PERTH AND KINROSS COUNCIL

26 June 2013

PERTH TRANSPORT FUTURES PROJECT

Report by the Executive Director (Environment)

PURPOSE OF REPORT

This report details successive decisions by Council to address the issues of congestion and air quality in, and around, Perth. As a result of the work undertaken in addressing these issues, the opportunity to examine sustainable economic growth opportunities for Perth, with benefits to the area as a whole, have also been identified. These have been incorporated in Strategic and Local Development Plans.

The report outlines the key phases of the Perth Transport Futures project, with a particular focus on the A9/A85 junction and the link road to Berthapark. It provides detail in relation to the resource implications to fund Phase 1 of the Perth Transport Futures Project. It also outlines an approach to involving elected members in informing the project as it moves forward.

1. BACKGROUND

1.1 It is widely acknowledged that Perth is a major strategic hub in the Scottish transport network where the principal routes connecting the central belt to North and North East Scotland converge. However, over the past 20 years, as a result of traffic growth nationally, there has been increasing concern over traffic congestion and related air quality issues in, and around, Perth.

1.2 As a result of these traffic and air quality issues, it was clear that there were both current, and future, problems which needed to be addressed in order to ensure that serious gridlock conditions could be avoided around the city. Failure to examine this congestion would continue to exacerbate the air quality issues, creating a vicious circle. The need for a solution which relieves this burden has, therefore, been identified as an issue over many years for successive Councils. The full history of this is outlined in Appendix 1.

1.3 While exploring the solutions to these problems, it became apparent that they would also support the sustainable economic growth opportunities for Perth, and the Council area as a whole. As such, this has become the basis on which the Strategic and Local Development Plans are now founded.

1.4 Appendix 2 provides further details about congestion and air quality.

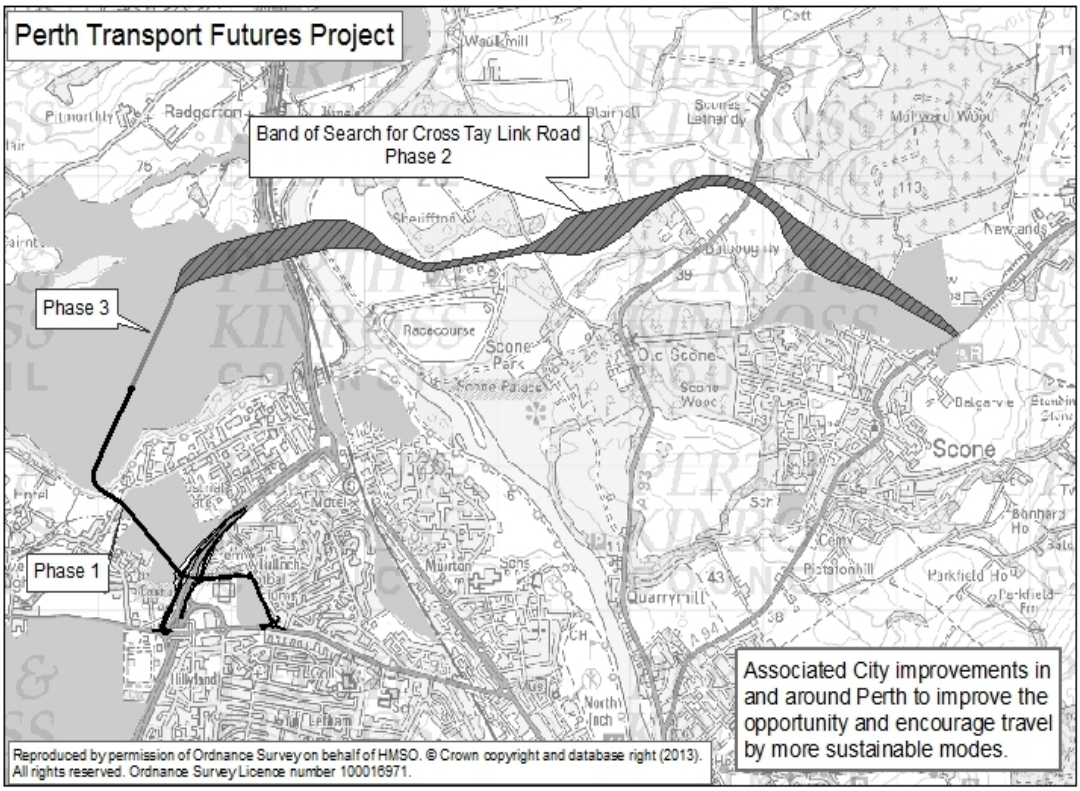
1.5 In addition, the most recent Scottish Government population projections (2010 based) for the area continue to indicate sustained growth over the period to 2035, with Perth & Kinross projected to have the second highest percentage growth rate of all Scottish Authorities but the highest levels of in-migration.

