

5

Socio-Economic Benefits

5.1

Introduction

Canal restorations have the potential to deliver significant benefits for the local communities and economies. In particular, the nature and scale of such positive impacts can be determined by assessing the direct and indirect interactions between the canal and the key drivers within its context area.

Hence, in order to have an early view on the potential impacts of the envisaged restoration of the Uttoxeter Canal, this chapter identifies the likely impact / economic drivers within the canal's context area. This is followed with a qualitative outline appraisal of the potential impacts.

Realising any socio-economic benefits within the Uttoxeter Canal's context area may have direct and indirect cost implications. Additionally, the long term maintenance of a restored canal will require a regular stream of income to ensure its operational viability. Considering these issues, the latter half of this chapter briefly explores the capital and revenue cost and income implications and explores any financial deliverability issues at this early stage.

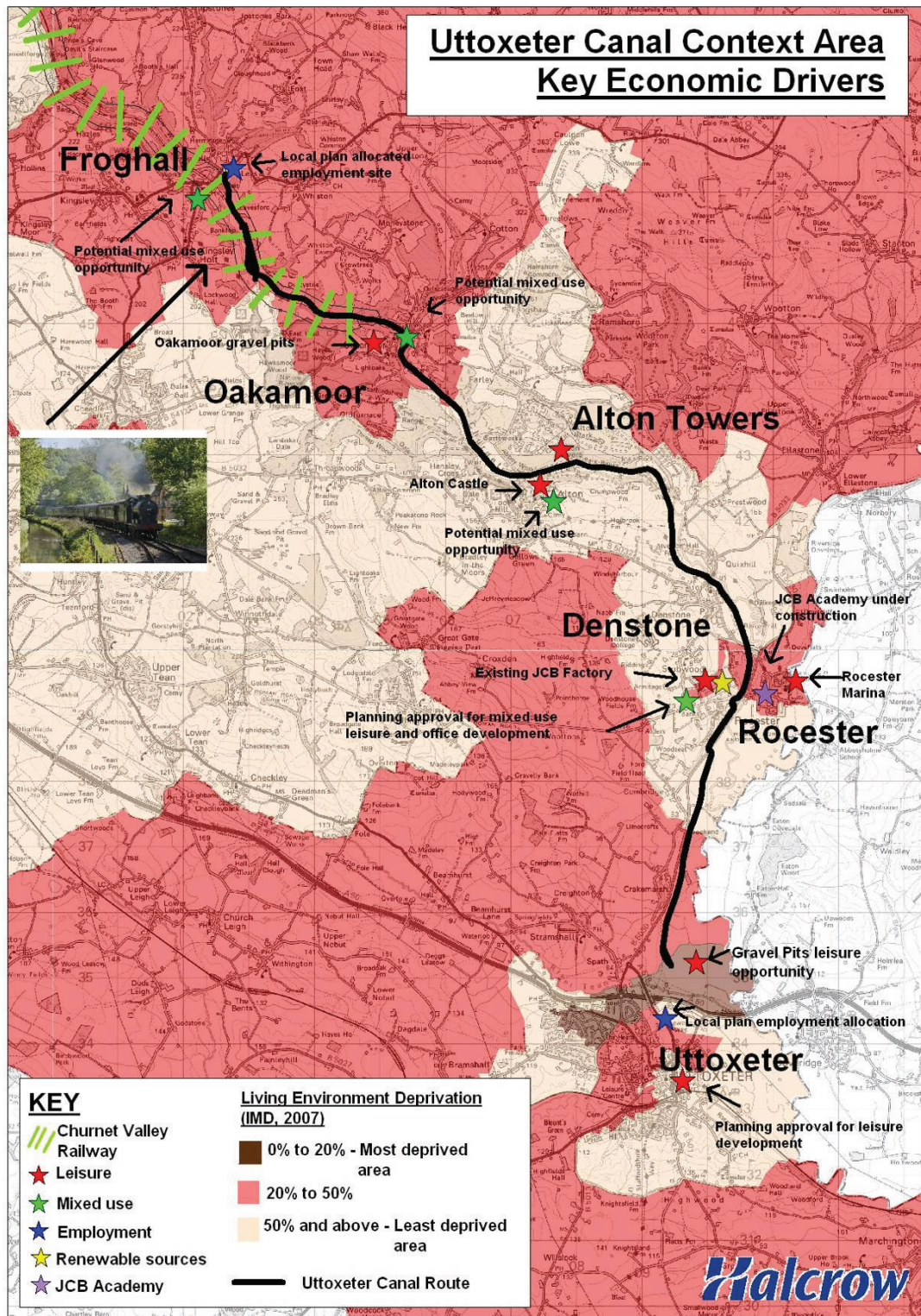
A short synthesis of the above analysis along with recommendations is presented in the conclusions of the chapter.

