



Glencairn House Library Hub Economic Impact Appraisal

Report for West Dunbartonshire Council

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Project Impacts and Outcomes

This reports considers the impacts and outcomes that could be generated following the successful redevelopment of Glencairn House as a library hub. Impacts are presented at the West Dunbartonshire level.

The analysis has been undertaken using information provided by West Dunbartonshire Council and is based on EKOS' professional judgement and assumptions. It identifies the potential impacts and benefits that could be generated from the development if completed in full and operated as per our assumptions.

The actual results, however, will likely vary from those projected as they will be subject to future market conditions and other economic influences, as well as performance against the assumptions adopted by EKOS. Variances from our projections *could* be material (positive or negative) but it should be noted that EKOS has adopted a robust appraisal methodology. We do not anticipate substantial variation, unless there is a major change to the proposed development.

Our assessment takes account of a range of economic and wider impacts:

- **construction and refurbishment impacts** – captures the one-off impacts associated with refurbishment of Glencairn House;
- **operational impacts** – captures the impacts of the ongoing operation of the library. Anticipated to be zero due to relocation of an existing service from edge of centre into the town centre;
- **indirect off-site impacts** – captures the expenditure of users on the local retail and service sectors as a direct result of the proposed development – this in turn will support jobs in the local economy;
- **long term impacts** – captures the net discounted benefits of the proposed development over a 15 year appraisal period; and
- **wider impacts** – including additional qualitative, educational, social, cultural and health and wellbeing impacts.

The economic impacts are reported as jobs (gross and net), Gross Value Added (GVA) and salaries. The impacts have been calculated using a bespoke appraisal model and based on HM Treasury 'Green Book' guidance.

A number of technical economic terms are used:





- **FTE gross jobs**: the direct jobs accommodated on-site within the Heritage Centre, presented as Full Time Equivalents (FTE) – this approach allows part-time, contract and seasonal workers to be counted as a part-share of a full-time post, for a minimum of ten years;
- **FTE net jobs** – the out-turn of the gross jobs taking account of:
 - the impact that the project is estimated to have on other visitor attractions and within the labour market (displacement effects)
 - the proportion of the impacts that will benefit those outwith West Dunbartonshire (leakage effects)
 - the positive spin off benefits generated through income and supplier spend (multiplier effects)

Displacement and leakage are negative effects that reduce the scale of impact; multipliers are positive effects that increase the impact. The scale of effect will be different depending on the type of activity, the market context and the spatial area under consideration;

- **Gross Value Added** – GVA is a measure of the value of goods and services produced before allowing for depreciation or capital consumption. GVA measures the income generated by businesses after the subtraction of input costs but before costs such as wages and capital investment. GVA is the Government's preferred method for measuring economic performance;
- **aPYEs** – construction jobs are based on Annual Person Year Equivalents (aPYE). This method allows the number of people on-site over the whole construction period (which will vary over the period between full-time, part-time, permanent, temporary and contract) to be estimated as an annual equivalent post. Please note, construction impacts are one-off; and
- **net cumulative discounted impacts** – the total quantified value of the net additional GVA impact over a 15-year period taking account of the date at which the development will be completed and occupied, and the time value of money i.e. £1 today is worth more than £1 next year. We have used the HM Treasury Social Time Preference Rate (3.5%) to discount the estimated impacts.

Construction Impacts

The cost of refurbishment of Glencairn House as a library hub has been estimated at £3.2m, prepared by NBM Construction Cost Consultants based on the design scheme prepared by ZM Architecture¹. It is estimated that construction will be programmed over a three year development period. Construction impacts are one-off occurring over the duration of the development works, and are presented as aPYEs:

-  35 gross aPYE construction posts will be created;
-  taking account of displacement, leakage and multipliers the effect will be: 25 net additional aPYE construction posts at West Dunbartonshire level;
-  net additional one-off annual wages and salaries of £540,000 at the West Dunbartonshire level; and
-  net additional one-off GVA of £1,330,000 generated at the West Dunbartonshire level.

Operational Impacts

Operational impacts are anticipated to be zero as library functions are being moved wholesale from the nearby existing library site.





