Strood Town Centre

Civic Centre Relocation Impact Study

Medway Council

January 2008

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Project No: 141211
January 2008

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Status: Status   Issue no: 0   Date: 18 January 2008

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1. Introduction

1.1.1 Colin Buchanan (CB) has been commissioned by Medway Council to perform an economic impact assessment of the relocation of the Civic Centre from Strood Town Centre to Gun Wharf in Chatham.

1.1.2 This report attempts to isolate key economic impacts that the relocation will have on Strood. In the short term, the relocation can expect to impact:

- Expenditure at local shops and services
  - Expenditure from Civic Centre employees
  - Expenditure associated with trips induced into Strood by Civic Centre services
  - Expenditure by the Council – incidentals that may be purchased locally
- Access to the town centre
  - Loss of free public parking at the Civic Centre at nights and weekends
- Employment among Strood residents working at the Civic Centre who may not be able to commute to the new site

1.1.3 Longer term, the key impacts will come from the turnover of the Civic Centre site – how it will be used, what benefit that use will bring to the town centre, and how long it will take to turnover the site.

1.1.4 Before these impacts are assessed, crucial foundations and context are set out regarding Strood's current economic position, development plans, and aspirational position within frameworks such as Medway Renaissance and the Medway Economic Strategy. It is within this background understanding that the assessment is undertaken.

1.1.5 The Civic Centre relocation has already been confirmed for Spring 2008, therefore, this report will not consider alternative options. Furthermore, the scope of this work is solely on the impacts in Strood of the move away from the current Civic Centre location. Impacts on Chatham, and other areas, are outside the scope of this work.

2. Methodology

2.1.1 This project included:

- A literature review of relevant background documents on Strood's economic performance and future strategy
- A brief quantitative assessment of key indicators of Strood's economic performance
- Qualitative assessment including interviews with Council staff, local estate agents, local retailers and other stakeholders
- Evaluation of the Council's Civic Centre staff survey to learn more about shopping and expenditure patterns
- Survey of Revenues and Benefits Office customers to understand how many additional trips to the town centre are created by this service and how much expenditure is generated
- A final evaluation, drawing these elements together, estimating total financial impacts over a 15-year period, discussing broader implications and proposing mitigation strategies where needed.

3. Background

3.1 Economic performance

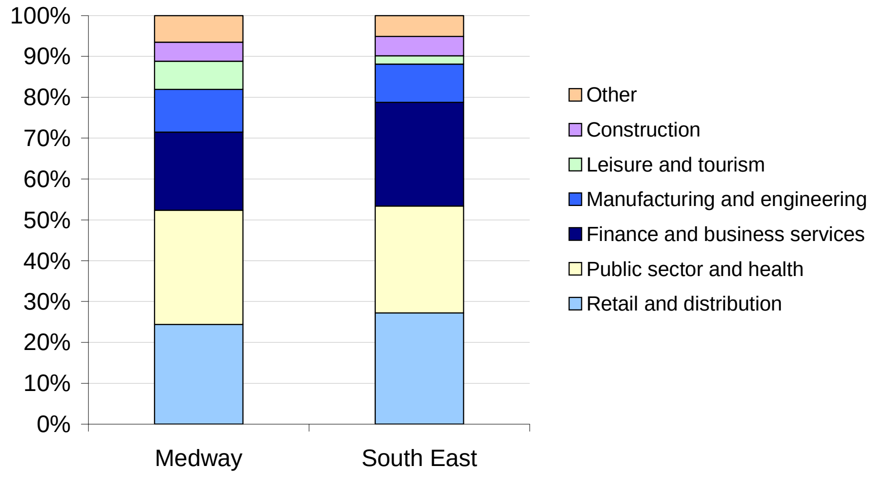
Summary

3.1.1 Strood, like much of Medway, contains a substantial commuting population, taking advantage of good rail links to London. Earnings of the district's residents exceed that of the district's workers, but economic development strategy is seeking to strengthen the local employment offer, particularly in terms of higher-skilled office development and in education-related employment, associated with the expansion of the Universities at Medway.

Employment

3.1.2 Employment in Medway has a very similar composition to that in the South East more broadly, although it has a lower proportion of financial and business services than elsewhere in the region (Figure 3.1). This, however, is scheduled to change with Medway's extensive planned regeneration, targeted at creating a commercial centre in Chatham, attractive to office employment.