Approximately 50% of this growth is expected to be in the Perth City Housing Market Area. This indicates the continuing need for measures to improve air quality and congestion, while supporting economic growth.

The vision for the future transport network which was developed as part of the Scottish Transport Appraisals Guidance (STAG) process is “to provide a transport system in and around Perth that will support sustainable economic growth, protect and improve the environment and improve social inclusion and accessibility.”

1.6 Overall, the Perth Transport Futures Project is focussed on road infrastructure required to address key congestion points in the road network and to provide essential linkages to growth areas. The new infrastructure would not serve to support unrestricted growth in traffic. As such, the key elements form an integrated series of measures to address Perth’s long term transportation needs and ensure Perth’s growth does not compromise the national trunk road network. While the individual phases all deliver direct benefits, the ability of the Perth network to accommodate the projected sustainable economic growth, including the opportunity to create thousands of jobs, is only achieved with the delivery of the full package of measures. These would be delivered over a number of years and can be divided into 4 phases:-

1. Enhanced A9 / A85 Junction and link to Berthapark
2. Cross Tay Link Road (CTLR)
3. Berthapark north link to A9
4. Associated City improvements such as traffic management measures and measures to further develop the cycling, walking and public transport networks in and around Perth to improve the opportunity and encourage travel by more sustainable modes.



1.8 There are significant benefits arising from the Perth Transport Futures Project. These can be summarised as:

- An upgraded A9/A85 junction providing for better flow of both local and through traffic and easier connections to Inveralmond.
- A second major access to Inveralmond will relieve pressure on this junction at peak times
- Improved pedestrian and cycle safety over A9.
- Reduction of journey times on the local transport network and increased network capacity.
- A vital first link in potential A9/A94 link road and 3rd Tay Crossing, so further enhancing the transport network in and around Perth.
- Expansion of Perth as envisaged in the Proposed Local Development Plan.
- Improved amenity for residents and businesses in the Crieff Road corridor.
- A positive contribution towards meeting the objectives of the Council's AQMA within both the Crieff Road Corridor and wider Perth
- Potential for the creation of between 3,000 – 5,000 jobs through the opening up of development land

1.9 The detailed cost/value analysis is contained in Appendix 3.

2. DEVELOPING THE SOLUTIONS – PERTH TRANSPORT FUTURES (PTF)

2.1 In 2008, the Council commissioned a study under the framework of Scottish Transport Appraisal Guidance (STAG). This is a crucial stage in any major transport infrastructure project. It seeks clear evidence for any proposals without which Transport Scotland will not support any project that does not meet the criteria laid out within the framework.

2.2 The Regional Transport Strategy produced by TACTRAN covers a 15 year period and was approved by the Scottish Ministers in September 2008. The strategy highlights that a number of key junctions across the region are currently overloaded in peak periods. In the Perth context, these included the Broxden Roundabout, Bridgend and A85 Crieff Road in Perth. The proposed concentration of further housing and employment across the area will exacerbate these problems over time. Reference is also made to Perth being an Air Quality Management Area, with traffic as the main contributor to the local air quality problem.