5.2

Context Area and Key Drivers

The North Staffordshire Tourism Strategy suggests that heritage (including canals and steam railways), outdoor activities, landscape and the environment are some of the key drivers for the sub-region's visitor economy. An initial mapping of some key drivers within the context area of the Uttoxeter Canal (see Figure overleaf) echoes these messages. In particular, the envisaged canal route which will span from Froghall in Staffordshire Moorlands to Uttoxeter in East Staffordshire boasts some significant built and natural assets. The remainder of this section briefly outlines some existing drivers as well as those in the pipeline.

The canal context area is recognised as an area of natural beauty and appears to be successfully promoted, to some extent, by the local tourism sector as **"Staffordshire's Little Switzerland"**. However, the recent feasibility study of Uttoxeter Gravel Pits suggested that the country park market in the West Midlands



region is possibly reaching saturation. Accessibility to water features, demonstrated through the popularity of walking around the lakes at JCB headquarters, is viewed as a potential opportunity to increase current visitor levels.

The restored canal will have within its context area a **key market town and villages**, including Uttoxeter, Alton, Rocester, Denstone, Oakamoor and Froghall. Rather surprisingly, some of these areas appear to suffer from **living environment (indoor and outdoor)** deprivation. Accessibility to the canal for residents, workers and visitors from these areas should be considered as an essential component of the restoration project. As highlighted in the figure overleaf, these areas also present key locations for various **mixed use developments**.

Alton Towers, one of the largest theme parks in the UK, also lies within the canal's context area. It attracts nearly 2 million visitors per annum and generates £90 million of direct expenditure. However, the indirect expenditure generated by these visitors within the wider economy is viewed to be limited, though improving.

The North Staffordshire Tourism Strategy recognises this as a lost opportunity and indicates that the sub-region is currently not **maximising the full potential of this major visitor attraction**¹. Further, the document suggests that this can be achieved with an offer that integrates Alton Towers with the sub-region's key market towns and other heritage (including canals and steam railways) and landscape assets.

Churnet Valley Railway, which co-exists with part of the canal corridor, is another key attractor for the context area. On a similar note, **Alton Castle**, which offers various indoor and outdoor recreational and leisure opportunities, attracts visitors and creates economic output for the local economy. In the context of these two attractions, it is worth noting that the recent Uttoxeter Gravel Pits Feasibility Study suggests that the heritage based tourism market appears to be growing in the UK.

JCB, one of the UK's largest manufacturing organisations, have their headquarters and key manufacturing functions located within the context area. In fact, a stretch of the Uttoxeter Canal passes through JCB's premises. The organisation is a key

¹ Source: North Staffordshire Tourism Strategy 2004-2014 chapter 5.3

contributor to the sub-regional and regional economy and provides a significant number of high value jobs and economic multiplier benefits.

The organisation also makes significant social contributions towards the local communities. As mentioned earlier, the **attractive landscape around JCB's premises** attracts informal visitors. Moreover, the organisation attracts visitors for **interactive manufacturing plant based tours**. These visitors are likely to contribute indirectly towards the local trade. JCB's latest social investments include the **JCB Academy**, a unique engineering college which is due to open in September 2010. Additionally, JCB are seeking to develop a **hydro-power based energy solution** for their assets within the canal's context area.

The context area also has two quarries, Oakamoor and Uttoxeter, which historically have been major contributors to the local economy. The two District Councils are seeking redevelopment proposals for these sites. It is understood that **Oakamoor Sand Quarry** had some initial leisure / theme park based plans to capitalise on the spill over from Alton Towers. However, there is limited information in the public domain.