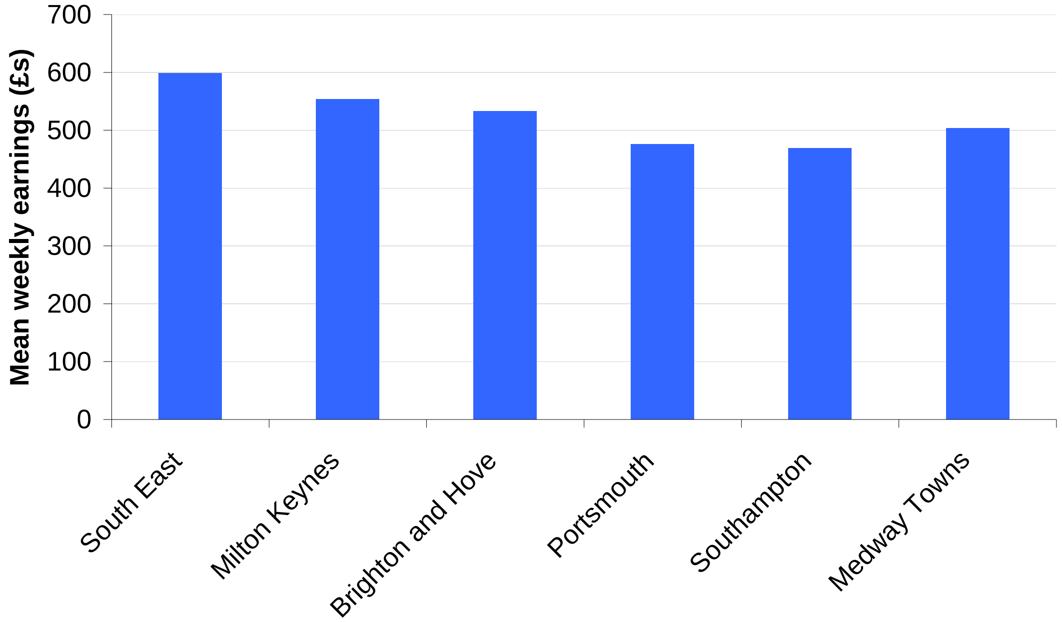
Figure 3.1: Employment distribution



Income

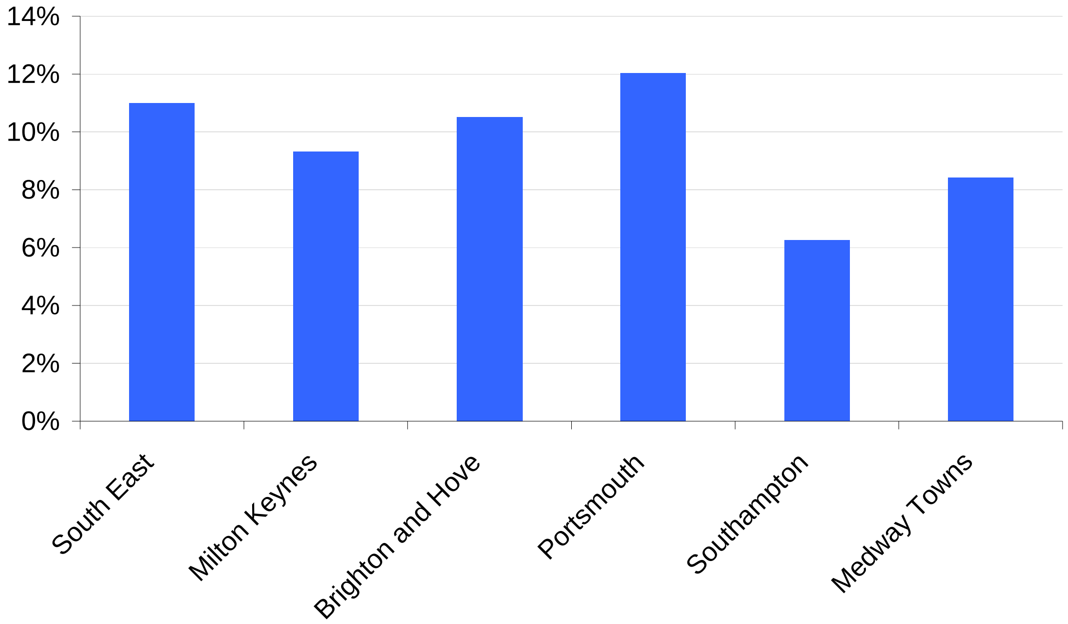
3.1.3 Earnings among Medway residents is on par with comparator districts, such as Southampton, Portsmouth, Brighton and Hove and Milton Keynes, although earnings are about 17% lower than the South East average (Figure 3.2). Over the last four years, growth in wages has been just more than 2% points slower than the regional average (Figure 3.3).

Figure 3.2: Mean weekly earnings by place of residence, 2006



Source: ASHE

Figure 3.3: Growth in mean earnings 2002-2006 (by place of residence)



Source: ASHE

Travel to work

3.1.4 Medway has a considerable share of residents that commute into London for work. Strood is no exception – employed residents in Strood's three wards were split evenly, roughly half working in London and half working in the South East, according to the 2001 Census.

3.2 Strood Town Centre's current state

3.2.1 Strood currently contains two retail centres – Strood town centre and Strood Retail Park. The two centres are adjoining but relatively well connected. The town centre contains a busy one-way road system, with one pedestrian underpass.

3.2.2 The retail provision is mostly convenience goods, with a total of 14,000 sqm of net floorspace and 130 units. Vacancy rates in Strood are around 8 percent. A popular market is open on Tuesday and Saturday and parking provision is at 285 parking spaces on weekdays and 610 at weekends.

3.2.3 Key retailers include Woolworth's, Tesco, Morrison, Argos, Next, Boots, and B&Q.

Expenditure

3.2.4 Medway Council's 2005 Retail and Commercial Leisure Study found that Medway's population profile and income levels were broadly on par with England's averages. Medway has slightly more affluent and mobile residents than average, and these residents can and do travel to a wider range of shops than is available locally. A significant share of residents shopped in Maidstone and at Bluewater.

3.2.5 Strood Town Centre attracts shoppers mainly from the local area. In shopper surveys, the main reason for shopping in Strood was its close proximity to home/work.

3.2.6 Calculations based on the findings in the 2005 study show an estimated annual turnover in Strood Town Centre of nearly £130 million (see Table 3.1). These calculations are based on 2004 floorspace and sqm to turnover ratios, but the values have been uplifted to 2007 prices to estimate current turnover.

Table 3.1: Estimated annual retail turnover in Strood Town Centre

Element	Value
Comparison	
2004 Sqm of comparison in Strood town centre (gross)	16,420
2004 Sqm of comparison in Strood town centre (net)	11,494
2004 Adjusted turnover in Strood town centre (2001 prices)	39,600,000
2004 Avg. turnover (£s) per sqm (net) in Strood (adjusted) (in 2001 prices)	3,445
Raised to 2007 prices (factor 1.175)	4,048
Estimated turnover	46,530,000
Convenience	
2004 Sqm of convenience in Strood town centre (gross)	5,626
2004 Sqm of convenience in Strood town centre (net)	3,657
2004 Adjusted turnover in Strood town centre (2001 prices)	40,000,000
2004 Avg. turnover (£s) per sqm (net) in Strood (adjusted) (in 2001 prices)	10,938
Raised to 2007 prices (factor 1.175)	12,852
Estimated turnover	47,000,000
Estimated annual turnover	**93,530,000**

Calculations based on values in Medway Council and DTZ, 2005. Turnover per sqm ratios established using adjusted values in Appendixes 8 and 12.

