

Economic Values of Towpath Activities

Date: 20th June 2007



Outline

Three perspectives on impact:

- Navigation authority
- Local economic impact
- Quality of life impacts



Direct economic impact - navigation authority income

Limited opportunities for direct income ex. towpaths / towpath activities

- Direct charging for use?
- Angling permits
- Charging for wayleaves (e.g. fibre-optics)
- Special events / guided walks etc.
- Visitor attractions / centres
- Sale of Guides / publications etc.
- Direct / JV / franchise management of pubs, cafes etc.



Direct economic impact - navigation authority costs

However towpaths required for waterway management

- Access for works
- Safety of boating users

Therefore maintenance costs incurred for towpaths & supporting structures



Local economic impact – Tourism & recreation

Towpath use by walkers, cyclists, sightseers etc.

- Direct visitor spend in shops, pubs, restaurants etc.
- Indirect & induced spend within local economy
- Local jobs supported



Local economic impact – Regeneration

Towpaths contribute to attractiveness of waterways as focus for regeneration

Residential

- Property values

Retail / Catering

- Market created

Office

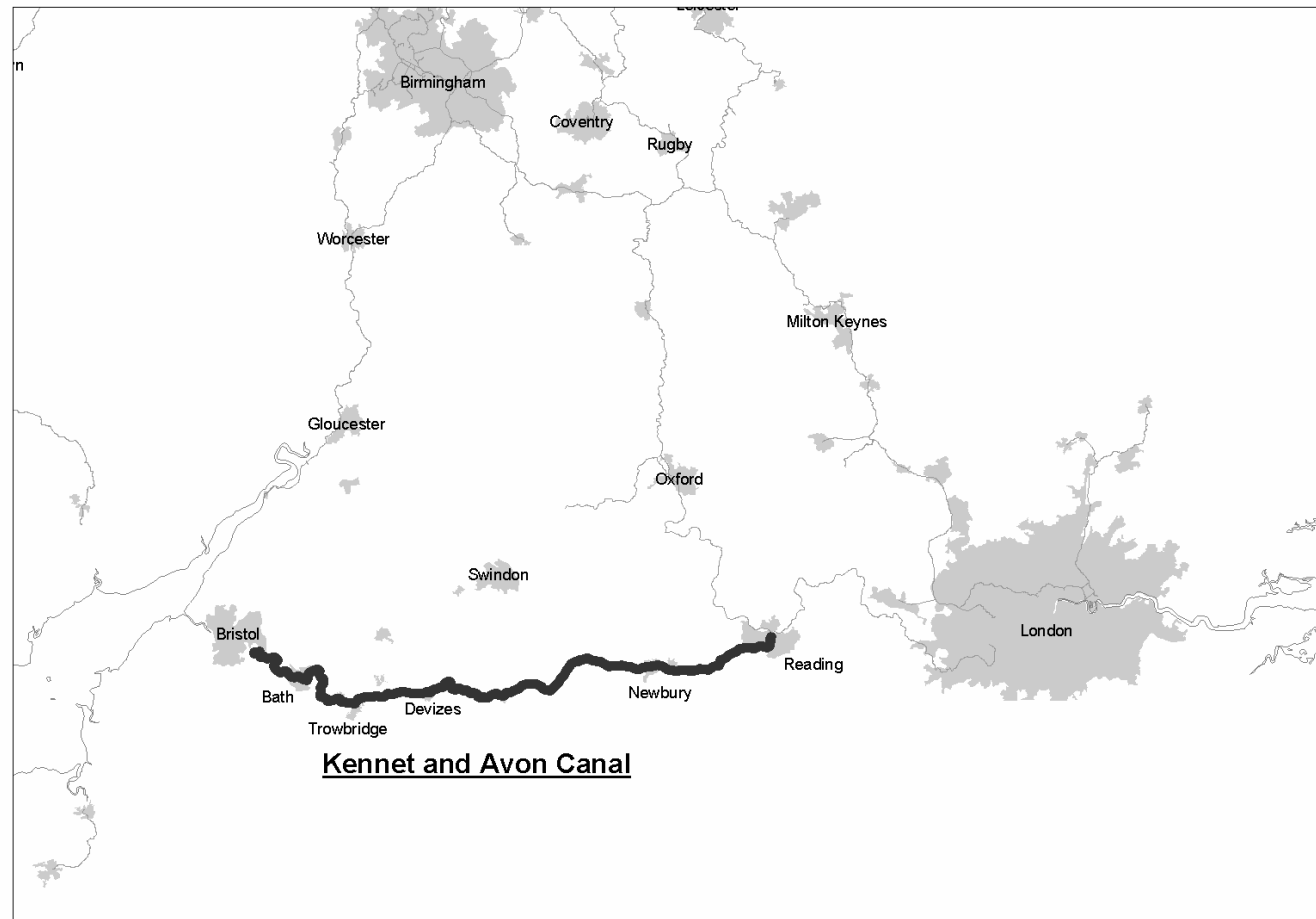
- Faster sell-on



Local economic impact – Case Study Kennet & Avon Canal Restoration



Kennet & Avon Canal





Background

- 140 km-long waterway, linking River Thames with Bristol
- Opened 1810
- Closed to through navigation 1955
- Gradual re-opening over next 30 years through partnership comprising British Waterways, local authorities, canal trust & association of canal businesses
- Re-opened 1990. However re-opening not sustainable in long-term
- £30m Heritage Lottery-funded scheme approved 1996 to secure the canal's future
- Canal officially re-opened 2003

Inter-dependence of towpaths & boats

Study undertaken at Caen Hill Locks 1992

Contingent valuation approach to estimate peoples' willingness to pay (WTP) to visit the canal and locks

Found that 40% of towpath visitors' WTP was associated with seeing boats passing through the locks

Emphasises importance of boats as part of the experience of visiting canal towpaths