2.3 Following both these reports, on 26 August 2009, in recognition of the need to examine ways to address key issues in relation to congestion, air quality and economic growth, the Enterprise and Infrastructure Committee approved three papers. These were:

2.4 **The Air Quality Action Plan for Perth** (Report No. 09/404 refers) which was developed to reduce the levels of Nitrogen Dioxide and Particles in order to

meet the statutory standards. Among the actions contained within this Plan were options under six main headings – Cross Tay Link, Freight, Public Transport, Procurement, Planning and Education.

2.5 **The Strategic Transport Network Issues** (Report No. 09/405 refers) which detailed the findings of a major review of transport issues in and around Perth city. This report highlighted the requirement for significant improvements in transport infrastructure, including a major new Cross Tay Link, in order to accommodate the future development of the city. It also remitted the Executive Director to complete the Strategic Environmental Assessment (SEA) and associated public consultation process.

2.6 **The North West Perth Expansion Area Study** (Report No. 09/406 refers) which outlined the findings of the assessment of the infrastructure requirements and costs for the future development of North West Perth, principally related to the building of a new A9/A85 junction. This report outlined a range of options, and the Committee approved a line to the north of McDiarmid Park. It also remitted the Executive Director to take forward further development work into the detailed infrastructure design for North West Perth.

2.7 Following the SEA, the ongoing development of the Perth Transport Futures (PTF) project was integrated into the Strategic and Local Development Plan process. On 29 September 2010, the Council considered and approved for consultation the **Local Development Plan Main Issues Report** (Report No. 10/509 refers). This highlighted the critical nature of the package of transportation improvements required to deliver the growth strategy for the Perth area.

2.8 At a special meeting on 10 January 2012, the Council considered and approved a **Proposed Local Development Plan** (Report No. 12/5 refers). This is an expression of the Council's **"settled view in relation to the appropriate use of land within the Council area".** This identified the capacity of the local transportation infrastructure as the key constraint facing the Perth area. As a result, the delivery of the strategy for the sustainable economic growth of the city is reliant upon the phased delivery of the PTF project.

2.9 The TAYplan Strategic Development Plan was approved by the Scottish Ministers in June 2012. The adopted Plan promotes improvements to existing transport infrastructure, its network and linkages as well as making better use of existing network. The Proposals Map showed proposed upgrades along the A9 at the western edge of Perth and A9-A94 road link.

2.10 At the special meeting of the Council on 23 January 2013, the Council agreed to submit the Proposed Local Development Plan for examination to the Scottish Ministers without modification. **(Report No. 13/18 refers).** The Reporter has now asked a series of questions and set a date for a possible Hearing in July 2013. A significant focus of the questions is on the Council's commitment to deliver the transportation elements of the Plan.

2.11 On the basis of the agreed alignment outlined in paragraph 2.6 above for the A9/A85 junction, a planning application was submitted (along with the required Environmental Assessment). This was approved at the Development Management Committee of 30 May 2012 (**Report 11/01579/FLL refers**). It included the formation of slip roads, roundabouts, bridges, SUDS ponds, landscaping and diversion of the Lade, north of the A9 and A85 Junction. It should be noted that the planning application identified no impact on either the crematorium or the Garden of Remembrance.

2.12 At its meeting on 19 December 2012 **(report 12/586 refers),** the Council agreed to support the requirement for A9/A85 Road Junction Improvements in principle until the level of funding from the Scottish Government and other developer contributions became known. The Council also instructed the Executive Director (Environment) to continue dialogue with Transport Scotland to secure additional funding towards the Perth Transport Futures project. This dialogue is continuing with a view to developing a full funding strategy for the project for consideration by Council. In addition, Strategic Policy and Resources Committee on 17 April 2013 **(Report No 13/151 refers)** agreed that, in the interim to progress the project, it was necessary to fund approximately £400,000 for ground investigation and other consultancy costs.

2.13 The **Perth City Plan** approved by Council in May 2013 (Report No. 13/216 refers) also reflects the requirement to improve roads and transport infrastructure to enhance connectivity between the city centre and the planned western expansion, the wider region, and the rest of Scotland.