3.3 The Civic Centre's current state

Location

3.3.1 The Civic Centre is currently located between the waterfront and the town centre in Strood. The site is historic – home of the Aveling and Porter factory which built steam rollers and traction engines starting in 1861. Views across the Medway River to Rochester Castle and Cathedral are impressive, and the unique location drives considerations for residential development of a high standard within the area.

3.3.2 The Civic Centre site extends over 5.2ha of land, spread over two areas. The northern portion of the site contains the Edwardian Civic Centre building and its 1970s extension, a depot warehouse, call centre, and a car park with 360 spaces. The southern portion of the site is across Jane's Creek and is currently overgrown and partially covered by paving.[1]

Employment

3.3.3 The Civic Centre main building currently houses around 600 employees. Most of these are in the Business Support Services, Children's Services, and Community Services.

3.3.4 The site also contains a depot warehouse, which is scheduled to contain around 225-275 employees in the very near future (approx 25 employees from the Control Centre, and 200-250 from the Frontline Task Force will be moving in). According to Richard Pellant (Council Staff), these employees are likely to remain in this facility until the council "disposes of the site" sometime in the next five years.

[1] Strood Civic Centre Development Brief, Dec. 2007.

Planned move timing

3.3.5 Civic Centre employees are scheduled to move in phases, to be completed around April, 2008.

3.3.6 Employees at the depot are expected to stay around five years, while decisions are made regarding what will happen to the site and when. As these plans are currently unclear, we assume this relocation as a separate occurrence, and therefore focus on the relocation of the Civic Centre itself and the affiliated parking area and portions of the site for which more solid plans are established and can be evaluated.

3.4 Other plans for Strood

3.4.1 The Medway Renaissance is an expansive plan to redevelop the Medway Towns, with £1 bn in investment estimated over the next 20 years. Within this plan, the towns have different roles and character. Extensive waterfront development across Medway is a common theme, and the overall goal is to make Medway a “premier European city of learning, culture, tourism, and enterprise.”

3.4.2 Strood in particular is planned for significant waterfront residential development, with the Strood waterfront leading the way. As Chatham is geared up to become the commercial centre of the Medway Towns, both the overall vision and the 2005 Retail Study suggest modest retail growth in Strood.

3.5 Other similar examples

3.5.1 This study looked for examples of other similar relocations for examples of best practise closely related to Strood’s situation.

3.5.2 The closest example identified is in Aylesbury Vale, where Council Offices have just been approved for a 2009 move from two offices in the town centre to an out of town location in purpose-built office space.

3.5.3 One of the key reasons for this move is to free up town centre land for redevelopment to lead the town centre’s regeneration. The Council also hopes to save money by being located in more modern, efficient accommodation.

3.5.4 As yet, no similar economic impact study is planned in Aylesbury Vale.

4. Impact Assessment

4.1 Employee relocation

4.1.1 The Civic Centre currently provides local employment in Strood. With these jobs moving to Gun Wharf, some employees that live locally and work at the Civic Centre may have difficulties getting to work and keeping their jobs at the new site. This could be because of the need to be local for family care arrangements or if an employee's current commute (walking or bus) is no longer possible, and a mode switch causes significant difficulty. Local employees losing their jobs in this way would be a negative local impact on Strood.

4.1.2 Public transport provision at both the Civic Centre and at Gun Wharf have been reviewed. Around 17 bus routes currently run in front of the Civic Centre. Discussions with transport officials at the Council confirm that all of these bus routes also continue on to Chatham, which is the main bus interchange for the area. For current Civic Centre employees that use the bus, their journey time may be lengthened a small amount, but no additional interchanges would be necessary, and it is expected that most employees currently commuting to the Civic Centre by bus would find no hardship in commuting by bus to the new site.

4.1.3 It also appears that the new site provides access to a much more expansive network of bus routes, opening up wider access to public transport users. This is beyond the scope of this work focussing on Strood impacts, though it is a significant impact Medway-wide, worth consideration more broadly.

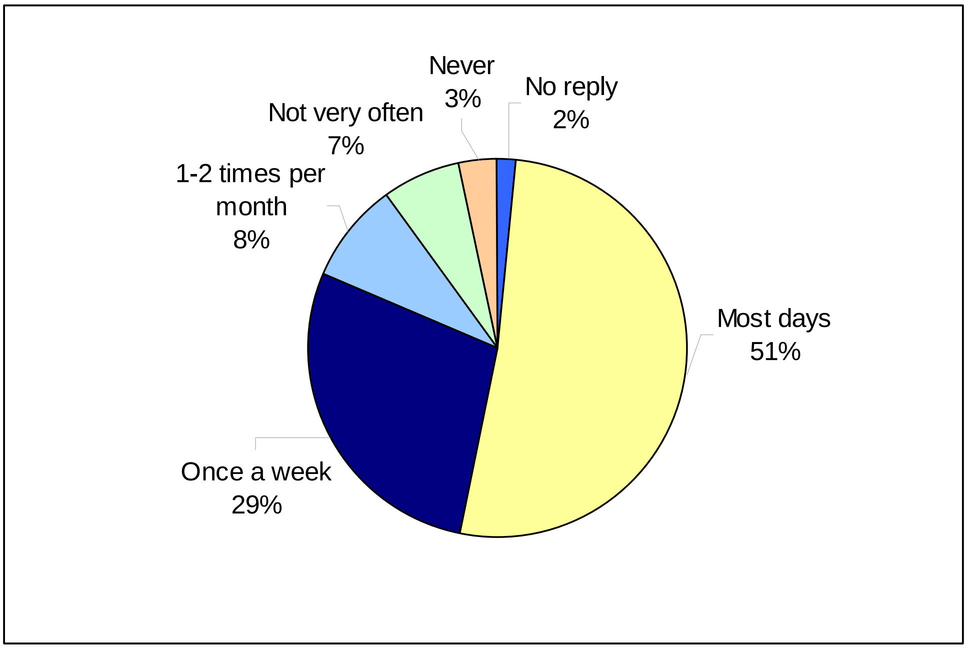
4.2 Retail spend among employees

4.2.1 Employees currently working at the Civic Centre are likely to use local shops, restaurants, and leisure facilities at lunch and after work. Change in expenditure in Strood associated with the loss of Civic Centre employee expenditure is another key impact.

