Academy St Inverness – Independent Review of Economic Impact Assessment, June 2024

1 Introduction

AMION Consulting has been appointed by Inverness Business Improvement District (BID) to undertake an independent technical review of the Economic Impact Assessment (EIA), and to a lesser extent, the associated Traffic Impact Assessment (TIA), undertaken by WSP on behalf of The Highland Council (THC) for the proposed infrastructure scheme on Academy Street, Inverness.

This technical note sets out the independent review undertaken by AMION Consulting, covering both the brief issued by THC and the reports authored by WSP. The review does not provide comment on the scheme design, the rationale for intervention or its deliverability, instead it is a due diligence of the EIA and associated documents only.

AMION Consulting is a UK economics consultancy specialising in economic development and regeneration. AMION has an extensive track record in working for local authorities, central government, public bodies, private businesses and charities. Undertaking economic appraisals and writing business cases makes up the majority of AMION's professional activities, and the organisation has considerable experience in carrying out due diligence and peer review. The assignment has been led by Tom Millard, Associate Director, who is AMION's lead for transport economics, with additional input from colleagues specialising in property and economic impact fields.

2 Background

THC is planning to implement significant changes to Academy Street, an arterial route in Inverness City Centre.

The objectives of the project are to:

- *"provide a seamless connection of the East to West City Active Travel Corridor (walking, wheeling & Cycling), through a coherent city centre link.*
- *improve the public realm, making Academy Street a more attractive place to spend time in, whilst being respectful of the architectural history, identity, and importance of Academy Street within Inverness city.*
- *make Academy Street safer and more accessible for Active Travel users.*
- *Ensure strong links with active and sustainable transport projects, where wider improvements to the urban realm and sustainable transport connectivity across the city and region encourages active and sustainable transport as an attractive and realistic choice for more people in Inverness and the Highland region for more of their everyday journeys.*
- *inspire and support stakeholders and the wider community by involving them in the redesign of their streets and neighbourhood and ensuring current and future needs are a key driver for change.*
- *seek to promote sustainable transport by providing regulated Bus Lanes as scheduled within the Order and to allow the reduction of vehicles on Academy Street by restricting the carriageway use at certain locations to Buses, Taxis & Cycles."*

Whilst not the purpose of this review to comment on the scheme itself, it should be noted that these project objectives are not in line with adopted guidance on project business cases, as they are not SMART[1] and they define the proposed solution as opposed to what a potential solution(s) must accomplish.

The scheme has been developed by THC, who have secured funding through 'Places for Everyone', made available through Transport Scotland and administered by Sustrans. Whilst the project has gone through a design-led scheme development process, it has not been subject to the five dimension[2] project business case. The scheme, as described in the WSP TIA includes:

- *"Widening of pavements to make it more attractive for pedestrians as well as hospitality businesses who will be supported to explore options for pavement seating for customers;*
- *Introduction of a bus lane which can also be used by taxis, the emergency services, and cyclists;*
- *A reduction in daily traffic flows using Academy Street to less than 2,000 a day, achieved by changing how private vehicles enter and exit Academy Street;*
- *No change to the quantity of parking, disabled parking, loading bays and taxi ranks; and*
- *Introduction of trees and planting".*

THC's Inverness Area Committee and full Highland Council approved progression of the proposals on the 28th August 2023 and 14th September 2023 respectively, decisions which enabled the proposed design to be finalised leading to an anticipated statutory consultation on the respective traffic regulation orders (TROs).

After prolonged campaigning from the BID and local businesses in the BID area for an Economic Impact Assessment of the scheme to be undertaken, THC issued an invitation to tender in October 2023. The BID was not permitted to input into/agree the scope of works. WSP were the winning bidder and subsequently published the commissioned TIA and EIA reports in April 2024.