The **Uttoxeter Gravel Pits** is developing proposals for a water based activity park, including a marina and various other leisure uses. The projected annual footfall for the recommended proposals is viewed to be approximately 500,000, creating an annual sub-regional economic output of some £10 million².

Initial technical feasibility of the canal's restoration suggests that there is scope to build a **marina in Rocester**. Such a development is likely to become an economic driver for the local area, not least by directly and indirectly generating economic output for the sub-region. This would need to be considered in tandem with other possible marina developments to ensure no over-supply of marina space is created.

5.3

Opportunities and Economic Benefits

The restoration of the canal is likely to create economic additionality for the local economy by attracting formal and informal visitors and associated expenditure. Likewise, any potential marina will deliver similar benefits. However, considering assets within the canal's context area outlined in the earlier section, maximising

² Source: Leisure Opportunities at Uttoxeter Gravel Pits, Feasibility Study

socio-economic returns requires key shareholders to develop integrated solutions bringing together various socio-economic drivers.

Adopting the project logic chain guidance utilised by Regional Development Agencies, the table below outlines the objectives of the canal restoration project defined by the Trust, early thoughts on potential activities to deliver these objectives and likely benefits (outputs and / or outcomes) of these actions.

Table 5-1: Opportunities and Benefits

Objectives of the Project	Activities	Benefits (outputs and / or outcomes)
Ensure navigability of the Uttoxeter Canal	Restoration of the Canal Development of circa 200 moorings Development of a potential marina	Formal visitors to the context area Income generation for the restoration project Direct and Indirect expenditure into the local economy Construction jobs for the local economy Direct operational (maintenance of the restored canal) and indirect operational (tourism / leisure / recreation) for the local economy
Maximise the social and economic benefits of a navigable Uttoxeter Canal	Develop a strategy which explores opportunities for the canal corridor to act as catalyst for integrating all the social, commercial, heritage and landscape drivers to maximise output in the context area: Creation of walking and cycle routes along the canal corridor, creating formal links with all towns and villages within the canal's context area Creation of attractive water based gateways for key towns and villages within the canal's context area Explore (and implement) opportunities for organising water based recreation /	Healthy living and more productive workforce Improved quality of life Practical learning opportunities for local students Community pride Increased visitors to the context area and local attractions / destinations Increased trade for local towns and villages Creation of more tourism based jobs

<p>sports opportunities and weekend markets for local traders at key gateways and destinations in the Churnet Valley</p> <p>Joint strategy to create formal links with existing major attractions within the context area e.g. Alton Towers, Alton Castle, Churnet Valley Railway, JCB Tours and the wider natural landscape (Staffordshire's Little Switzerland) at key locations</p> <p>Actively promote creation of formal links with the major attractors / drivers in the pipeline e.g. a redeveloped Uttoxeter Gravel Pits and other developments (e.g. hotel, business space etc planning application in Denstone)</p> <p>Explore (and implement) water based freight activity with key businesses within the context area (e.g. JCB)</p> <p>Explore (and implement) water-based passenger movement (e.g. water taxis and water buses) on the canal corridor</p> <p>Explore (and implement) hydro based power solution to meet the demands of local businesses, education facilities and the wider community</p> <p>Explore (and implement) opportunities for floating houses and commercial developments (hotels, offices etc) along the canal corridor</p> <p>Provide opportunities for students of the JCB Academy with various engineering project</p>	<p>Creation of water transport based jobs (freight and passenger movement)</p> <p>Power generation through renewable sources – green energy</p> <p>Reduced carbon foot print of the context area</p> <p>Improvement in land values</p> <p>Scope for regeneration of areas suffering from deprivation</p> <p>Increased income generating opportunities: sale of renewable energy, water based freight activity, water buses / taxis, markets at key gateways and destinations and development of floating homes / commercial developments.</p>
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The above analysis demonstrates the significant scope for generating social and economic benefits as a result of developing a more integrated approach towards the canal restoration project. The canal corridor is envisioned to act as a catalyst for bringing together all of the area's social, commercial, heritage and landscape drivers to maximise output.