4.2.2 This impact was assessed by surveying Civic Centre staff about their retail spending patterns. Around 20% of Civic Centre staff (119 employees) responded to the survey.

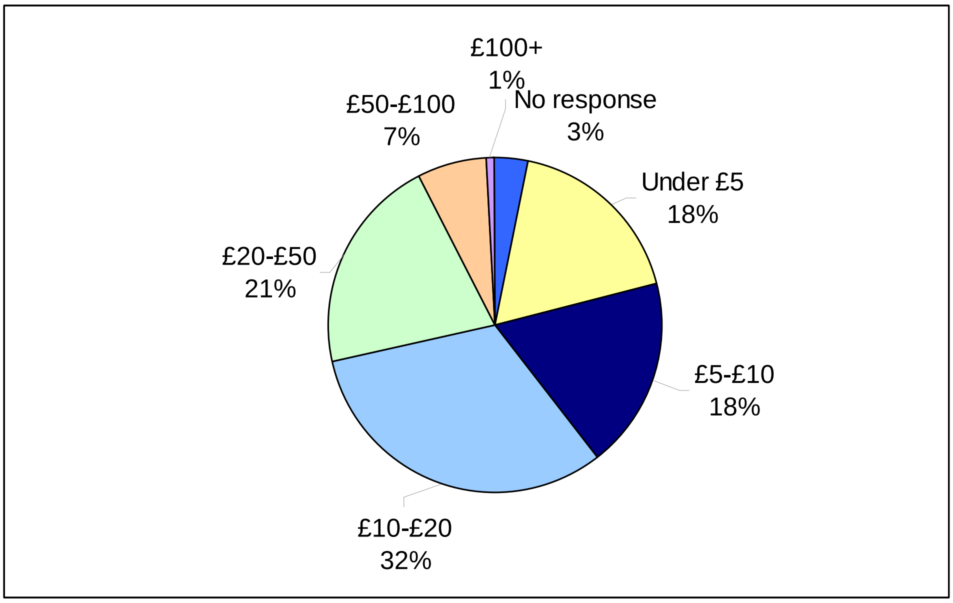
4.2.3 Overall, the survey indicated frequent visits to the town centre by Civic Centre staff. More than half said they visited the town centre most days, and a further 29% visit around once per week (see Figure 4.1). We would caution, however, that there may be some ambiguity as to whether respondents were considering only Strood Town Centre or also Rochester Town Centre. Instructions at the beginning of the survey specified to answer about Strood only, but we have some concern that the questions themselves did not specify and answers may pertain to 'town centre' spend more broadly. This may represent a modest overestimate of Strood Town Centre spend among employees.

Figure 4.1: Q3: During the working week, how frequently do you visit businesses/services in the town centre?



4.2.4 Expenditure patterns were, on average, relatively low, with nearly 70% of employees spending £20 or less in an average week in the town centre (see Figure 4.2).

Figure 4.2: Q5: On average, how much do you usually spend each week in the town centre on weekdays?



4.2.5 If we apply this distribution to the estimated 600 employees at the Civic Centre, total spend in the town centre can be estimated as in Table 4.1.

Table 4.1: Estimated weekly expenditure in town centre by Civic Centre Employees

Category	Share Of Civic Centre Employees	Estimated Number Of Civic Centre Employees	Midpoint Expenditure Per Employee	Estimated Weekly Expenditure
Under £5	18%	110	2.5	274
£5-£10	19%	115	7.5	861
£10-£20	33%	198	15	2,974
£20-£50	22%	130	35	4,565
£50-£100	7%	42	75	3,130
£100+	1%	5	125	652
Total	**100%**	**600**		**12,457**

Note: For this estimate, the 'No response' category was eliminated and this 3% of respondents was effectively distributed evenly among the other six categories. The estimated expenditure for the £100+ category was £125 per person.

4.2.6 We therefore estimate that businesses and services in Strood will lose £12,500 per week in employee expenditure.

4.3 Services at the Civic Centre that attract day trips and expenditure

4.3.1 Civic Centre activities bring in visits from members of the public. The key customer-facing services are:

- Strood Contact Point
- Revenues and Benefits office
- Cashier

4.3.2 If these services bring in additional trips to the town centre that otherwise would not have occurred, and if these trips bring in additional expenditure in Strood town centre, then loss of such expenditure could be a negative local impact resulting from the Civic Centre move.

4.3.3 In assessing these three footfall-enhancing services, we found that two of the three – Strood Contact Point and the Cashier's Office – should not cause a change in trips as a result of relocation.

4.3.4 The Strood Contact Point will remain in the Civic Centre building beyond the initial relocation, until the building can no longer be occupied by the Council.[2] After that time, Strood Contact Point is planned to be relocated to elsewhere in the town centre. Therefore, any additional trips generated to the town centre by this facility will continue.

4.3.5 The Cashier service (currently about ten full-time equivalent employees) at the Civic Centre will be eliminated more generally and will be replaced by other methods of paying-in and depositing funds, yet to be determined. As this change is not a result of relocation, and, rather, changes in wider practises, any change in trips of cashier service customers is not considered an impact of Civic Centre relocation.

[2] We note that phasing and moving of different departments is evolving and changing. Planned move timing is accurate as of the interviews carried out in this research: Nov/Dec., 2007.

4.3.6 The third service, the Revenue and Benefits Office (approximately four employees) will also remain in the Civic Centre beyond the initial relocation. When the building is no longer available, these services will be moved to Riverside One. As such, any additional trips and associated expenditure generated in Strood by people utilising these resources could be reduced as a result of relocation.