3 Overall approach to the EIA

a. Economic impact assessment vs economic appraisal

It is understood that Inverness BID and businesses campaigned for THC to commission an economic impact assessment, to help quantify and understand the potential impact the scheme would likely have on the local economy. The brief prepared by THC requested various forms of economic impact analysis, but as part of a transport cost benefit analysis exercise. The economic impact analyses have been termed "wider economic impacts", which were requested in the brief to be considered as part of the value for money assessment, incorporated into the benefit-cost ratio as switching values. The list of "wider economic impacts" in the brief included: increase in business rates; tourism benefits; land value uplift; additional GVA; agglomeration impacts; biodiversity net gain; place making benefits; and commercial returns and property value impacts. There is a fundamental issue with this approach, as it is confounding multiple different forms of analysis which fit under the broad umbrella of 'economic assessment'.

[1] Specific, measurable, achievable, realistic and timebound.

[2] Strategic, Economic, Financial, Commercial and Management.

Economic impact analysis is an assessment of a scheme on the level of economic activity in an area[3]. This is measuring actual expenditures and how these cycle through a regional economy[4]. Economic impact measures include impact on business output, jobs, retail spend, gross value added, gross domestic product or property values. Economic impact analysis should report the net impact, that is the gross impact minus the deadweight (what would have happened without the intervention). This is done through additionality analysis which considers leakage, substitution, displacement and multiplier effects[5]. The level of additionality will typically reduce with the size of impact area considered, with local impacts being greater than regional impacts, which in turn are greater than impacts measured at the national level.

Economic appraisal is concerned with social value, also known as public value, which is based on the principles and ideas of welfare economics and concerns overall social welfare efficiency, not simply economic market efficiency. This is typically undertaken through social cost benefit analysis (CBA), which includes all significant costs and benefits that affect the welfare and wellbeing of the population, not just market effects[6]. CBA reports a benefit-cost ratio (BCR) defined as the total net benefits to society over the cost to the public sector of a proposed intervention.

Transport CBA, which in Scotland is undertaken in line with the Scottish Government's Transport Appraisal Guidance (STAG), itself closely related to the UK Department for Transport's Transport Analysis Guidance (TAG) will seek to monetise relevant welfare impacts (known as economic benefits/disbenefits) of transport interventions such as user benefits (e.g. travel time savings), safety benefits, public transport provider impacts, health benefits and various types of environmental impacts. Some of these welfare economic benefits/disbenefits will also be economic impacts such as user benefits experienced by those travelling for business purposes, health impacts on workplace absenteeism or revenue impacts on public transport operators/providers. However local economic impacts such as the impact on jobs, retail spend or economic output (GDP/GVA) do not constitute welfare change. Understanding the distinction between welfare and non-welfare economic metrics is a fundamental requirement of preparing a scope of works for and/or undertaking an economic appraisal.

TAG Unit A2-1 (wider economic impacts) clearly states that welfare and GDP are not additive, and provides extensive guidance (including in Units A2-2, A2-3 and A2-4) on the circumstances in which wider economic benefits can be captured in transport economic appraisal, and the methods in which they should be estimated. In summary, there needs to be clear evidence of the presence of market failure or distortions that justify why the impacts of a transport scheme leak out of the transport market and into land, product and/or labour markets. The methods for estimating wider economic impacts in transport appraisal include: induced investment (output change in imperfectly competitive markets, dependent development); productivity impacts (agglomeration); and labour market impacts (labour supply impacts, move to more productive jobs). None of the TAG wider economic impacts are considered to be appropriate for this scheme.

The quoted BCR of the EIA report (0.51) is correctly based on analysis of transport impacts only. Many of THC's wish list of "wider economic benefits" were calculated, although WSP expressed caution about including these in determination of value for money. However, the language used in paragraph 9.9.11 "*If*

[3] Weisbrod, G. (2000). *Current practices for assessing economic development impacts from transportation investments* (Vol. 290). Transportation Research Board.

