



Report to Partnership Meeting 6 June 2008

ECONOMIC APPRAISAL OF PROPOSED A96 BYPASSES

SUMMARY

The findings of this economic appraisal are that significant benefits will derive from the construction of by passes at Elgin, Nairn and Keith on the A96. They would provide a long term boost the local economy of around £107 million per annum and cut up to 30 minutes from local and long distance journeys. More than 6600 full time equivalent long terms jobs would be created in the wider economy as well as 1700 during the construction period, as well as potentially attracting £38 million of additional planning gain contributions from developers. This level of benefit clearly justifies inclusion of each scheme in the STPR programme.

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.

DETAIL

1. In 2006 HITRANS, along with NESTRANS and Transport Scotland, commissioned the Aberdeen to Inverness Transport Corridor Study. This STAG pre-appraisal identified by passes at Elgin, Nairn and Keith on the A96 for priority consideration in the Strategic Transport Projects Review. The Proposed Delivery Plan which accompanies our Regional Transport Strategy identifies HITRANS' preferred action for the A96 which for the period 2008 – 12 is to complete research and scheme preparation for these by passes.
2. As part of this research, and to feed information into the STPR, this study identifies the economic benefits which will derive from providing A96 by passes at Elgin, Nairn and Keith, both to the communities themselves by the relief from through traffic, and also from the provision of quicker and more reliable journeys for the arterial traffic.

3. Scott Wilson was appointed to undertake this desk based study in December 2007 for a fee of £30,000. The study has involved a workshop with local stakeholders; consultation with local businesses; transport and land use analysis from public records; and socio-economic appraisal. Key findings are:
 - The A96 bisects the three towns with average traffic speeds dropping precipitously to 10mph in Elgin and 20 mph in Nairn. Heavy flows cause severe severance to pedestrians and local traffic.
 - Major new development is proposed particularly for Elgin and Nairn which in the absence of by-passes would add significantly to existing levels of congestion and traffic conflict.
 - Business surveys reveal a heavy use of the A96 for goods and labour. Bypasses will offer journey time savings of up to 30 minutes for local business journeys and a similar saving for end to end journeys.
 - The bypasses would confer annual journey time benefits of £21.5 million at 2002 prices.
 - The construction of the bypasses will release additional land for development over and above that identified in current Local Plans which only look 5 – 10 years ahead. This would generate additional developer planning gain contributions in the order of £38 million at current prices.
 - The total direct employment impact from the three bypasses is estimated to be 8345 FTE jobs, of which 1731 relate to construction employment. Increased GVA impacts would be £28 million per annum for construction and £107m per annum to the wider long term economy at 2007 prices.
4. Scott Wilson's conclusion is that there are likely to be significant economic and social benefits deriving from the construction of the three bypasses which will justify early action and inclusion in the STPR programme.
5. The report has been referred to Transport Scotland for consideration in the STPR process, and to the Scottish Government so that the Minister can be informed.

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