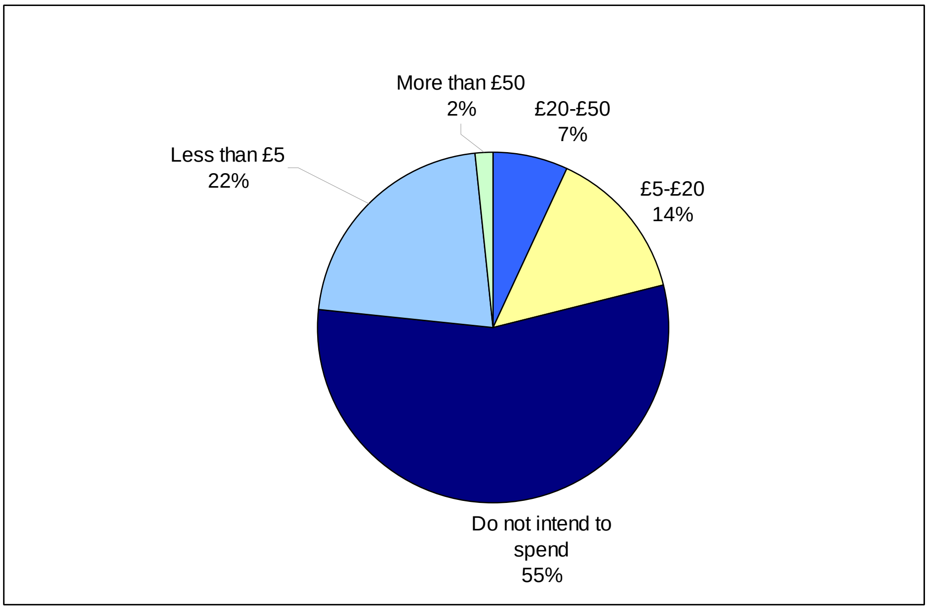
4.3.7 A survey of Revenues and Benefits customers was undertaken in December, 2007 to estimate how many customers make an additional trip into Strood Town Centre to use the Revenues and Benefits services. The survey also estimated how much customers expect to spend elsewhere in the town centre during the additional trips generated. A total of 149 responses were gathered during one week of survey – nearly 40% of the average weekly total visitors.[3]

4.3.8 A majority of Revenues and Benefits customers – nearly 90% -- said that they made their trip into Strood specifically for the Revenues and Benefits visit, rather than saying that they were coming to Strood anyway and stopped into the office. It seems, therefore, that a majority of trips to this facility are additional generated trips.

4.3.9 But of these generated trips, most said they intended to spend little while in town. Figure 4.3 indicates that 55% of those making a special trip in to the Revenues and Benefits office did not intend to spend any money in Strood. A further 22% expected to spend under £5. Just 9% intended to spend £20 or more.

4.3.10 It is noted that this survey was undertaken during early December, when retail expenditure would be expected to be higher than average, so this may be an overestimate of expenditure during an average month.

Figure 4.3: Estimated Expenditure, Induced Trips



4.3.11 This survey specified expenditure in Strood town centre only, so there is no ambiguity with Rochester. We estimate that of the 400 Revenues and Benefits

[3] Average weekly total visitors = 400, as reported by Jon Poulson, council staff member.

customers each week, 90% (360) are induced, additional trips. According to the spending patterns observed, we estimate that these trips generate just over £2,100 in expenditure in Strood each week (Table 4.2).

Table 4.2: Estimated Expenditure Generation in Strood – Additional Trips to Revenues and Benefits Service

Category	Share Of Induced Revs And Bens Customers	Estimated Number of Revs and Bens customers per week	Midpoint expenditure per customer	Estimated weekly expenditure
£20-£50	7%	25	35	886
£5-£20	14%	51	12.5	633
Do not intend to spend	55%	200	0	0
Less than £5	22%	79	2.5	197
More than £50	2%	6	75	422
Total	100%	360		2,138

4.3.12 Once the Revenues and Benefits Office relocates from the Civic Centre, we estimate this will create a loss of expenditure in Strood of around £2,100 per week.

4.4 Direct expenditure by the Council within the town centre

4.4.1 Although most expenditure of the Council itself is likely to go through wider procurement procedures, it is also possible that some small incidentals would be purchased locally from time to time. Food and drink for last minute meetings or emergency stationery supplies, for example, may be purchased with petty cash on occasion.

4.4.2 We examined this possibility by enquiring with appropriate PAs and team administrators at the Civic Centre. The feedback from these individuals was that no petty cash exists at the Civic Centre and that all purchases go through wider procurement procedures.

4.4.3 Therefore, no evidence of incidental local spending by the Council in Strood was found. Strood businesses that provided goods and services to the Council at the Civic Centre, won through procurement procedures, are presumed to have the opportunity to provide these goods/services to the Council at Gun Wharf.

4.5 Role of Civic Centre in providing parking to town centre activity

4.5.1 The Civic Centre parking lot currently provides free parking in the town centre at evenings and weekends. Parking provision can help support town centre activity, and, therefore, any changes in parking provision in the town centre should be assessed for possible changes in visitors and expenditure in Strood.

4.5.2 The current parking supply in Strood appears to be adequate on the whole. There are currently about 275 parking spaces available in Strood's public parking facilities (excluding the Civic Centre).[4] On market days (Tuesdays and Saturdays) parking is not permitted at the Commercial Road car park, resulting in 101 fewer spaces. Significant private parking (around 350 spaces) is also available at Strood Retail Park, with a two hour time limit.

4.5.3 Usage of the car park at the Civic Centre on evenings and weekends, for use of the town centre, appears minimal. The Civic Centre car park is further away from the shops than other parking options, and the walk to the high street is awkward and not well lit.

4.5.4 Before implementing the market, the Council studied car parking habits at the Civic Centre on evenings and weekends, and found that usage was very low. Additionally, local business owners on the Strood Forum (and estate agents interviewed) mentioned that they don't believe that customers use the car park at the Civic Centre, and thus, feel that the loss of that car park would not impact on their business.