[4] Watson, P., Wilson, J., Thilmany, D., & Winter, S. (2007). Determining Economic Contributions and Impacts: What is the difference and why do we care?. *Journal of Regional Analysis & Policy*, *37*(2), 140-146.

[5] Homes and Communities Agency (2014). *Additionality Guide, Fourth Edition*.

[6] HM Treasury (2022) The Greek Book: appraisal and evaluation in central government.

incorporated within the BCR calculation the PVB could exceed the cost of intervention if the higher range of wider economic impacts are achieved" is ambiguous and could be open to interpretation that the economic impact analysis is additive to the transport economic appraisal, which is not the case. Furthermore, referring to the analyses as "wider economic impacts", the same terminology used in TAG (and supported in STAG) for estimating very different forms of analysis that do actually represent welfare change, is misleading.

b. Omissions from the Scope of Works

The THC scope of works explicitly excludes the assessment of more than one option, and that decision is not justified. The CBA within the EIA produced by WSP is roughly equivalent to the economic dimension of an Outline Business Case (OBC). However, the main outcome of the OBC is to select the preferred option and as such, it is best practice for more than one option to be subject to the CBA. Whilst the decision of which option to select should never solely be based on which has the highest BCR, comparative value for money is an important consideration in ensuring public money is spent in the most efficient way. Exclusion of other options from the CBA could be interpreted as avoiding taking the risk of an alternative option providing better value for money than the proposed scheme.

The exclusion of sensitivity testing from the brief is also not in line with best practice, particularly in current times where there is uncertainty on future travel patterns in light of technological changes and flatlining economic growth. It is normal for schemes of this type to undertake additional runs of the CBA with different assumptions applied to the scheme costs and the demands that underpin the benefits.

4 Transport economic efficiency

a. Highway impacts

The impact on highway users is informed by the TIA. Traffic surveys were undertaken, using automatic numberplate recognition cameras (ANPR), in 2021, and manual traffic counts in 2018 and 2022 to inform the baseline traffic data.

ANPR surveys are ideal for establishing origin and destination patterns and are routinely used for validating transport models, however the ANPR surveys for THC were limited in their coverage and were carried out in a year where traffic volumes were still affected by the Covid-19 pandemic. For example, DfT traffic counters on the A92 between Blight Road and the A862 report annual average daily traffic volumes for all motor vehicles being 23% higher in 2023 compared to 2021 (10,596 vs 8,597). This perhaps is immaterial as it was the 2018 and 2022 turning count surveys used in the modelling. It should also be noted that WSP has undertaken a thorough review of the base data and not simply taken it at face value. However, a 2023 or 2024 survey with more extensive use of ANPR would provide a greater level of confidence and accuracy in the base data compared to what has been used in the TIA.

Traffic growth factors have been applied from the national road traffic forecast (RTF), however there is no detail on how these have been selected or even which version of the forecast has been used i.e. RTF18 from 2018 or the 2022 national road traffic projections.

A GIS based trip distribution exercise has been carried out, which is reasonable. The method of trip reassignment however following the ban of through traffic on Academy St, by using Google Maps, is far from ideal. This is an "all or nothing" assignment, assuming all traffic with the same trip origin and destination would travel on the same route. Given the volume of traffic that would be rerouting, this is unlikely to happen, and means the impact on some (perhaps more minor) roads will be underestimated in the analysis.

The traffic modelling approach undertaken is a series of junction isolation models using TRL's Junctions 10 (for non-signalised junctions) and TRANSYT (for signalised junctions) software. Only junctions that have been predicted to have traffic volumes increase from the intervention by 5% or more have been assessed. This methodology would be justifiable for a standalone traffic impact assessment and is commonly used in

transport assessments that form part of the evidence base for planning applications, however it is not appropriate for economic appraisal on a congested urban road network with route choices available.

