



Report to Partnership Meeting of 6 June 2008

A9 PERTH – INVERNESS ECONOMIC APPRAISAL

SUMMARY

In 2007 HITRANS and HIE jointly commissioned work to estimate the economic benefit which dualling the A9 would bring to the region. This research is part of the Regional Transport Strategy's delivery plan and is also intended to support our case for A9 investment in the Government's Strategic Transport Projects Review. The first part of the work was concluded in October 2007. It estimated an economic benefit of £1 billion to the region and the creation of 4,500 new jobs over a 30 year period from full dualling of the road. The second part of the work which has involved detailed modelling of the benefits arising from dualling the A9 was completed in May 2008. It has confirmed the estimates of over £1 billion of benefits. Also it has shown that priority should be given to dualling the road between Kingussie and Aviemore as the next stage after the current work between Perth and Pitlochry.

RECOMMENDATIONS

- Publicity should be given to these findings including a joint press release on behalf of HITRANS and HIE.
- Findings should be presented to MSPs in Edinburgh.
- The Minister should be urged to commence detailed design work for the Kingussie Aviemore dualling now to avoid delay in land acquisition and statutory procedures.

DETAIL

Background

1. In our Regional Transport Strategy the A9 trunk road between Perth and Inverness has been assessed as having the highest functionality of any transport link in the region, and is considered of fairly poor adequacy. Strategic dualling of the road is included in the Strategy's Delivery Plan over the period 2011 – 2022 with research and scheme preparation post 2008.
2. The A9 provides the most direct route from of Inverness to the Scottish Central Belt and is the primary economic connection into and out of the region for a

large part of the Highlands and Islands. This area hosts a population of 305,220 people and 124,500 jobs, and in 2003 contributed £2.8 billion to the Scottish economy. Although both rail and air provide alternative options for transport between Inverness and the Central Belt, the A9 accounts for 98% of all passenger journeys and almost all freight movements along the corridor.

3. Currently only 45km of the 174km of the A9 from Perth to Inverness is dual-carriageway, platooning is common and overtaking difficult. Surveys in 2005 and 2006 revealed a median journey time of approximately 1 hour 56 minutes end-to-end, equivalent to an average speed of 56mph for the journey. However, average speeds for some sections were closer to 50mph, and within these there is often significant variability as slower moving vehicles are encountered. Average speeds are decreasing as traffic volumes on the A9 grow. Previous studies evaluated the perceptions of the A9 among businesses both in the Highlands and the Central Belt. These demonstrated clearly that the principal concerns related to driver stress due to the lack of overtaking opportunities. In addition to constraining some existing business activity in the Highlands, perceptions in the Central Belt may be deterring investment into the region, particularly in higher value-added activities.
4. Therefore it was agreed in 2006 that HITRANS and HIE would jointly fund an A9 economic appraisal providing a fully quantified economic impact evaluation (EALI) and a strategic impact assessment to be fed into Transport Scotland as part of the case for improving the road in the Strategic Transport Projects Review.
5. Scott Wilson and Derek Halden Consultancy were appointed to undertake this study in January 2007 for a fee of £65,000. Additional work was agreed in December 2007 for a TEE modelling analysis of full dualling of the A9 for an additional fee of £46,000.

Study Findings

6. Business and Traffic surveys were completed by the summer of 2007 and the EALI and Strategic Impact Assessment final report was produced in October 2007.
7. Two improvement options were assessed, one comprising full dualling and the other dualling between Perth and Pitlochry and targeted dualling further north. The strategic impact assessment found that the key business sectors benefiting would be transport and communications, finance and related services, tourism, and manufacturing. Increase in GVA is estimated to range between £956 million with full dualling and £683 million with targeted dualling at 2007 prices. Employment creation will be between 4,500 and 3,000 jobs over a 30 year period.
8. The EALI analysis has shown that the impacts from A9 improvement will be distributed through a wide area of the Highlands. Moray will benefit particularly in terms of tourism and manufacturing, whilst life sciences and cultural businesses will benefit from improved residential location choices for skilled professionals.
9. These findings were publicised in October 2007 to coincide with the Scottish Transport Conference in Glasgow. They have been fed into the Strategic Transport Projects Review process and the Minister has confirmed the Scottish

Government's commitment to the plan for dualling the A9 with early design work commencing between Perth and Pitlochry.

10. The TEE modelling exercise was agreed in order to provide more detailed information to Transport Scotland on the benefits from improved journey speed and reliability. The Report has concluded that the Present Value of Benefits from the full dualling option is £1,173 million at 2002 prices. Of this £855 million is attributable to the section between Drumochter summit and Inverness. In order to determine priority for targeted dualling north of Drumochter this PVB is broken down as:

- Kingussie to Aviemore north 44%
- Aviemore north to Slochd summit 24%
- Drumochter summit to Dalwhinnie 15%
- Dalwhinnie to Kingussie 15%
- Slochd summit to Inverness 4%

11. The findings from the TEE report have been passed to Transport Scotland to feed into the STPR and also to the Scottish Government to ensure that the Minister is informed.

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