2.14 Appendix 1 identifies the key stages in the development of the PTF project outlining the Committee decision making process, the Development Plan and other strategic documents. This demonstrates that, while the funding solution is still not finalised, the Council's commitment to the Perth Transport Futures Project is clear.

2.15 Phase 1 of the PTF project covering the A9 / A85 Junction and link to Berthapark is explained in outline below.

A9/A85 Junction Upgrade and link to Berthapark

2.16 Traffic modelling has identified the Crieff Road corridor, including the A9/A85 and Newhouse Road junctions, as a major issue. These routes also act as major local traffic distributors linking Perth to Crieff and the City with the major employment area of Inveralmond. In particular Newhouse Road acts as a key local distributor road for the large population areas of Letham and Burghmuir. The extent of the current congestion impacts severely on travel times in this locality and has resulted in the withdrawal of some bus services due to the inability to keep to a reliable timetable.

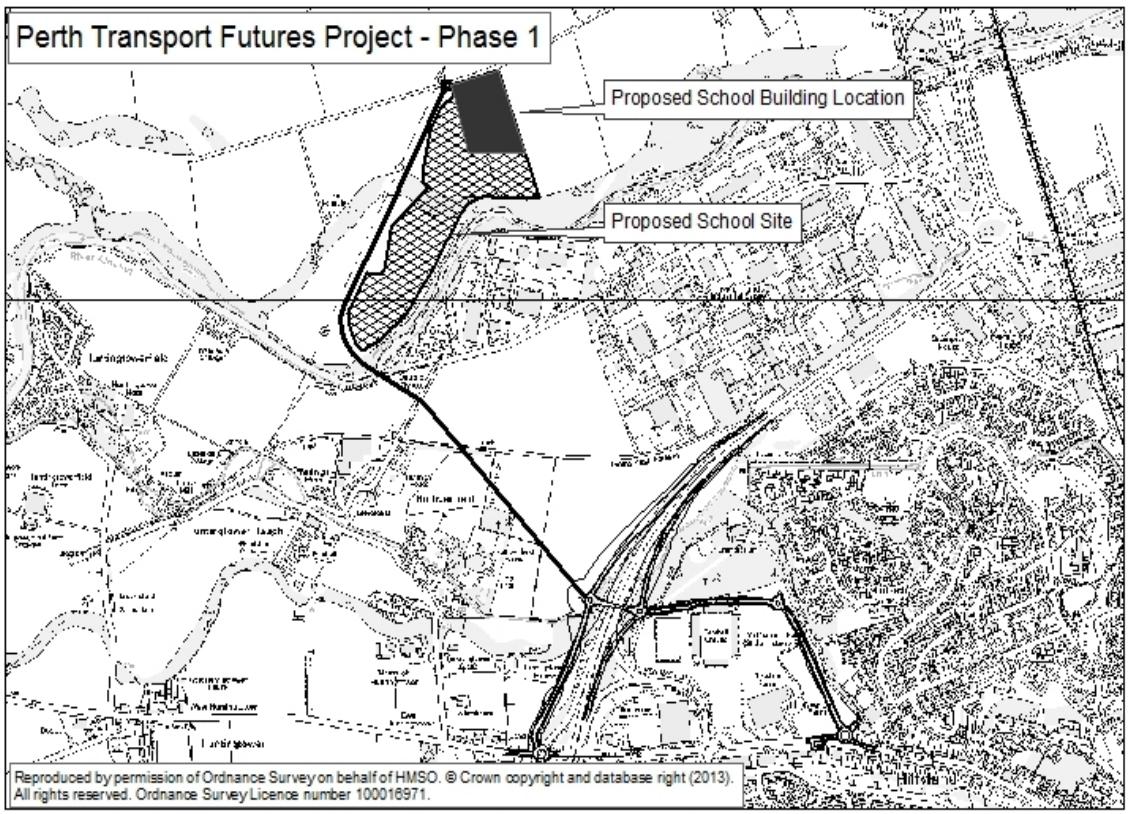
2.17 The preferred option in terms of optimising a design layout and minimising disturbance to existing property proposes a new grade separated interchange between the A9 and the A85 located to the north of the existing interchange (Report No. 09/406 refers). A new distributor road will also provide connections between the A9 and Crieff Road and routes to the north. The new