Equally, the proposed activities present opportunities to generate significant income streams through diversification into the sale of renewable energy, the operation of water based freight and passenger transport, organising markets at key gateways and destinations and the development of floating homes / commercial uses at attractive locations along the canal corridor. Examples of the development of floating homes in Britain can be found at www.aqua-base.co.uk who specialise in building floating 'concrete' homes and by a company called BACA, who have plans for building a high density floating development – a large scale money spinner (www.baca.uk.com).

5.4

Deliverability

The technical viability analysis indicates that the restoration costs of the project are envisaged to be in excess of £80 million. Further, the ongoing maintenance costs of the canal corridor may be approximately £0.5 million p.a. The remainder of this section provides some early thoughts on the capital and operational deliverability of the canal restoration project.

The likely income generated from the envisaged moorings will ensure operational viability of the restored canal. As a comparison, it has been determined that the inclusion of 217 moorings on the Droitwich Canal, which is currently being restored, will fund the upkeep of the canal by British Waterways once opened. However, considering the limited resources of the Canal Trust, the deliverability of the canal restoration project during the capital stage is significantly dependent on the availability of external funding. Funding sources may include contributions from key private organisations active within the context area and key public sector funds such as Advantage West Midlands' Single Programme, Sustrans funds monitored by the County Council and other major sources such as Sport England, the Heritage or Big Lottery Fund and the Environment Agency.

Considering the current economic climate, a significant proportion of government spending in the medium term has been diverted to direct business support activities. Further, the hosting of the Olympic Games in London in 2012 has diverted major public sector resources from other investment activities. This said, the funding for public realm improvements including footpaths and cycle ways could be brought forward sooner from sources such as Sustrans and Sport England. Further, the ability of the Trust to transparently demonstrate the alignment of the canal restoration project with the needs and opportunities presented by the context area's key private sector organisations could allow the Trust to lever in long term contributions from these drivers.

In light of these issues, the Canal Trust could actively explore opportunities for diversifying its activities to generate significant income (e.g. sale of renewable energy and development of floating homes / commercial uses at attractive locations along the canal corridor). These could improve the Trust's financial standing over the medium term, the likely timescales of attracting public investments. Any improvements in the Trust's ability to invest its own resources into the canal restoration project will improve the opportunities to attract capital funding.

Further information on this approach can be obtained from the Development Trust Association who state that Trust which they help now have an income of £260 million and assets worth approx £0.5 billion in community ownership.

A quote from their website – “Development trusts are community owned and led organisations. They use self-help, trading for social purpose, and ownership of buildings and land, to bring about long-term social, economic and environmental benefits in their community.”

5.5

Early Conclusions and Recommendations

The above have highlighted the potential economic benefits of restoring the full length of the canal from Froghall to Uttoxeter. The restored canal will help maximise the potential of key economic drivers along its route and will create new opportunities for economic growth and prosperity. Beyond the purely economic benefits (job creation, increased visitor footfall, economic multiplier effects), the restored canal is likely to deliver wider social benefits. It is well documented that people enjoy spending time near water spaces. The restored canal will help reconnect local people with the water and is likely to have cultural and heritage benefits too as people re-discover the strong links previous generations had with their local waterways (which often served as places of work and recreation as well as important transport routes). Clean, well-maintained and well-landscaped waterways are proven to improve the quality of life of local people, discourage crime and antisocial behaviour and attract further inward investment. It is likely that land values across the canal would be positively affected too as the area becomes more attractive for a range of land uses.

In terms of taking things forward, it is recommended that a partnership approach is adopted. Key partners and stakeholders should be identified and engaged at an early stage to ensure buy-in and continued engagement throughout the lifecycle of

the project. Links with existing visitor attractions and economic drivers in the area should be explored and opportunities for joint action identified.

To ensure the financial viability of the project it will be important to explore revenue generating activities as outlined earlier in the chapter. Potential funding opportunities should be pursued but in order to secure funding it will be important to create a partnership and management team to drive the project forward from a stable base and demonstrate the project's ability to generate sufficient levels of income during its operational phase.