Economic benefits from waterways
The Bedford & Milton Keynes Waterway

The Bedford & Milton Keynes Waterway is an ambitious project to connect the Grand Union Canal at Milton Keynes with the Great Ouse river at Bedford, creating Britain’s first major waterway in a century and providing a cross-country link that connects east and west, opens up the Marston Vale region, and provides amenities and opportunities for communities in the rapidly-developing Milton Keynes South Midlands area. This summary document by SQW Consulting provides an overview of the potential economic impacts that could arise from such a development.

The Bedford & Milton Keynes Waterway concept

The Bedford & Milton Keynes Waterways Trust (BMKWT) proposes the development, over a period of years, of a new stretch of inland waterway which will connect the Grand Union Canal at Milton Keynes with the River Great Ouse at Bedford. The new Waterway will cover a distance of 26 km and is expected to cost between £167 million and £206 million.

History

Waterways have historically played a major role in human development, providing the navigational arteries through which people and goods flowed. At the time of the Industrial Revolution, the growing need for transport led to the development of a canal network to supplement the naturally occurring
waterways. The advent of the railway, followed by the internal combustion engine and a growing road network, largely replaced waterways as transport routes over time.

The decline of Britain’s waterways began to be reversed in the second half of the 20th Century, with the rediscovery of waterways as an environmental amenity, a part of local character, and an opportunity for leisure and tourism. The creation of the Inland Waterways Association, British Waterways and the Environment Agency has helped consolidate the importance of waterways in Britain.

**Economic impacts**

The revival of waterways in Britain means they now serve a wider social and economic purpose than they have in the past. The proposed Bedford & Milton Keynes Waterway can therefore be expected to have a range of economic impacts:

**Tourism and recreation** – the visitor economy offers a number of opportunities for economic impact from the Waterway:

- **Boating** – the creation of the Waterway would result in a through-route for boats in the Milton Keynes and Great Ouse areas. For the 4,800 privately-owned boats in the area, we estimate that some 7,200 boat-movement days would occur, generating spending of £633,600 each year. Hire boat usage, estimated at 5,000 craft, could potentially increase by 10%, generating additional gross spend of £559,300 each year. These boat movements would need to be supported by additional marine infrastructure. With marinas in the Waterway catchment area operate at high levels of utilisation, we estimate that two additional 150 berth marinas could generate annual spend of £652,500.

- **Visitors to the Waterway** – a new Waterway would be attractive to both local residents and to visitors to the area. For both of these groups, planning and investment is required to maximise the level of activity that can be supported. From an economic perspective, attracting and retaining visitors from outside the area is most advantageous. Based on visitor activity in similar areas, with appropriate waterside facilities, we estimate that between 43,000 and 85,000 day visitors, and 33,000 and 64,000 tourists would visit each year. This would equate to gross expenditure of between £1.7 million and £4 million each year. There is also the potential to link Waterway-related developments with the wider visitor economy, including the proposed Center Parcs and Nirah sites

**Iconic structure** – to complete the Waterway it will be necessary to construct an engineering solution at Brogborough Hill (circled in red on Figure 1) to overcome the height difference in this area. This presents a great opportunity for the project to develop an iconic structure visible to millions of passers-by on the M1 and which can form a visitor attraction in its own right. Developments such as the Falkirk Wheel or the HELIX project show the social and economic spin-offs that can be realised through creatively addressing engineering challenges. The addition of an iconic structure could provide a substantial boost to economic impact. Drawing on the experience of the Falkirk Wheel, a structure of similar quality and interest in the Milton Keynes South Midlands catchment could draw between 243,000 and 342,000 day visitors, and 183,000 and 258,000 tourists. This would generate gross visitor spending of between £11.7 million and £16.5 million.
Place shaping – linked to both the recreational uses of the Waterway and the iconic structure, place shaping is the use of striking physical infrastructure to establish a local or regional identity and communicate it nationally or internationally. Man-made structures from Dubai’s Burj al Arab, Paris’ Eiffel Tower, or Gateshead’s Angel of the North can act as a visual shorthand for an area. Local communities too can gain a sense of identity and pride through these developments.