interchange includes a new overbridge crossing of the A9 Western Bypass provided between two roundabouts. The existing slip roads onto the A9 will be stopped up. The full package of measures will also incorporate enhanced pedestrian/cycle crossing over the A9, together with public transport improvements.

2.18 After initial planning consent was granted, following landowner consultation, a re-design was sought to accommodate a property. This re-design now allows the North Stand at McDiarmid Park to be retained and there is still no impact on the Crematorium ground and the Garden of Remembrance.

2.19 Given the requirements for land for the junction, officers have started a dialogue with affected landowners with the aim of securing the required land voluntarily. If a voluntary arrangement cannot be reached then a report may need to be submitted to Council later in the year seeking consent for a Compulsory Purchase Order (CPO).

2.20 The road extends across the Almond and into the Berthapark school site and completes the first phase of the Perth Transport Futures project . This part is currently undergoing detailed design and assessments in accordance with the standard DMRB (Design Manual for Roads and Bridges) process. In addition, appropriate environmental assessments are being undertaken to inform the alignment decision making process and will form part of the subsequent planning application. There is limited scope to look at alignment options due to constraints over the crossing point of the Almond, the escarpment and the line of electricity pylons.



2.21 Work is ongoing in relation to site investigations for Phase 1. It is anticipated that construction will take place between financial years 2015/2016 – 2017/2018.

2.22 The delivery of the project provides the transport solution to reduce congestion on the existing road network, unlock the development potential in the Inveralmond and Berthapark area and access the all-through school planned in that area.

3. NEXT STEPS

3.1 A Project Board has been established to lead on the detailed design, land acquisition, procurement and delivery of Phase 1 of the project. A Project Manager, who will report to the Project Board, will be appointed with responsibility to deliver the project. The Project Board is to investigate and assess potential procurement options for the project with cognisance taken of the risks associated with the various procurement strategies.

3.2 The development of Perth Transport Futures will be one of the largest infrastructure projects undertaken by the Council. As such, it is vital that elected members are fully involved in how the project moves forward.

3.3 It is therefore recommended that a series of workshops is organised during August 2013 to allow members to input into the development of the whole project.

3.4 The content of this report and the decisions of the Council in relation to it will be presented to the Reporter appointed to undertake the Local Development Plan examination.

4. RESOURCE IMPLICATIONS

Capital

4.1 The estimated capital cost for Phase 1, including land acquisitions, is £23.5m. This includes an optimism bias in line with roads construction industry standards.

4.2 The Composite Capital Budget currently includes £400,000 in 2013/14 and a contribution from Sainsbury's of £2.18m is anticipated under a Section 75 agreement, leaving a net unfunded cost of £20.92m.

4.3 Whilst it is anticipated that future developments may lead to further contributions, and negotiations are still progressing with Transport Scotland, the Council will need to plan on the basis of funding the £20.92m in the short to medium term given that there is no certainty over future levels of external funding.

4.4 At its meeting on 19 December 2012 (report 12/586 refers), the Council committed to various additional capital infrastructure projects. The report included consideration of the A9/A85 Junction Improvements and

recommended that the Council support the requirement for the project in principle. No funding was approved at that time and the Council instructed the Executive Director (Environment) to continue dialogue with Transport Scotland to secure additional funding. To date, no funding has been secured, but discussions are progressing.

4.5 Since 19 December 2012, the proposed scheme has been further developed to include a bridge over the river Almond and an access road to the Berthapark development site. The project is now at the point where funding needs to be identified to allow the scheme to progress.

