

UNIVERSITY of STRATHCLYDE
**FRASER OF ALLANDER
INSTITUTE**

The economic impact of the Learning and Teaching building

University of Strathclyde

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Introduction

The University of Strathclyde

The University of Strathclyde has invested over £55 million in the development of the new Learning and Teaching Building.

The project involves the reconstruction of the University's Colville and Architecture building to create the Learning and Teaching Building, the new home to the University of Strathclyde Union.

The Learning and Teaching facility will boast collaborative work spaces for groups of 150 or more; spaces to support different teaching and learning purposes; support for both knowledge exchange and continuous professional development teaching methods; and access to modern teaching, learning facilities and technology.

The multi million pound project has been undertaken by Balfour Beatty.

The project has been undertaken to aid 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 economic impact of the construction of the new Learning and Teaching building.

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 construction of the Learning and Teaching building on GDP and employment in Scotland.

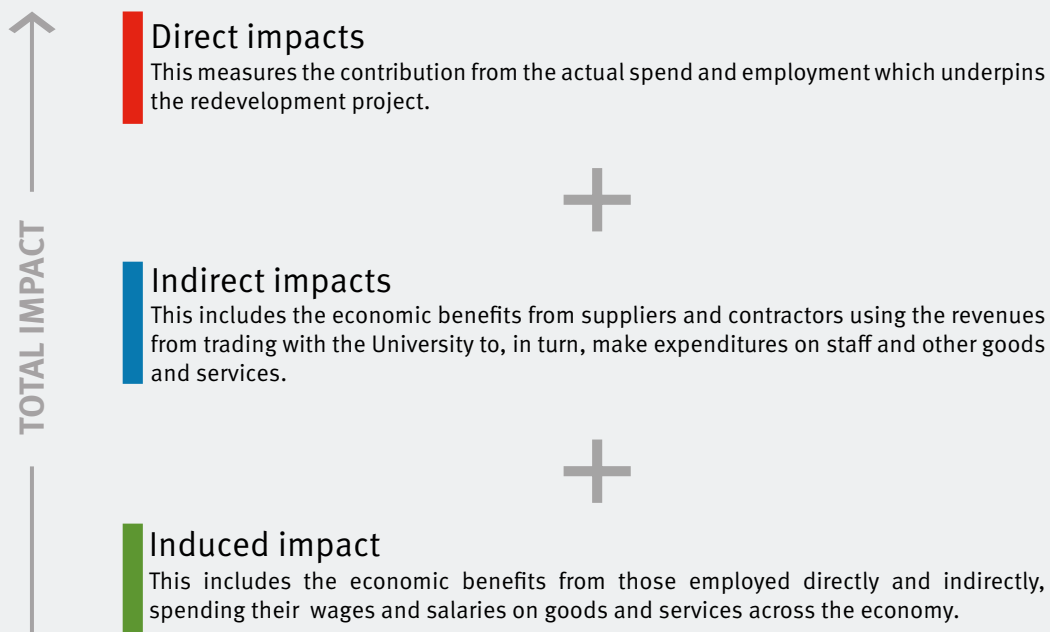
Gross Domestic Product (GDP) is the value of all final goods and services produced within the economy for a given period of time.

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 Learning and Teaching building

Economic impact of the construction of the L&T building

The University of Strathclyde’s redevelopment of the Learning and Teaching building helped generate £127 million in output in the Scottish economy.

Of this, £61 million is from direct expenditure, with spill-over effects contributing an additional £63 million in output, including the spending of wages paid as a result of the project and its supply chain.

We estimate the project supported an average of 260 employment over each year of the project.

The direct expenditure of the project is expected to have created 125 employment in the Scottish economy, with the spillovers generated by these jobs expected to support an additional 130 jobs in the Scottish economy.

Including spillover effects, the project also supported £61 million of economic growth (GVA) in Scotland, of which £26 million was as a result of direct expenditure from the project.

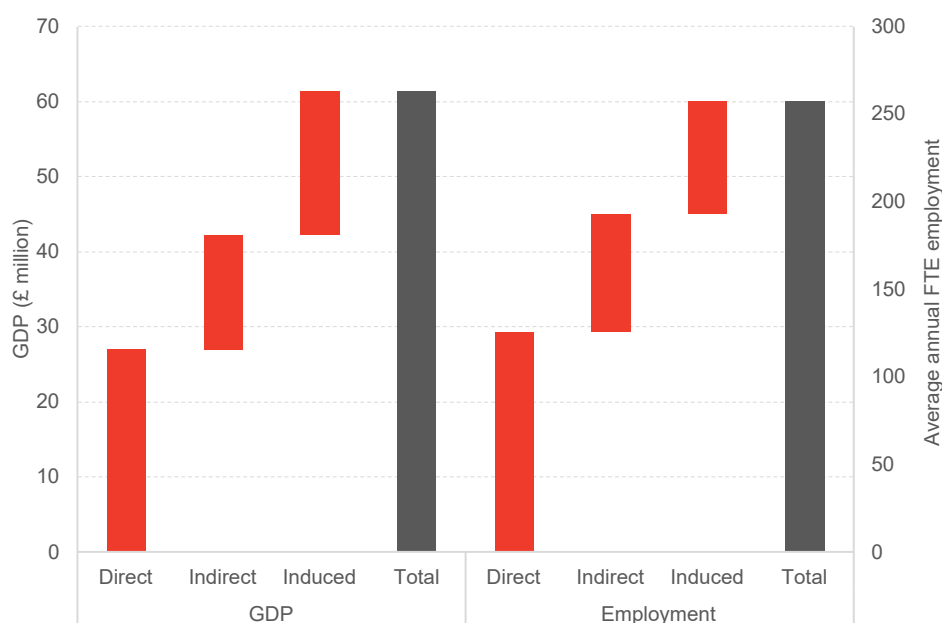
Table 1: Economic Impact of Learning & Teaching Building redevelopment, Scotland, 2018-2021*

	Output (£m)	Average Annual Employment (FTE)	GVA (£m)
Direct	61	125	26
Indirect	32	70	15
Induced	31	60	19
Total	127	260	61

*Totals may not sum due to rounding

Source: FAI Calculations

Chart 1: Direct, indirect and induced impacts of the Learning & Teaching Building project



Source: FAI Calculations

The Learning and Teaching building

Socio-economic impact of the construction of the L&T building

The redevelopment project has also had some wider socio-economic benefits. In particular, the local community has benefitted from the project.

Around 56% of the expenditure was spent within a 40 mile radius of the project site, with 43% of the project budget, £18.8 million, social value added i.e. the estimated value to society from the project.

Furthermore, given that the project was a refurbishment of two existing buildings as opposed to a new build, this reduced the potential carbon emissions by 67%.



9 Civil engineering students mentored



8 work experience posts and **26** virtual work experience positions



25 S5 students received bronze industrial cadets award



1 graduate and **12** apprentices employed



£10,313 raised for charities



676 higher education students engaged with



11 bespoke employment sessions



6.8 million tonnes of waste recycled, with **97%** diverted from landfill



The construction of the University of Strathclyde's Learning and Teaching Building supported **£61 million** of economic growth

The project supported an average of **260 employment** each year between 2018 and 2021



The total impact on Scottish output is **£127 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 table for Scotland.

The Project and Contractor team provided us with estimates of total expenditure for the project by activity in 2018, 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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