St Edmunds greatly enhanced its retail offer with the £105m construction of the Arc Shopping Centre. This has resulted in an increasing footfall in the town (4% rise compared to a 0.5% drop nationally) and climbing up the retail ranking from 132nd to 128th over the same period Ipswich fell 8 places. Other nearby competitors such as Norwich (13th) and Cambridge (34th) are higher up the rankings.
- The Vitality Index^{viii} provides a score relating to the quality of the retail offer. It considers the proportion of 'premium/luxury', 'value' and 'out-of-fashion' retail, alongside the vacancy rate and the suitability of retail to the local catchment. Out of 500 centres assessed in the UK, Ipswich is ranked as 149th. Local competitors once again are performing better, for example: Cambridge (7th), Bury St Edmunds (67th), and Norwich (73rd).
- The above suggests that Ipswich's retail offer is struggling and falling further behind its competitors. The centres that have benefited from major retail development have risen the most in the rankings. Ipswich needs to make serious changes and make a commitment to the investments identified in the 'Turning Our Town Around' Vision and attract good quality retail. **The retail rankings are important as they heighten demand and the identified activity will improve Ipswich's ranking and vitality and reverse the decline that is being experienced.**
- A case study illustrating further impacts of investment in retail through the opening of the Trinity Centre in Leeds is illustrated below.

Leisure and Tourism

- Assuming a 20% uplift in tourism day visits (putting Ipswich in line with the likes of Lincoln, Lancaster and Reading) and a 10% uplift in day visitor expenditure (equal to Norwich) would **generate an additional 682,000 tourism day visits and £40.9 million net expenditure per annum^{ix}**.
- Assuming a 10% uplift in tourism overnight visits (putting Ipswich in line with the likes of Purbeck, Medway, Telford and Wrekin, and Gloucester) and a 10% uplift in overnight visitor expenditure would **generate an additional 25,900 tourism overnight visits and £7.1 million net expenditure per annum^x**.
- The development of a flagship attraction would contribute to the above figures. However, it is useful to assess the potential impact of this attraction itself. From a review of precedents from elsewhere we demonstrate the impact of the waterfront attraction generating between 100,000 (just above Maritime Museum in Hull and just below the Maritime Museum in Cornwall) and 300,000 (just below The Deep in Hull^{xi} and the Cutty Sark Clipper Ship in Greenwich) visitors per annum. This would **generate^{xii} from £5.2 to £15.5 million in visitor expenditure per annum**.

Greater Public Spaces / Pedestrianisation^{xiii}

- People's expectations of the high street have changed and now shoppers expect to have a greater experience and greater public spaces and pedestrianisation improves this. It can also lead to an improved visitor experience and a reduction in crime.
- Well planned improvements to public spaces have been known to improve retail sales by 30% and retail footfall by 10-25%.
- Evaluations of pedestrian improvements in Coventry and Bristol show a 25% increase in footfall on Saturdays and £1.4million benefits over ten years respectively.
- The York Visitor Survey (2011–12) found that, overwhelmingly, the most popular activity of its tourists was to "stroll around and enjoy the ambience of York" with less than 2 of the 7 million visitors actually going into any of the major attractions. This illustrates the vital importance of the quality of public spaces from a tourism perspective.
- The improved pedestrianisation and creation of the north-south axis in Ipswich is also likely to increase dwell time of visitors. **If the dwell time of every existing day visitor can be increased by one hour^{xiv} the net additional expenditure created would be £23.5 million per annum^{xv}**. This does not factor in the impacts of any additional visitors.

Improved Car-Parking and New Public Transport Hub

- The provision of appropriate and affordable car parking is essential to the health and viability of town centres.
- A single public transport hub would release at least one of the existing bus stations for further development. Depending where the new hub is located it could increase footfall to that area which could impact local retailers (although there is likely to be some displacement).
- The Government published new planning guidance, in August 2013^{xvi}, aimed at increasing town centre parking. The guidance covers design, town centres and travel plans, and stresses **the important role appropriate parking facilities can play in rejuvenating shops, high streets and town centres**. The guidance has been developed following research that **suggests a strong relationship between parking provision and high street footfall^{xvii} and that there exists an overall dissatisfaction from town centre visitors with parking facilities and costs that push them to shop out-of-town^{xviii}**.

Quality Office Space

- New high-spec / quality office space could lead to inward investment / new businesses locating within the town. 12m² of office space supports 1 FTE job^{xix}. **The Princess Street corridor alone has the potential for 10,000m² of new office development, this would support just over 800 jobs** (although there is likely to be an element of displacement). There would also be additional construction employment.

Case Study

Trinity Centre, Leeds



Trinity Leeds is a million square foot with 120 shops, restaurants and cafes in Leeds city centre, which opened on 21st March 2013. On the opening day it was 90% let with a further 5% close to being let. The construction of the Centre created 622 FTE construction jobs in Leeds and 1,144 in the wider economy for the 32 month construction period. There are an estimated 3,500 jobs within the Centre itself. Other benefits included the up-skilling of 180 young people and the project created 20 apprenticeships. The £350 million construction alone generated £740 million for the UK economy. Trinity had over 5 million visitors within the first 3 months of opening and generates an estimated £685 million of retail fashion, homeware and electrical sales alone per annum. Footfall in other parts of Leeds is also up by 15-30% since the opening and some market stall holders away from the Centre have experienced a 70% increase in sales. Another benefit is that around half of the occupiers in Trinity are new to Leeds. Leeds is now 7th in the retail ranking and 4th outside of London.

Endnotes

ⁱ Based on the average construction cost of 2, 3 and 4 bed homes of 3 case study areas (Suffolk Coast, East Cambridgeshire and Middleborough)

ⁱⁱ This assumes: output of £131,376 per construction worker; 20% leakage; 25% displacement; and a composite multiplier of 1.1

ⁱⁱⁱ Gross Value Added

^{iv} Based on applying average GVA per construction worker to net employment

^v Based on average household spend and £239,000 of retail turnover supporting 1 job

^{vi} Assumes all homes are Band D

^{vii} Source: Venuescore, 2013

^{viii} Source: Harper Dennis Hobbs, 2014

^{ix} Source: Great Britain Day Visitor Survey, 2013

^x Source: Great Britain Tourism Survey, 2013

^{xi} The Deep did generate 855,000 visitors when it first opened

^{xii} Assuming the above uplifted visitor expenditure

^{xiii} Statistics taken from Living Streets: The Business Case for Better Streets and Places based on a number of case studies including Coventry, Bristol, Ealing, and Sheffield

^{xiv} Based on average time spent on day visits across England as a whole. Data not available for Ipswich

^{xv} Applying an average spend of £6.88 per hour

^{xvi} This was under the Coalition Government but there is no reason to suggest this will change

^{xvii} Although this is not quantified and as such is difficult to suggest a potential uplift in visits

^{xviii} Source: Association of Town and City Management, 2012

^{xix} Source: Homes and Communities Agency, Employment Densities Guide, 2013