

UNIVERSITY of STRATHCLYDE
**FRASER OF ALLANDER
INSTITUTE**

The economic impact of the redevelopment of the Wolfson building

University of Strathclyde

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Introduction

The University of Strathclyde

The University of Strathclyde has invested over £15 million in the redevelopment of the existing Wolfson Building.

The project involves a full refurbishment of the Wolfson building and establishes it at the centre of the University's UK-leading Department of Biomedical Engineering. It will also be home to the Strathclyde Institute of Medical Devices; The Centre for Doctoral Training in Medical Devices & Health Technologies; The Centre of Excellence in Rehabilitation Research; and, The National Centre for Prosthetics & Orthotics.

The Wolfson building, believed to be the first dedicated biomedical engineering building in the world, has undergone a refurbishment of its laboratories, teaching and office spaces, and the creation of new social spaces for students.

The £15 million redevelopment of the Wolfson building was undertaken by Kier Construction, supporting the University of Strathclyde in achieving its aims of transforming the campus into a working and learning environment fit for the 21st century, with sustainability and student experience at the forefront.

Disclaimer

The analysis in this report has been conducted by the Fraser of Allander Institute (FAI) at the University of Strathclyde. The FAI is a leading academic research centre focussed on the Scottish economy.

The report was commissioned by the University of Strathclyde (UoS). UoS asked the FAI to provide an estimate of the contribution of the redevelopment of the Wolfson building to the Scottish economy.

The technical analysis, methodology and writing-up of the results was undertaken independently by the FAI. The FAI is committed to informing and encouraging public debate through the provision of the highest quality analytical advice and analysis. We are therefore happy to respond to requests for factual advice and analysis. Any technical errors or omissions are those of the FAI.



Understanding the results

Direct, indirect and induced impacts

This report looks at the economic impacts of the redevelopment of the Wolfson building on GDP and employment in Scotland.

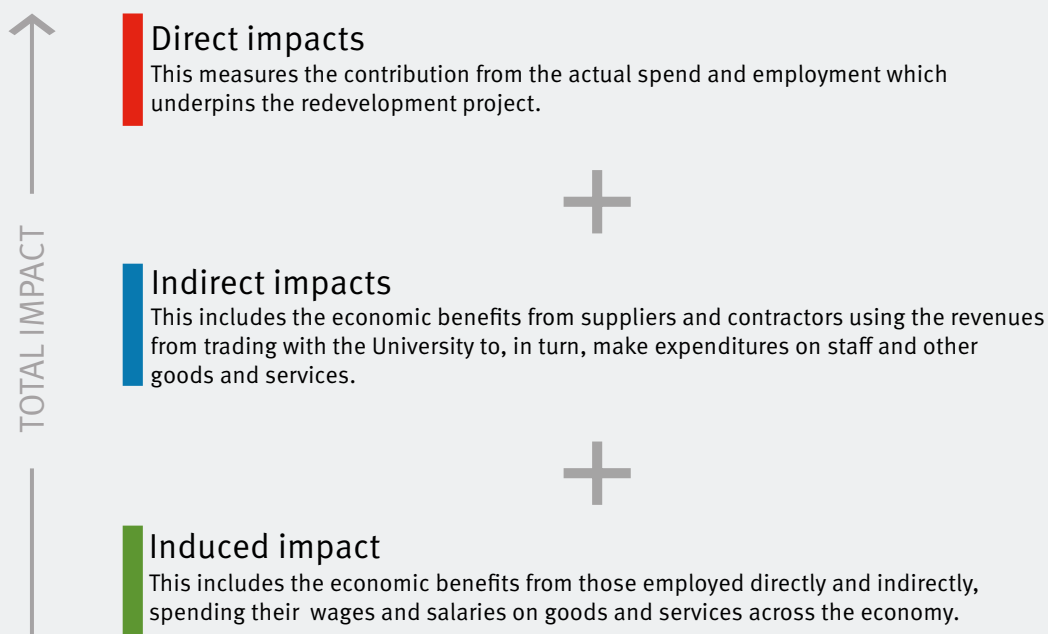
Gross Domestic Product (GDP) is the value of all final goods and services produced within the economy for a given period of time.

Employment in this report refers to person-years of employment. A person-year of employment is equivalent to one person working full-time for one year, two people working half the hours for one year, and so on.

A study of the impact of this project needs to look further than the expenditure on the project itself. It needs to ask: who is supplying goods and services to the project? What do these suppliers spend their revenues from the project on? What are the wages paid as a result of the project and its suppliers spent on?