The economic impact of such developments is harder to measure, but can include improved marketing of the area to potential residents, the attraction and retention of businesses.

Transport – while the original use for the canal system, competition from road and railways has meant that the waterways network is now used for bulky, non-perishable goods and some limited passenger transport. There are aspirations to increase the use of waterways as a transport conduit to reduce social and environmental impacts from other forms of transport. In the near term, the Waterway is most likely to support the movement of construction materials within the Vale, and some passenger transport.

Ecosystem services – waterways provide a range of what are known as ecosystem services, such as flood control and water transport. While these benefits are difficult to cost, they do make a contribution to sustainable economic development – in the case of the Waterway, this will include helping manage water movements in the Marston Vale area.

Property uplift and regeneration – Waterfront locations have been shown to raise the value of properties located close to them, in the case of residential properties by up to 20% of their value. These effects, while powerful, accrue to the landowners in the first instance and only occur once. However, they can help support the sustainable development of an area by increasing the desirability of a location for new residents and businesses.

Waterways have played a role in regenerating existing urban areas, with successful examples including the revitalising of areas within Manchester, Birmingham, and Sheffield. By providing an attractive environment and an interesting backdrop, waterfronts, whether canals or rivers, can draw in residents and visitors.

The construction of the Waterway will itself help support employment. Drawing on the example of the forthcoming Olympic Games in London, the construction phase of the Waterway could support around 2,500 person-years of employment.

Delivering economic impacts

The creation of a new Waterway between Milton Keynes and Bedford will not be sufficient to realise all of these economic benefits alone, partners will need to work together to make them a reality. In particular:

- Including the Waterway in development plans and using its contributions to amenity and interest to leverage other projects
- Ensuring that provision is made for visitors and boat users along the route of the Waterway
- Development of a high-quality and high-impact iconic structure at the Brogborough Hill site.
The scale of the project is such that should the Waterway be realised, the contributions to amenity, to sense of place and identity, to the visitor economy, and to physical regeneration can be expected to be felt for many decades.

**Summary of potential economic impacts**

<table>
<thead>
<tr>
<th>Economic impact</th>
<th>Estimated scale of impact</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment creation</td>
<td>2,370 to 2,925 person-years of employment</td>
<td>A one-time impact</td>
</tr>
<tr>
<td>Property uplift</td>
<td>£45 million increase in property values</td>
<td>A one-time impact based on 1,500 housing units benefitting from improved amenity.</td>
</tr>
<tr>
<td>Visitor economy: Waterway with towpath and picnic sites</td>
<td>42,400 to 84,800 day and tourist visitors</td>
<td>Estimates of visitor economy activity with only minimal accompanying infrastructure.</td>
</tr>
<tr>
<td></td>
<td>Gross spend of £813,436 to £1.6 million</td>
<td></td>
</tr>
<tr>
<td>Visitor economy: Waterway with towpath and picnic sites, and marina/basin development</td>
<td>75,000 to 150,000 day and tourist visitors</td>
<td>Estimates of visitor economy activity with the addition of marina facilities and other waterside services.</td>
</tr>
<tr>
<td></td>
<td>Gross spend of £2.1 million to £4.2 million</td>
<td></td>
</tr>
<tr>
<td>Visitor economy: Waterway with towpath and picnic sites; marina/basin development and iconic attraction at Brogborough</td>
<td>500,000 to 750,000 day and tourist visitors</td>
<td>Estimates of visitor economy activity with the addition of a high-quality iconic structure at Brogborough Hill.</td>
</tr>
<tr>
<td></td>
<td>Gross spend of £13.8 million to £20.7 million</td>
<td></td>
</tr>
</tbody>
</table>

*Source: SQW*

These estimates would suggest gross annual spend levels arising from visitors and tourists of between £16.7 million and £26.5 million were the Waterway to be developed to its full potential. Over a ten-year period, and factoring in the potential for displacing existing visitors, this would give net annual spend of between £112 and £167 million at a local level, and £73 and £103 million at regional level.

This summary document is a précis of the report *Bedford & Milton Keynes Waterway: Economic Impact Assessment* by SQW Consulting, available from the Bedford-Milton Keynes Waterway Trust.