4.5.5 However, other car parking lots are scheduled to close soon, including one unofficial car park behind the High Street, which is soon to become the site of Aldi. Car parking pressures may increase in the short term.

4.5.6 During this time, the Civic Centre may be able to alleviate any parking shortage. Although it is not entirely clear what will happen to the parking lot as part of the longer term redevelopment, it is envisaged that in the short term, until the site is sold on, the parking lot will continue to provide parking in the town centre 24 hours each day. Parking provision during the day will be greatly increased when the Civic Centre employees are no longer parking on the site. As such, this may help increase town centre visits and expenditure in the short term.

4.5.7 It should be noted that interviewed members of the Strood Forum were very concerned about the loss of the Commercial Road car park on market days, and they suggest that this has caused a significant decline in turnover and footfall on the High Street on market days. Shoppers are more reliant on the two-hour limited car park at the Strood Retail Park on market days, and Forum members believe this is inadequate. The shopper surveys in the 2005 Retail Report, however, suggest that a majority of Strood shoppers say they would not spend more than an hour shopping in Strood.

4.5.8 As very few users park in the Civic Centre car park on evenings and weekends, it is estimated that the loss of this public parking facility will not have any impact on the retail and leisure expenditure in Strood's town centre. The Civic Centre car park may become more desirable as other parking facilities close, and the car park may then be able to provide a short term benefit to Strood if parking is permitted during the interim between the time the Civic Centre staff leave and the facility is sold on.

4.6 Redevelopment of Civic Centre site

4.6.1 The redevelopment of the Civic Centre site is the driver of the longer term impact of the Civic Centre relocation. In this section, we examine what is likely to be developed on the site, and the likely economic impact. The shorter term impacts of the transition between the current and future use are also discussed.

Proposed development

4.6.2 Medway Renaissance has procured a development brief (AZ Urban Design Studio and Studio Egret West, 2007) and a development brief assessment

[4] Source: correspondence with Council Parking Team.

(AtisReal, 2007) for the Civic Centre site. These documents have been reviewed and assumed as the likely scenario for the turnover of the Civic Centre site.

4.6.3 The development brief outlines the masterplan for a residential-led mixed use development. The overall vision is that of high specification development, to take advantage of the views and strategic location near historic Rochester and good rail links. With high quality design, it is thought that the Civic Centre site could create a “new ‘premium tier’” (AtisReal 2007, p. 4) of housing in Medway, and that residential sales values would be higher than the current standard for new residential in the area. Small amounts of retail and office space will also be included.

4.6.4 This overall concept matches with feedback from local estate agents and business owners. Strood is not thought to be a desirable office location, retail space was thought to be readily available, and the location is not suited to industrial use. Interviewees consistently believed the market would call for residential development, and some thought that a small amount of retail/office space would also work well. Others mentioned that the site is not a very good location for retail or office space as it is currently an awkward walk from either Strood or Rochester High Streets.

4.6.5 The masterplan is indicative, so quantities of development are not precise, though we accept the presented quantities and scale as our best assumption of the actual development.

4.6.6 The indicative masterplan for the site includes 308 residential units (apartments, maisonettes, and town houses) with a total of 750 bedrooms. Affordable housing is expected to comprise 25% of units, with two-bedroom apartments being most common (see Table 4.3).

Table 4.3: Indicative masterplan housing breakdown

Unit type	Sqm	Number of units	Estimated residents per unit	Estimated residents
1 bed apartment	47	42	1.5	63
2 bed apartment	67	116	2.5	290
3 bed maisonette	97	64	3	192
3 bed townhouse	120	60	3.5	210
4 bed townhouse	120	26	4	104
TOTAL		**308**		**859**

4.6.7 Approximately 4,700 sqm of office space are envisioned and 4,255 sqm of retail and leisure space are also expected. These facilities would be positioned around a new square with views of the river.

4.6.8 Residential development at the Civic Centre site, along with other riverfront development in Medway is expected to act as “gateway developments that will go on to attract a wider market to Medway.”

Long term impacts

4.6.9 The proposed residential development accommodates an estimated 860 residents. Approximately 25% of residents will be in affordable units, but the remainder are expected to be paying above average rents for the area, in this premium location. These relatively high income earners can be expected to provide a boost to local shops and services.

Residential expenditure

4.6.10 We can estimate the expenditure that these new residents will make annually, and this represents a *potential* gain to Strood and local retail and services. However, Strood will need to compete and capture this expenditure. New residents are likely to make some purchases locally, but these residents will be nearly equidistant from Rochester and Strood, may well have access to shops and amenities where they work (and with proximity to the train station, this may be London or other areas), and, with ample car parking provided, likely to have car access. New residents may be high income, but also relatively mobile and able to shop in other locations.

4.6.11 Nevertheless, the estimated expenditure of new residents is substantial and the potential boost to local businesses is promising. Average household expenditure in the South East was £481 per week in 2006 (above the UK average of £432).[5] In the South East, this includes an average net rental payment of £81/wk for renters and an average mortgage payment of £171/wk among mortgage holders. Average expenditure on net rent and mortgage across the region (including mortgage-free homeowners) = £21 and £63, respectively.

4.6.12 To estimate the additional expenditure potential in the Strood area, we subtract from total weekly expenditure (£481/wk) the average amount spent on rent and mortgage (£21+£63 = £84), leaving an estimated £397/wk in spending that is likely to occur in shops, and could potentially be spent locally in Strood.

4.6.13 We take the conservative estimate that the new households that are not in affordable units spend in line with the region's average. In the 25% affordable units, we assume household expenditure at ¾ of the regional average. Although some of these residents may be existing local residents, the homes they leave will be occupied by others moving in – there will be a filtering in effect, so each new dwelling creates additional household expenditure locally.

4.6.14 Table 4.4 presents the calculations based on the above assumptions. The new households on site are expected to spend just under £6 million annually.