Typically, the assessment of highway impacts of this nature would be analysed through a formal transport model that covers the entire road network that is likely to be impacted by the scheme. This could be done in a strategic transport model such as SATURN (the most commonly used highway modelling tool for informing economic appraisal) or a microsimulation model such as Vissim or PARAMICS. These tools would allow all links and junctions within the area of interest to be modelled and allow dynamic route choice. It is likely that a formal transport model was not available for the study, hence an alternative has been used.

The approach to monetisation using DfT TUBA software is sound, however given the limitations of the modelling set out above, the results should be considered indicative and likely a significant underestimate of the true disbenefit of the proposals on the highway network. This judgement is further compounded by the exclusion of weekend impacts from the appraisal.

b. Active travel impacts

As is typical for interventions that include new walking and/or cycling infrastructure, active travel appraisal has been undertaken, monetising the predicted health, mode shift and journey quality benefits of the scheme.

The forecast demand of an active travel scheme is directly related to the level of predicted benefit – quite simply, the higher the usage, the greater the scheme benefits. Therefore, a credible assessment of forecast demand is crucial for an accurate appraisal. The use of primary data collection for baseline demands, as is the case here using cameras in the exact location of the scheme, is ideal. The prediction of uplift generated by the scheme is sensible (approximately 8% for pedestrians and 15% for cyclists) and comes from a credible source. What is not clear is whether the demands from zone 1 (covering Academy Street between Friar's Lane / Church Street / Academy Street and Maragaret Street / Academy Street) and zone 2 (covering Academy Street between Margaret Street / Academy Street and Milburn Road) have been added together, or adjusted to account for the number of unique users. If the demands have been added together then the health and mode shift impacts will be double counted for those users that travel through both zones.

The DfT Active Mode Appraisal Toolkit (AMAT) has been used to monetise the active travel benefits, which is the industry standard approach. The most recent version of AMAT at the time of the analysis has also been used. The inputs into AMAT disclosed in the EIA are sound, although it would not be unreasonable to use a higher annualisation factor than 253 given that the active travel demands are based on an average day from a seven-day week. A key AMAT input that has not been explained in the EIA is the percentage of a typical walking or cycling trip that would use the scheme. This applies a weighting to the journey quality benefits.

A significant issue with the active travel appraisal is the use of Transport for London (TfL) Ambience Benefit Calculator (ABC) alongside AMAT. ABC has been used to capture additional pedestrian journey quality benefits over and above that monetised through AMAT. The EIA claims that this is not double counting due to the AMAT journey quality benefits only relating to safety. This is not the case, although perceived safety is thought to make up a significant part of the journey quality, it also includes infrastructure and environmental conditions of a route. The infrastructure selection options within ABC have much crossover with AMAT, and TfL's own active travel appraisal toolkit (consistent with AMAT) makes clear that the journey quality metrics should be removed from the BCR if benefits from the ABC are also included. Whilst ABC is not a STAG or TAG product, it does align with the principles of active mode appraisal (TAG Unit A5-1) and social impact appraisal (TAG Unit A4-1), so is appropriate to include within the CBA as an alternative to the walking journey quality component of AMAT. Active travel journey quality benefits make up the largest positive impact in the economic appraisal; the split between AMAT and ABC is not presented in the EIA, nor is the split between benefits arising from walking and cycling users.

c. Public transport impacts

The introduction of a bus lane on Academy St is expected to reduce bus journey times for passengers. The approach for estimating the impact of bus journey times on local junctions using junction modelling and automatic vehicle location data is appropriate in lieu of a network transport model (strategic/microsimulation). The approach for determining the impact of the bus lane by using the lowest observed average journey time (i.e. a lightly trafficked Academy St) appears reasonable, however the results (Table 4-10) are not explained – it appears odd for the scheme to have the highest impact in the interpeak and no impact in the AM peak.

TAG default bus occupancy factors have been used. Local figures would have been more accurate; it is not clear whether this was explored.

