

MEMO

Communities, Housing & Infrastructure

Business Hub 4, Ground Floor North, Marischal College



ABERDEEN
CITY COUNCIL

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APPLICATION REF. 170021/DPP – PROPOSED ABERDEEN FC STADIUM AND TRAINING FACILITY AT WEST KINGSFORD

The assessment includes a new methodology consistent with HMT Green Book guidelines with a Do nothing Remain at Pittodrie scenario assessed against an alternative Move to Kingsford scenario which is an improvement on the previous assessment. However, there are a number of issues that still require clarification.

1. Attendances at Pittodrie vs Kingsford

“AGCC have made assumptions that the museum scenario could lead to reduced attendances, dropping from around 13,000 currently to around 8,500 – “based on crowds during recent periods of low success”. Any reduction in attendance will have a negative impact on revenues and reduced expenditure.”

In the Remain at Pittodrie scenario a future attendance of 8,500 is assumed vs 13,476 in the Move to Kingsford scenario. The changing attendance assumption needs to be explained in detail with a justification for why.

The reduction to 8,500 is comparable to periods in the past where the team has performed poorly. While the team can currently attract crowds with a strong onfield team and coaching staff that is only sustainable in the short-term. The loss of European Football from Pittodrie in the medium term (due to not meeting regulations) alongside reallocation of playing budget to increased maintenance costs will reduce performance to a long and enduring decline.

In terms of the increase to 13,476 this is based on information supplied by AFC to EKOS on the expected uplift at Kingsford.

2. Number of Function events at Kingsford

“Currently, there are 240 functions held at Pittodrie each year, generating total attendances of 14,195 people. We anticipate an uplift of 15 events per year, with an additional 1,600 attendances.”

The 15 uplift assumption needs to be explained in detail with a justification for why.

This projected uplift in events came from AFC 'business planning' and is based on their ambitions and aspiration to grow the number of corporate events hosted at the new stadium and represents an uplift of 6% in the number of annual events. Given the new facilities, increased size, and quality of the facility we don't consider this to be an unreasonable estimate.

3. Total Net Impact in Kingsford Scenario

The net impact figures for Kingsford scenario are presented on p51 and an explanation of how they are calculated is given as,

“This is made up of the two mid scenario assessments for onsite (£6.1m, Table 4.6) and for off-site (£2m, Table 4.11 – relating back to EKOS Chapter 4).”

It isn't clear from these tables how this number is arrived at. Can the actual calculations be provided?

There has been a rearrangement of tables and numbering and that's why the figures don't add up.

The assessment is based on the mid-level scenarios for on-site impacts (Table 4.4 - £6.2m) and Table 4.9 off-site impacts (Table 4.9 - £2m). Therefore the total net impact is £6.2m+£2m = £8.2m

Can figures be provided for the Kingsford scenario showing what the individual GVA impact of higher attendances, higher number of events and the effect of displacement of trade from the city centre would be?

The figures are not disaggregated at this level – i.e. the assessment of displacement is considered within the assessment of net effects, not as a standalone calculation. Table 5.13 shows the reference case (Pittodrie museum option) set against the intervention option (Kingsford renaissance option). This therefore shows the total net additional impacts (this includes displacement of trade from city centre)

4. Total Net Impact in Pittodrie Scenario

The net impact figures for Pittodrie scenario are presented on p51. Can figures be provided for the net impact at Pittodrie with attendances equal to that assumed at Kingsford?

No analysis has been undertaken on a remain at Pittodrie with c13,000 fans basis as this would not be a credible option. As previously described there is a fundamental basis for the assumptions underpinning the scenarios used.

In short, it appears (unless we are mistaken) the proposition being suggested in the question is that Aberdeen FC could remain at Pittodrie in the medium / long-term and still attract crowds of 13,000, that is not a realistic assumption and so has not been included in the analysis.

We have provided the counterfactual assessment which considers the impact of Pittodrie (currently) and if attendances were to decrease. Based on information from the club, within the current set up at Pittodrie there is no opportunity or scope to increase attendances and therefore we have discounted this within the assessment.

5. Net On and Off site job Impacts

The assessment states that displacement, leakages and multiplier effects are taken account of to adjust gross jobs to get net jobs. However, it doesn't provide an actual analysis of how these net impacts have been arrived at so they cannot be validated. Similarly, the input assumptions that have informed the scenario analysis for these impacts aren't clear in appendix B.