Economic Impacts – Tourism & Recreation

Change in activity 1996 - 2005

- Increase in visits – 22%
- Growth in visitor spend – 59% to £35m p.a.

Businesses & employment

- 385 additional leisure & tourism jobs
- 700 leisure & tourism jobs safeguarded
- Canal considered “important” by 48% of local leisure & tourism businesses



Economic Impacts – Regeneration

Investment

- £375-435m investment in waterside developments since 1995
- Over 1,000 new residential units created

Employment

- 2,700 new jobs in canalside offices, shops etc.



Impact on the Local Community

2005 Community Surveys

I think the Kennet & Avon Canal is important because it:

- Provides a connection with wildlife 94%
- Provides an attractive place to relax 91%
- Helps me take exercise 73%
- Is a good part of life in this area 89%

Identity & ownership

- The canal makes this part of England special 90%
- I am proud of the Kennet & Avon Canal 80%



Quality of Life Impacts

Recreational use & non-use values

Based on waterway attributes

- attractive environment
- cultural heritage

Measured through environmental economics techniques

- Contingent valuation (WTP)
- Travel Cost
- Choice experiments

Recreational use value – c£1 per visit

Non-use value – c£6 per household p.a.



Quality of Life Impacts

Recreational use & non-use values

Wales Case Study (2007)

Recreational use 7.4m visits p.a.

Recreational use value £5.3m - £7.5m

Non-use value £2.5m - £5.0m



Quality of Life Impacts

Health benefits

- Physical activity & mental well-being

Reduced costs to society in terms of:

- NHS costs
- Reduced absence from work
- Reduced early mortality

Wales Case Study (2007)

- Savings of up to £3.2m p.a.



Quality of Life Impacts

Other impacts

- Education & training
- Sustainable transport
- Disabled access
- Community involvement (e.g. volunteering)





What does all this mean?

Wales Case Study

Annual cost of managing canals	£3.3m
Annual direct income to canal authorities	£1.4m

BUT

Jobs supported 810 FTEs

Annual quality of life value £10.6m - £18.8m

Enhanced property values £44m - £74m

AND some recognition of this through third party investment, grants etc.