Generalised journey time (GJT) elasticities (by journey purpose) have been used to predict the change in bus patronage following a reduction in travel times from the bus lane. It would be more appropriate to use in vehicle time (IVT) elasticities instead given that this is what is affected by the intervention, with no impact on interchange or bus journey quality. IVT elasticities from the same source[7] are just over half GJT elasticities, approximately -0.6 compared to -1.1, meaning a 10% reduction in journey time would increase patronage by 6% as opposed to 11%.

The mode shift impact of the increase in bus patronage in terms of the reduction in car distance travelled is reasonable, however more detail could be provided on the marginal external cost figures used, whether they were national averages or weighted appropriately for the location (and how).

d. Cost to the public sector

The calculation of the present value of costs (PVC) to the public sector is credible and is generally in line with TAG Unit A1.2 (scheme costs). Minor points of clarification include:

- Detail of the scheme costs themselves, who prepared them, when they were prepared and how robust they are considered to be. Are they solely construction costs or do they also include any further planning/design and land acquisition? Are there any likely costs that have been excluded from the estimate?
- The cost profile (cashflow), which is not stated for the capital costs other than an acknowledgment of some of the costs being sunk and therefore excluded from the PVC.
- Details of how risk has been accounted for. The way in which risk and optimism bias have been reconciled is satisfactory, however there is no detail provided on how risk has been estimated in the cost estimates such as the preparation of a risk register, undertaking quantitative risk assessment etc.
- Justification for the inclusion of construction cost inflation over and above that of general inflation, and what this has been based on.
- Justification for using 10% of scheme construction costs every 10 years as a proxy for operating, maintenance and renewal (OMR) costs over and above that for the existing infrastructure. Has this been agreed with the local highway authority that will be responsible for the scheme's OMR?

[7] Dunkerley, F., Wardman, M., Rohr, C., & Fearnley, N. (2018). Bus fare and journey time elasticities and diversion factors for all modes. *RAND Corporation*.

- Sources of funding. It is understood that the scheme is being funded by Transport Scotland and THC, however this funding split should be set out. Clarification should also be given that there are no private sector contributions, as these are treated differently in the appraisal.

5 Non-transport economic impacts

As set out in Section 3, the assessment of what the EIA terms "wider economic impacts" is not in line with adopted guidance and cannot be incorporated into a transport CBA. Whilst it is rightly excluded from the BCR, it should not under any circumstances be interpreted as additional measures of the scheme's impact on public value.

Furthermore, the various non-transport economic impacts are not additional to each other as they represent different measures of economic activity, and/or externalities. Combining these together would represent double counting. For example, Annex G of the DLUHC Appraisal Guide states that *"It should be noted that where placemaking regeneration impacts are estimated then the majority of amenity benefits are likely to be already counted in the placemaking impacts and so separate amenity impacts should not be estimated to avoid double counting."* this would preclude including wider land value uplift and amenity impacts within the same analysis.

Multiple non-transport economic impacts specified in the brief were not calculated as part of the EIA commissioned, including: increase in business rates; employment impacts; agglomeration impacts; and biodiversity net gain[8].

A review of each of the non-transport impacts included in the EIA is set out below, which should be considered independent of each other and independent of the transport CBA.

a. Land value uplift

Although the assessment of the uplift in rental values as a result of the proposed intervention is technically sound, it is inconsistent with DLUHC appraisal guidance[9]. In addition, the assumptions and methods used to determine the potential uplift in value are dated, which should have been reflected in the methodology.

The Pedestrian Pound Report (2018) states that the potential uplift in rental values is between £1.60 and £2.40, based on a report produced by Genecon in 2010. Applying this methodology in 2024 doesn't consider up-to-date market characteristics, given the status of the commercial property market following the COVID-19 pandemic and more recent economic shocks. Whilst there is not an approved methodology for determining commercial uplift values from the new public realm, the HMT Green Book guidance sets out that residential values within 100-500m of green space have an average one-off uplift of £3,076 in 2020/21 prices (1.2% uplift from ONS data[10]). This uplift could be applied to residential properties in isolation if amenity benefits were not included. A sensitivity test could apply this uplift factor to commercial property values.

