

Executive Summary

Introduction

Nottinghamshire County Council has commissioned AECOM to undertake a wider economic impacts study of seven proposed junction improvements on the A614/A6097 corridor in Nottinghamshire. The junction improvements (defined as “the Scheme”) include:

- Ollerton Roundabout – the intersection of the A614 / A616 / A6075 roundabout
- Deerdale Lane junction – the A614 / Eakring Road / Deerdale Lane crossroads
- Mickledale Lane junction – the A614 / Mickledale Lane crossroads
- White Post roundabout – the A614 / Mansfield Road roundabout
- Warren Hill junction – the A614 / A6097 priority junction
- Lowdham Roundabout – the A6097 / A612 Nottingham Road / Southwell Road roundabout, and
- Kirk Hill junction – the A6097/ Kirk Hill junction.

The purpose of this study is to assess the wider economic benefits of the Scheme to support the outline business case submission to Department for Transport.

Summary of Key Findings and Results

The Scheme will support a range of benefits by relieving constraints on development and unlocking property investment. These benefits are assessed in terms of land value uplift. In addition, the Scheme will support a range of wider non-monetised impacts which are important to the case for investment such as employment and economic growth, economic efficiency and business investment, tourism benefits, social and deprivation impacts, and contribution to housing growth and development. A summary of quantitative and qualitative assessment results is presented below.

Dependent Development and Land Value Uplift

The Scheme will unlock dependent development at two sites: Thoresby Colliery in Newark and Sherwood and Teal Close in Gedling, allowing 1,240 dependent homes and 2.4 hectares of employment land to come forward. The assessment has quantified the land value uplift (LVU) associated with the development, summarised in Table 1-1 below. The Scheme is estimated to deliver a present value of benefits of £21.5m gross LVU and £13.3m net additional LVU.

Table 1-1 Land Value Uplift

	Gross impact of Scheme	Net impact of Scheme
Residential Land Value Uplift	£21.0m	£13.0m
Commercial Land Value Uplift	£0.5m	£0.3m
Total LVU	£21.5m	£13.3m

Source: AECOM calculation 2020; Values at 2010 prices

External Land Amenity Value

LVU captures the net private benefits of the dependent development. In addition to this, the external costs and benefits of development can be captured in order to derive net social value.

At Thoresby Colliery, the development will take place on brownfield land and is anticipated to result in land amenity value gain. However, there is currently limited evidence available on the external amenity impact of development on brownfield land. As a conservative assumption, it is assumed that the change in amenity value on the Thoresby Colliery site is zero.

At Teal Close, development will take place on agricultural land predominantly used to grow crops. This type of land aligns with the definition for intensive agricultural land, with estimated land amenity value of £29,000 per hectare in perpetuity¹. The delivery of net additional 8.9ha of residential development at Teal Close is therefore estimated to amount to an amenity loss of £258,000 in present value (in 2010 prices).

External benefits from affordable housing

The analysis also considers the external benefits arising through the provision of affordable housing which are additional to private benefits captured by LVU.

Social housing delivers additional health benefits which measure the annual net savings on health costs due to the provision of affordable housing, which helps to alleviate overcrowding and rough sleeping. It is estimated that the Scheme delivers a net additional £20,880 in external benefits associated with affordable housing (expressed as present value over a 30-year period).

Supporting employment and economic growth

The two sites unlocked by the Scheme are of strategic importance for the area and will support a large number of employment opportunities. It is estimated that once fully operational, Thoresby Colliery site will support 1,048 gross direct jobs, making a significant economic contribution to the local economy in Newark & Sherwood as well as Nottinghamshire more widely (as illustrated by indicative Gross Value Added benefits of £46.4m per annum). Only a quarter of employment space at the site could come forward without the improvements being implemented, therefore the Scheme plays an important role in ensuring the employment impacts on the site materialise in full.

The Scheme will also benefit the site at Teal Close, which is estimated to support a further 684 gross direct jobs (with associated Gross Value Added benefits of £38.2m per annum). The employment land at Teal Close is not identified as dependent on the improvements, however, given the constraints to the residential aspect of the development, the

¹ DfT (2020) TAG Workbook Valuing Dependent Development

implementation of improvements will be beneficial in ensuring the site is built out in full and employment impacts materialise.