Table 4.4: Estimated expenditure – new households (in £s)

	Number of New Households	Estimated Expenditure Per Household (Weekly)	Total Weekly Expenditure	Total Annual Expenditure
New affordable units	77	298	22,927	1,192,191
New market priced units	231	397	91,707	4,768,764
TOTAL				5,960,955

4.6.15 It should be stressed that these figures are for estimated expenditure among new households, and that Strood businesses will need to compete for this business. Not all of this expenditure will occur locally. But these households create extremely positive new market potential a few blocks away from Strood Town Centre.

Employee expenditure

[5] ONS Family Expenditure Survey

4.6.16 Utilising standard ratios of sqm to employee provided by English Partnerships, the 4,700 sqm of office space planned for the redeveloped site will support 250 employees. The 4,255 sqm of retail and leisure space supports an estimated 215 employees. Therefore, the new development is expected to employ only around 20% fewer employees than are currently employed on the Civic Centre site.

4.6.17 Without knowing more about the types of shops and offices on the new development, it is difficult to know how expenditure patterns of new employees may differ from the current Civic Centre employees. It would be reasonable to assume that employee expenditure will be 20% less after redevelopment, in line with the scale of reduced employees on the site.

4.6.18 Compared with the estimated £12,500/wk annual local expenditure among employees at the current site, we estimate employees at the redeveloped site will spend £10,000/wk locally.

Wider implications

4.6.19 There are, however, wider implications locally from the scale of development. More broadly, traffic concerns are already an issue, with congestion over the bridge between Strood and Rochester. Current traffic problems in Strood are known to the Council, and new traffic solutions would be needed to deal with the additional traffic from 300+ new household units.

4.6.20 The scale of growth also means that other local services may need to be expanded, such as community facilities, athletics and leisure facilities, libraries, schools, etc. These will no doubt be a consideration by the Council's planning team in taking forward a more detailed masterplan and are listed here as economic impacts of consideration.

4.6.21 New office and retail premises toward the waterfront could enhance the offer in Strood town centre, but they may also create an environment that competes with the existing high street, with the new waterfront location being more desirable. This potential impact should be a consideration in the masterplanning and design of the development.

4.6.22 On the other hand, this high profile, high specification development provides great potential for re-branding Strood and bringing high-level regeneration, in line with the overall priorities set out by Medway Renaissance. In broader terms, this development could well serve as the catalyst for new investment and regeneration in Strood, creating a more thriving and lively town centre, boosting economic development across Strood over the long term.

4.6.23 This kind of regeneration means change – and if Strood's Town Centre becomes stronger and more competitive, some weaker local businesses will be replaced by stronger ones. This process is not pleasant for businesses on the way out, but is an inevitable part of regeneration.

Short term impacts

4.6.24 In the short term, turning the site over quickly benefits surrounding businesses. Having the Civic Centre site under construction will not only create an undesirable atmosphere that will deter some visitors, but it will also create a time when employment on the site falls considerably (from the 600 current employees to the construction employees, and then back up to 465 when complete). The construction period will be the most difficult on existing businesses; keeping this phase as short as possible will be beneficial.

4.6.25 As discussed in the Development Brief and Development Brief Assessment, the site is sensitive to flooding. Flood defence will need to be a significant part of the construction on the site (the cost of flood defence at the site is estimated at £3.5 m by Atis). There is also some discussion of raising the site, to make it level with the high street. These processes are likely to make the site turnover longer than would otherwise be expected.

4.6.26 Additionally, the crucial location of the site, its role in Strood's regeneration, priorities around preserving views, and the historic status of the original Civic Centre on the site suggest that planning processes may take longer than otherwise would be expected.

4.6.27 Atis estimates the following timescale:

- Planning/predevelopment: 12 months
- Construction: 36 months
- Post development: 9 months

4.6.28 Reflections from council staff indicate that Atis' estimate may be optimistic, and that some concern remains about potential contamination at the site which may require additional time. As we have no better professional assessment of the likely timescale for redevelopment, we accept Atis' estimate as our best assumption to date, with recognition that this may be subject to change.

4.7 Impact Summary

4.7.1 A financial summary of the economic impacts described above are presented in the tables below.

4.7.2 The relocation of the Civic Centre and redevelopment of the site are expected to cause a small loss in expenditure in Strood (up to 0.76% of annual retail expenditure) from 2007 until the redevelopment is complete (in our timelines, we have modelled the new site to be half occupied in 2013 and completely occupied in 2014).

4.7.3 Once the new development is occupied, employee expenditure goes back up to 80% of that from the Civic Centre employees, and the potential additional expenditure from residents could add up to 5.72% to expenditure locally. This significant increase in expenditure, together with a desired image and regeneration boost, present a significant positive long term impact for Strood.