There is potential for wider land value uplift, following a transport intervention, to be additional to transport benefits in the context of a transport CBA, but only if the benefit to property owners who are also users of

[8] Agglomeration and biodiversity net gain in particular are not relevant and/or practical to monetise for this scheme.

[9] DLUHC Appraisal Guide (March 2023)

[10] ONS, (2019). *Valuing Green spaces in Urban Areas: A Hedonic price approach.* https://www.ons.gov.uk/economy/environmentalaccounts/articles/valuinggreenspacesinurbanareas/ahedonicpriceapproachusingmachinelearningtechniques#table-605d39b8

the scheme is removed as this represents double counting[11]. This is effectively akin to an option or non-use value. Whilst such an impact might be significant for a rail or mass transit scheme, it is likely to amount to close to zero for the Academy Street proposals as it would be difficult for a local property owner to avoid using it in some capacity.

b. Amenity impacts

The methodology used for the amenity benefit calculation uses Green Book and Homes England compliant approaches. This benefit is appropriate for inclusion in isolation, if wider area impacts were not included.

c. Additional footfall and expenditure

The evidence presented is largely focused on examples of schemes in other areas with positive economic impacts. This is not always the case for schemes of this type. AMION undertook evaluations for a similar scheme, located in the West Midlands, in 2015 and 2018 and found that along with declining public perceptions, the scheme has also had a largely negative impact on customer numbers.

Anecdotal evidence from local businesses highlighted knowledge of other areas where similar schemes have a largely negative public perception, which could in turn have a negative effect on local economic performance e.g. Aberdeen, Glasgow, Dingwall, Grantown-On-Spey and Elgin. Therefore, the need for case study examples for similar schemes that are relatively local to Inverness and/or have similar characteristics is important to be able to predict future scheme impacts. The case study examples presented in the EIA are not particularly relevant to Inverness.

An April 2023 survey of BID members found that the reduction in daily traffic volumes on Academy St from its current 8,500-9,500 to 2,000 per day as a result of the scheme, could have significant implications for servicing their businesses, particularly given that buses account for c.500 of those daily vehicle movements. Factor in increased congestion and it is not unreasonable to expect a reduction in economic activity such as retail spend in the city centre unless/until there is a fully integrated and high performing sustainable transport network in place.

The uplift factors for footfall and visitor spend are not well justified as being applicable for the scheme. There are also issues in the way these estimates have been adjusted for additionality, using the ready reckoners from the HCA Additionality Guide and not justifying why these are appropriate. Use of more specific factors would have been preferable; the Additionality Guide states that ready reckoners should be used only where other better quality data is unavailable. The full calculations should be set out clearly in the EIA, and it is recommended that two figures are presented, each applying a different level of additionality: one at a very local level (justified due to Academy St being in the most deprived 10% of areas in Scotland), and one at an Inverness urban area level.

d. Crime and anti-social behaviour

Whilst the monetisation of crime reduction impacts has been calculated in line with the appropriate guidance, the use of Wandsworth High Street public realm improvements is not thought to be a relevant example of a similar scheme, although it is acknowledged that predicting accurate crime reduction impacts is a challenge.

[11] University of Leeds, Institute for Transport Studies, Land Value and Transport Modelling and Appraisal (Phase 2): Final report, August 2019

6 Qualitative Assessment

A qualitative 'STAG Criterion' assessment of Economy, Environment, Climate change, Health, safety and wellbeing, Equality and diversity impacts has been undertaken, with a suitable sliding-scale scoring system (+3 'major benefit' to -3 'major cost or negative impacts').

Due to the issues identified in the above sections, the +1 (minor benefit) rating for Economy is not accepted and should be a negative number. The other ratings are on the whole considered acceptable.