Off-Site Impacts

As Glencairn House is located in the heart of Dumbarton Town Centre, the relocation of library services will result in new economic activity as some library trips will generate additional spend in local retail and other services.

Given the ongoing trend of declining visitor numbers to libraries across Scotland, any increase in library visits is not anticipated. However, given the increased accessibility of the service in a town centre setting, and the attraction of enhanced library facilities, it was judged likely that Glencairn House could maintain library visits at the 2016/17 level of 81,288.

¹ See Glencairn House Options Appraisal

This off-site visitor spend will support the creation of the following economic benefits:

-  £90,000 additional net spend in town centre;
-  two net additional FTE posts at West Dunbartonshire level, likely made up of a number of seasonal, casual and part-time positions;
-  net additional annual wages and salaries of £30,000 at the West Dunbartonshire level; and
-  net additional GVA of £50,000 generated at the West Dunbartonshire level

Long-Term Impacts

To assess the full impact of Glencairn House Library redevelopment, it is important to consider the longer term impact that it is likely to have on the local economy i.e. the financial profile of the net additional GVA – construction, operational and off-site – profiled annually.

In order to accurately gauge the impact we have profiled the total quantified value of the development impact over a 15 timescale-year period taking account of the date at which the development will be completed and operational, and the time value of money i.e. £1 today is worth more than £1 next year.






We have used the HM Treasury Social Time Preference to discount the estimated impacts at 3.5%:

- £ £1.9m net additional GVA impact over 15 years at the West Dunbartonshire level.



Wider Impacts

In addition to the quantifiable economic benefits described, the development of the Glencairn House as a Library Hub has potential to deliver a range of wider economic, educational, social, cultural and health benefits. It is important to note that some of these impacts are already being generated by the existing library, however, these will be achieved at a higher quality and a larger scale at Glencairn House due to it being a more centrally located and visible service.




Economic Benefits:

-  Relocation of library will drive greater footfall to the town centre – which will make the town centre feel safer and more animated;
-  Provides facilities for welfare claimants and job seekers to search for employment opportunities and complete applications online;
-  The permanent occupation of the historically and architecturally important Glencairn House will enhance the image of the area, as well as providing a stable and long-term tenant; and
-  Contributes the town centre first government objective to sustain and safeguard accessible facilities and services; and²
The delivery of accompanying embedded heritage facility within the library has potential to generate additional economic impact through
-  improving the tourist offering of the town and attracting more visitors, thereby creating spend opportunities that can be captured by local businesses.

Educational Benefits:

-  Providing access to books and encouraging reading improves child literacy and is linked to improved general education attainment;³ and
-  Core book lending services has a beneficial effect on adult learning, alongside library ICT services which allow users to improve their computer literacy and access wider online learning tools.

Social Benefits:

-  Provides social hubs to connect communities, particularly those on low incomes, the elderly and families. This function will be enhanced by the relocation of the library to a more central, town centre location;
-  Creates an attractive meeting facility that, in addition to its use by local residents and visitors, could also be used by adjacent businesses;
-  Provides a venue for a variety of social activities as well as services delivered by the public or voluntary sector;

² Formal proposal for the library is not yet complete and economic impacts are therefore not modelled within the current EIA

³ Evidence review of the economic contribution of libraries - Arts Council England 2014



Improved community pride through keeping Glencairn House in use and having these important services maintained;



Important venue for local children, providing space for study and a wide programme of events; and



Creates an opportunity for community based social activity, e.g. Edinburgh Tool Library.

Cultural Benefits:



The primary function of libraries is to lend books on a variety of subjects providing cultural enrichment; and



Provides a venue for exhibitions, and other creatives events e.g. book signings, writing classes, etc.

Health and Wellbeing Benefits:



Library usage can have positive benefits on mental wellbeing through reading and increased social interaction;



Library usage is also associated with improved health literacy, i.e. improved ability to access and use health information; and



Provides a venue for primarily information based, non-clinical health services, in a more relaxed atmosphere, e.g. Macmillan cancer support services.