In addition to direct jobs, a range of indirect and induced jobs will be supported through multiplier effects in the economy. In total, 1,153 direct, indirect and induced jobs could be supported locally by the development at Thoresby Colliery and 752 total jobs at Teal Close. At the regional level, the two sites could support 2,598 direct, indirect and induced jobs.

Furthermore, the development unlocked by the Scheme will support additional fiscal impacts in the form of local council tax and business rates revenues. The development at Thoresby Colliery is estimated to generate an additional c. £1.5m per annum of council tax revenues for Newark and Sherwood (of which c. £1.2m would be associated with the dependent housing on the site). In addition, c. £600,000 in business rates revenues would be generated per annum (of which c. £450,000 is estimated to be associated with the dependent development on the site). Similarly for Teal Close, the development could contribute additional c. £1.5m per annum in council tax revenue for Gedling Council (of which £1.1m would be associated with the dependent housing on the site). The additional business rates revenue associated with the employment space at Teal Close is estimated to amount to a further £420,000 (although it should be noted that the employment space at Teal Close is not considered to be dependent on the Scheme).

Improving business efficiency and supporting investment

The improved journey times on the network as a result of the Scheme are expected to lead to increased economic efficiencies and improved competitiveness for businesses through cost savings, as well as increased certainty and ability to plan as the network becomes more reliable.

The Scheme will relieve business constraints currently experienced along the route and at pinch points at the identified junctions. In addition to addressing safety and congestion concerns, engagement with businesses along the route identified the potential for the Scheme to influence investment decisions. The reduced travel times and improved reliability along the network will allow businesses to improve processes resulting in greater efficiency through increased delivery speeds, later delivery cut-off times and increased output, particularly for road-reliant sectors. These conditions allow businesses to interact more efficiently with each other and their supply chain. The knock-on effect will ultimately lead to increased productivity, a key priority for the regional economy.

Improved performance on the transport network can increase the attractiveness of the route as a place for business, allowing businesses to expand as well as drawing new investment to locate in the area. Business engagement has identified that a number of companies along the route are currently constrained in their ability to expand their operations due to the issues experienced at the junctions. The delivery of the Scheme would be expected to directly support increased investment into the area by relieving constraints on businesses. The overall impact has the potential to encourage inward investment into the area, as business locations along the route become more attractive.

Tourism sector impacts

Tourism is one of the key sectors along the A614/A6097 route with nationally-significant assets located along the corridor including Center Parcs, Sherwood Pines and Rufford Park. Consultations with these organisations identified that the congestion and delays on the network and queues at key junctions are impacting on visitor satisfaction levels, affecting perceptions and likelihood of return visits. The Scheme has the potential to greatly benefit

the visitor experience to key tourism destinations along the A614/A6097 corridor. In doing so, the Scheme will encourage return trips as well generating reputational benefits for Nottinghamshire's tourism cluster as a whole.

In addition, the Scheme could benefit the tourism sector by allowing organisations to operate more efficiently through reduced churn of labour, as well as allowing to attract more workers to the area. Current conditions on the network have been identified by consultees as impacting on ability to attract and retain staff. These challenges have been echoed by employers in other sectors along the route. Alleviating these issues could therefore bring benefits for tourism as well as other sectors along the route.

Deprivation and social impacts

The combination of transport and housing benefits enabled by the scheme will support further social impacts for communities along the corridor. The additional high quality housing and social infrastructure enabled by the dependent development along the A614 will support physical regeneration and improved infrastructure provision, as well as access to high quality jobs. These factors are important in delivering regeneration outcomes and demonstrate how an improved road network can lead to improved neighbourhoods and attractiveness of places. The additional local services will enhance the vitality of places, adding value to quality of life and contributing to wider physical regeneration outcomes.

Contributing to housing growth and development

In addition to unlocking development dependent on the Scheme, improvements to the A614/A6097 corridor have the potential to contribute to the wider growth agenda in the local authorities along the corridor. Major development opportunities are planned along the route in Newark & Sherwood, Gedling, Rushcliffe and Bassetlaw. The Scheme has the potential to improve the investment conditions along the route, stimulating development. By helping to improve transport conditions and provide consistency of service along the corridor, the Scheme will increase the capacity on the network to help development to come forward, resulting in an uplift in the wider housing and employment land provision - one of the key objectives of the Scheme.