7 Concluding Remarks and Recommendations

a. Summary of the Review

There are several significant shortcomings of the EIA, which are largely directly traceable to the EIA brief prepared by THC, more so than the technical work undertaken by WSP. These include confounding economic impact analysis with economic appraisal, only assessing one option and flaws in methodology that likely lead to an overstatement of benefits and an understatement of disbenefits.

The cost benefit analysis, which does contain much high quality analysis, is not considered to provide a complete picture on the welfare change provided by the scheme. With a BCR of 0.51, a "poor" value for money category could be inferred based on the DfT Value for Money framework (2017)[12]. Whilst the BCR is likely an overestimate, this category is considered appropriate. It is recognised that STAG considers the BCR as part of the overall STAG Criterion when assessing value for money; however that does not change the conclusions presented here.

The non-transport analyses conducted, which should not under any circumstances be combined with the CBA, on balance, are not relevant for the scheme or in line with current guidance and best practice.

b. Recommendations

The most important recommendation from this review is to clearly separate the transport-focussed cost benefit analysis from the local economic impact assessment. These should ideally be two separate documents, or at the very least two clearly distinct chapters. The transport-focussed cost benefit analysis informs the value to society to project provides relative to the cost to the public sector and represents welfare change at the national level. The local economic impact assessment is separate study that considers how the proposals are likely to affect economic activity in Inverness, best measured in net GDP or GVA terms.

In terms of the transport focussed cost benefit analysis:

- Extend the scope of the CBA to also include other options, comparing the BCRs of the options alongside the extent to which they meet their critical success factors, as a tool for selecting the preferred option.

[12] A BCR above 4 represents "very high" value for money (vfm); between 2 and 4 represents "high" vfm; between 1.5 and 2 represents "medium" vfm, between 1 and 1.5 represents "low" vfm and below 0 represents "very poor" vfm. It should be noted however that a value for money category should never be based solely on a BCR, but should also consider the robustness of that BCR to sensitivity testing, non monetised impacts, any limitations in the CBA and how well the scheme meets its objectives. However, the BCR is usually the starting point, and these above factors generally only put downward pressure on the value for money category. For example, a scheme cannot be considered high value for money just because it meets its objectives, regardless of the BCR.

- Extend the scope of the CBA to include sensitivity analysis of different demand and cost assumptions.
- Consider an alternative highway modelling approach that captures the full impact of the scheme on the network, as well as using base data that is more representative of current traffic conditions.
- Ensure there is no double counting of users between zones 1 and 2 of the active travel analysis.
- For pedestrian ambience benefits, include either the values from DfT's AMAT or TfL's ABC, as inclusion of both represents double counting.
- Provide further information on why the impact of the bus lane on bus services varies significantly between the AM peak, PM peak and interpeak periods.
- Use in vehicle time bus journey elasticities rather than generalised journey time elasticities for the impact of reduced travel times on bus patronage, given that the scheme only affects the in vehicle proportion of a bus journey.
- Consider the impact on the scheme on bus operators.
- Provide more detail on the basis of the economic cost calculations.
- Non-transport impacts can potentially be included in an adjusted BCR if they represent welfare change, are relevant, and are not double counting the transport impacts.

In terms of the local economic impact assessment:

- Scope out a standalone local economic impact assessment that produces a net GDP or GVA added to, or taken away from, the Inverness local economy as a result of the scheme.
- Provide and justify bespoke additionality assumptions, and present results at two levels of geography – one at the local level and one at the Inverness urban-area level.
- Ensure no double counting of impacts.
- Fully capture local effects, making use of highly relevant case study examples that provide a balanced picture, and work through precisely the mechanisms in which the components of the scheme will result in changes to the local economy.
- Consider short run and long run impacts.
- Consider second order effects.
- Direct economic impacts from the transport appraisal could potentially be included if converted to a consistent price base and assumptions, and if not double counting.