The gross to net calculation is based on input from AFC and EKOS professional judgement using the following calculation:

Net impact = Gross impact minus (-) displacement, minus (-) leakage, plus (+) the multiplier.

It is standard practice to present the gross and net impacts only and these are presented in the report - this allows calculation of the overall additionality i.e. the net impact set against the gross impact.

Overall levels of Additionality

	Kingsford	Aberdeen	Aberdeen City / Shire	Scotland
Construction impacts				
Low	2%	80%	88%	90%
Mid	5%	103%	113%	118%
High	9%	123%	134%	142%
On-site impacts				
Low	1%	66%	72%	94%
Mid	5%	84%	88%	108%
High	10%	100%	104%	121%
Off-site impacts				
Low	26%	40%	91%	98%
Mid	37%	55%	102%	110%
High	49%	72%	113%	122%

6. Population Estimates

The latest population estimates, based on 2014, have been included in the socio-economic assessment. However, these estimates were produced before the UK decision to leave the EU and the impact on the decline in the North East Economy as a result of the Oil & Gas sector downturn. It might be the case that the population estimates that underlie these forecasts are optimistic and a more cautious assumption could be used or sensitivity analysis be conducted.

Population forecasts are not informed by, or take influence from wider external market forces (perceived as positive or negative). They are based on data relating to birth/death/mortality/fertility/immigration rates, etc.

Therefore it is not appropriate to provide an alternative assessment – this is highlighted in the text and includes information on the base year used for calculating the impact and the data that the forecast is based upon.

7. City Centre Expenditure

- a) In table 5.8, taxi is included but it has no spend associated with it? Why is that?

The table states 'included' but as the data shows this group has been discounted from the financial analysis, this is a drafting error. The main reasons are:

- *an assumption is they take a taxi straight to the ground from their home; or*
- *if they have answered in the context of travelling from the City centre then this group should be discounted as their behaviour is unlikely to change post stadium move. i.e. if they currently go to the City Centre then get a taxi to the stadium then they will / can do this after the move.*

*However, if ACC was minded that these should be included the annual increased loss to the City Centre would be a **maximum** of £43,000 per annum which is an 8% increase on the estimated loss. It would not be realistic to include all £43,000 for the reasons given above*

We cannot breakdown the percentage of drop-offs versus taxi arrivals. However, on balance the Council may want to consider allocating some of the £43,000 to potential lost City Centre benefit.

- b) Is the assumption in table 5.8 that all who access Pittodrie by public bus do not spend in the city centre realistic? Is it possible some get the bus to the city centre?

Fans were given options which would have allowed the above scenario to be captured in the survey. Specifically most fans in this scenario would have ticked the box travel method to City Centre then other. The group in question here are those who go straight to the ground from this home although of course this could be on one or more service buses.

- c) Can you provide both the evidence and the rationale for the assumption that only 4% of car users are included in city centre spend in table 5.8?

This assumption is based on the parking location of the respondents. The survey first asked the travel method then where people arrived by car they were asked where they parked / the distance from the ground. The group included are those who parked further away than 20 minutes, the majority of these also arrived earlier. Typically those who parked closer also parked later too. These are the reasons for discounting most arriving by car who parked close to the ground. The analysis is not assuming they do not spend at all near the ground but that they are not spending in the area defined by Aberdeen City Council as the 'City Centre'.

- d) Can we include a wider city centre scenario for the loss to the city centre that includes all cars (not just those that park over 20 minutes from Pittodrie) and all fans from public buses?

In a planning context the appropriate City Centre defined area from the 2017 Local Development Plan has been used. It is not clear what is meant by a 'wider city centre' in the contexts of the planning application and spatial planning. We are unaware of any other definition of City Centre than that used in the context of the City Centre Masterplan which would be more than a 20 minute walk from Pittodrie.

- e) In the report can it be made clear the total loss to the city centre in both the current scenario and the wider city centre scenario from both fans and non-fans as a result of moving from Pittodrie?

The report has included the loss of spending by both fans and non-fans from the City Centre. We have no definition on which to base an assessment of a 'wider city centre' and therefore it is not possible without further guidance how this can be delivered. As noted above we are also not of the view that this analysis would be relevant in a planning context.

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