An economic impact study aims to answer these questions by examining three channels of activity: direct, indirect and induced impacts.

Diagram 1: Direct, indirect and induced impacts explained



Source: Fraser of Allander Institute

The Wolfson Building

Economic impact of the renovation of the Wolfson Building

The University of Strathclyde’s redevelopment of the Wolfson building helped generate £34 million in output in the Scottish economy.

Of this, £17 million is from direct expenditure, with spill-over effects on the supply chain of the project contributing an additional £18 million in output, including the spending of wages paid as a result of the project and it’s supply chain.

We estimate the project supported an average of 90 employment over each year of the project.

The direct expenditure of the project is expected to have created 40 employment in the Scottish economy, with the spillovers generated by these jobs expected to support an additional 50 jobs in the Scottish economy.

Including spillover effects, the project also supported £16 million of economic growth (GVA) in Scotland, of which £7 million was as a result of direct expenditure from the project.

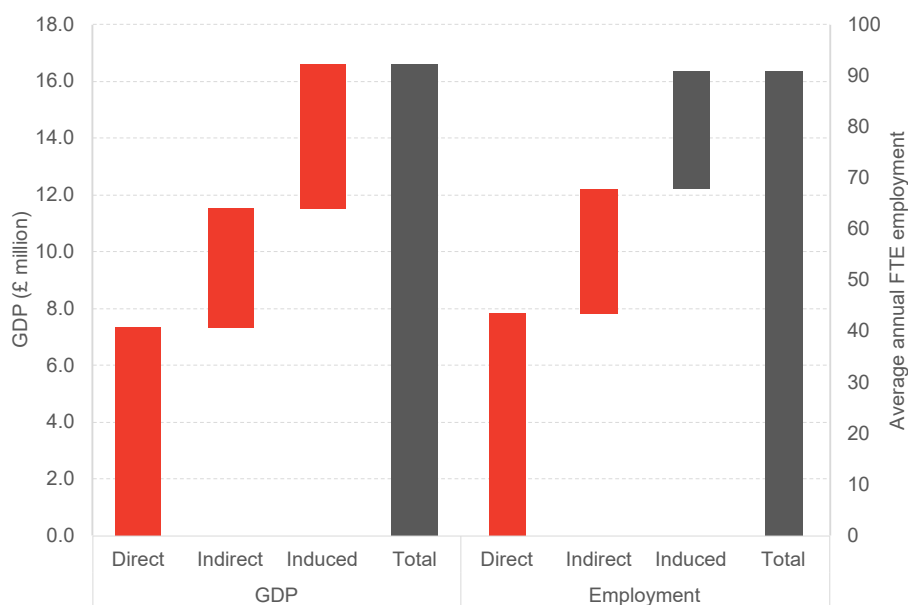
Table 1: Economic Impact of Wolfson Building redevelopment, Scotland, 2019-2021*

	Output (£m)	Average Annual Employment (FTE)	GVA (£m)
Direct	17	40	7
Indirect	9	30	4
Induced	9	20	5
Total	34	90	16

*Totals may not sum due to rounding

Source: FAI Calculations

Chart 1: Direct, indirect and induced impacts of the Wolfson Building project



Source: FAI Calculations

The Wolfson Building

Socio-economic impact of the renovation of the Wolfson Building

The redevelopment project has not just benefitted the Scottish economy, but has also had a number of wider socio-economic benefits. In particular, the local community has benefitted from the project.

The project has created new jobs, supported apprenticeships schemes and provided work experience opportunities. As well as this, the influx of workers to the area has benefitted local businesses through passing trade and supported local hotels as workers travel in from across Scotland.



14 apprentices employed



6 work experience posts



6 S/NVQ's undertaken



1 graduate employed



6 school and career visits



3 higher education visits



4 meet the buyers events



2 community projects supported



The redevelopment of the University of Strathclyde's Wolfson building supported **£16 million** of economic growth

The project supported an average of **90 employment** each year between 2019 and 2021



The total impact on Scottish output is **£34 million**

Methodology

Input-Output modelling

Economic input-output tables provide a picture of the flows of goods and services in the economy for a given year. They are constructed from survey and other data sources and provide the most accurate and comprehensive picture of the national economy available.

In this report, we use the most recent (2017) input-output tables for Scotland.

The Project and Contractor team provided us with estimates of total expenditure for the project by activity in 2019, 2020 and 2021, along with the total expenditure within Scotland.

Following standard practices, spending in previous years was inflated to 2021 prices based on HM Treasury GDP deflators.

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