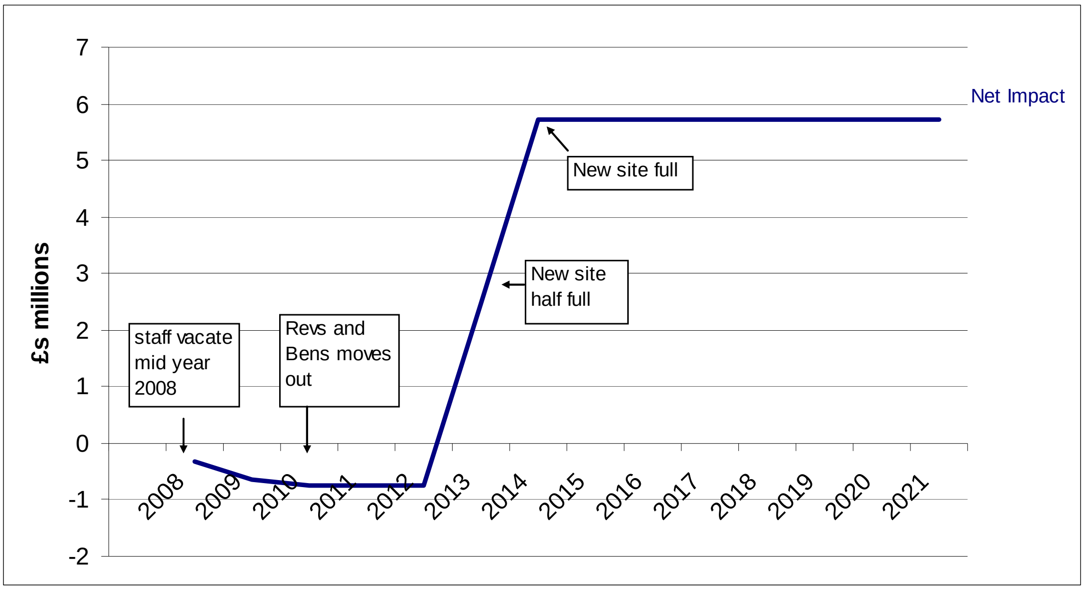
Table 4.5: Annual impact summary

Element	Gain To Strood	Loss To Strood
Loss of Civic Centre employee expenditure		647,764
Loss of expenditure associated with Revenues and Benefits trip generation		111,176
Employee expenditure - new development	518,211	
Residential expenditure potential	5,960,955	
Subtotals	6,479,166	758,940
Net effect	**5,720,226**	

Table 4.6: Estimated Net Economic Impact – 15 yr. Timespan (in £ millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Loss of current expenditure	-0.32	-0.65	-0.76	-0.76	-0.76	-0.76	-0.76	-0.76	-0.76	-0.76	-0.76	-0.76	-0.76	-0.76
Gain of new expenditure						3.24	6.48	6.48	6.48	6.48	6.48	6.48	6.48	6.48
Net impact	-0.32	-0.65	-0.76	-0.76	-0.76	2.48	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
As a share of estimated annual retail turnover	-0.3%	-0.7%	-0.8%	-0.8%	-0.8%	2.7%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Figure 4.4: 15-Year Net Impact Schematic



5. Strategies for improvement and mitigation

5.1 Forward planning

5.1.1 The planning process for the new development should carefully consider impacts on local amenities, such as schools, leisure facilities and transport. Traffic is already a particular concern in Strood, and redevelopment of this site may present an opportunity to improve the current infrastructure, as well as prepare for an increase in residents in the town centre.

5.2 Business support

5.2.1 The site redevelopment will cause a small downturn in expenditure in the short term, during construction, and this phase may be very difficult for some of Strood's local businesses. In the long run, the improvement and regeneration of the town centre will mean that some weaker businesses will be replaced by stronger ones – overall a positive change for Strood, but a change that is undesirable for some.

5.2.2 The Council and Town Centre Managers can think creatively about the appropriate support for Strood's businesses in the short and long terms. In the short term, some creative event programming (perhaps taking advantage of the Civic Centre car park) could be planned. Softer approaches, such as offering business improvement courses in window dressing or service professionalism could be offered. The aim here would be to assist each business to operate at its best, helping the stronger ones to survive, but not spending large amounts of money preserving weaker businesses that are likely to change in the regeneration process.

5.3 Connecting new retail to the town centre

5.3.1 The proposed new development includes riverfront retail facilities. Planning and design should work to allow the new retail to complement the existing town centre facilities, rather then to out-compete them. Good pedestrian access between the new retail and the town centre should be established, encouraging shoppers to use both. Efforts should be made to retain the importance of the High Street, rather than having the new retail space become dominant.

5.4 Transition the site as quickly as possible

5.4.1 Several key issues, such as flood defence, view preservation, historic buildings, and the crucial importance of the site to Strood's regeneration mean the planning and implementation processes may be subject to delay. All due diligence is of course warranted, but, where possible, delays should be avoided in the planning and implementation processes.

5.5 Use of the Civic Centre car park

5.5.1 After April, while the site is experiencing an estimated year or more of planning, the site can be used for parking or other creative activities to try to help local retailers during the transition period. This could be the site for a special riverfront market or for a series of summer festivals, or similar activity to bring people to Strood Town Centre. The fantastic views from the site, ample parking, and central location, offer promise for special events.

6. Summary Findings

6.1.1 This study examined the potential economic impacts of the Civic Centre relocation from Strood. Most of the potential sources of negative impact were found to have little or no effect.

6.1.2 In the short term, some negative impact is projected to occur as a result of the loss of expenditure of Civic Centre employees. Additionally, some trips to the town centre generated by the Revenues and Benefits Services at the Civic Centre will not occur. Though the number of these trips is substantial, expenditure at local shops during these trips is small. Strood can expect to see a decline in local expenditure of less than 1% annually during the Civic Centre's transitional period, which is expected to last four to five years.

6.1.3 In the longer term, the proposed development on the Civic Centre site features residential development with some office and retail/leisure space. After development, the site will employ only 20% fewer employees than the current situation and will also house an estimated 860 residents. This offers substantial benefits to shops and services in Strood in terms of potential additional expenditure. Capturing just 2% of the potential expenditure of new residents would more than make up for the loss of expenditure from a 20% decline in employees at the site. Capturing all of the expenditure of new residents would increase local expenditure by around 5.7% annually.

6.1.4 Additionally, the redevelopment of the site presents excellent opportunities for re-branding and a new image of Strood Town Centre. It is a promising catalyst for the change desired, as set out by the Medway Renaissance Strategy.

6.1.5 Risks associated with this scale of development should be carefully considered. Traffic is already an issue in Strood, and evaluation of the site for suitability in terms of additional traffic and potential traffic solutions should be an early priority. Other services, such as schools, and other facilities should be considered to monitor any potential overcrowding or problems.

6.1.6 In sum, the relocation of the Civic Centre will bring a very small decline in expenditure in Strood during the short term. In the longer term, the development at the site will bring considerable benefit to Strood Town Centre, above and beyond any economic displacement of existing activity. The proposed development appears to match with the desired regeneration and new waterfront focus in Strood and is positioned to help re-brand the area, in line with local strategy.

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