4.6 A variety of funding options were examined in the December 2012 report to Council and the principal option identified was to fund additional capital expenditure through increased borrowing. It was proposed to manage the increased Capital Financing Costs ("loan charges") in the short to medium term through the Capital Fund. This strategy was advised by a revised Treasury Management Strategy of deferring borrowing in 2012/13 and 2013/14 and utilising cash balances to meet capital expenditure in the short term to give rise to savings in Capital Financing Costs.

4.7 Based on the additional capital expenditure approved by the Council in December, excluding the current proposal, it is currently projected that the resources available in the Capital Fund will be exhausted by 2024/25. At this point it is anticipated that it will be necessary to increase the revenue budget for loan charges by £4.355m per annum. This is illustrated at Appendix 4a.

4.8 Report 12/586 also illustrated the impact of including the additional borrowing costs for the A9/A85 junction in the event that significant Scottish Government contributions were not forthcoming. Additional borrowing is currently considered to be the most likely means of funding the majority of PTF Phase 1 costs although other potential sources of funding are outlined below. It is, therefore, recommended that the Council base the decision on whether to commit to funding Phase 1 on the premise that it will have to borrow to fund £20.92m and that this borrowing will be managed through the Capital Fund in the manner illustrated at Appendix 4b.

4.9 By extending the approved strategy to include the additional £20.92m of unfunded expenditure for the PTF phase 1 project, it is estimated that the Capital Fund could only support additional borrowing costs until 2022/23, before requiring a larger increase in the loan charges budget thereafter. Based on current projections, it would be necessary to increase the loan charges budget by £2.844m in 2022/23. Thereafter, it would be necessary to increase the loan charges budget by around a further £3m per annum. Therefore, approval for funding this scheme through borrowing would bring forward the requirement to increase the loan charges by 2 years and require a further increase in the loan charges budget of around £1m per annum.

4.10 This is the biggest civil engineering project to be delivered by the Council since the Perth Flood Prevention Scheme. The impact outlined above details the anticipated level of budget required to deliver the project and the Council's existing capital commitments, which is a prudent approach. There may,

however, be opportunities to reduce the costs indicated. The level of additional borrowing necessary to fund this project will be reduced through developer contributions, although the level and timing of this is uncertain. In addition, discussions with the Scottish Government are still ongoing in relation to potential funding which would mitigate the cost to the Council. It might also be reduced through other funding sources including:

- Additional capital grant of up to £1,051,000 in the current financial year depending on the exact phasing of the expenditure.
- Reprioritising the existing Capital Plan to remove or delay existing approved projects.
- Reducing the cost of Phase 1 as the optimism bias is tested.

4.11 The financial planning required to manage the additional contributions to the loan charges budget will be a significant task for the Council. This will include a comprehensive review of the medium term financial plan with detailed consideration to be undertaken through the detailed revenue and capital budget setting process.

4.12 Appendix 4c illustrates the impact on borrowing costs and the Capital Fund if 50% of the expenditure of £20.92m on Phase 1 was met from other funding sources in each year. The effect would be to reduce the requirement to enhance the loan charges by around £0.5m and to delay the timing of the increase by around one year, in comparison with the position outlined above.

4.13 The proposed use of the Capital Fund to manage loan charges over the medium term is illustrated at Appendix 4. There is clearly a significant degree of uncertainty about the financial implications of approving PTF Phase 1. It is, therefore, recommended that the decision on whether or not to progress with the Scheme is based on the scenario illustrated at Appendix 4b. In this scenario and taking into account commitments already made by the Council in December, it is currently forecast that £2.844m will be required in 2022/23 and £5.835m in 2023/24 to augment the Loan Charges budget. This compares with £4.355m in 2024/25 if PTF Phase 1 is not progressed. Members will be aware that identifying options to manage projected increases in expenditure of this order of magnitude will present a significant challenge in the current environment. In the event that approval is given to fund the project, it would be prudent to begin the process of identifying additional Revenue and Capital Budget strategies well in advance of 2022/23. The detailed approach to funding PTF Phase 1 will be considered as part of the annual Revenue and Capital Budget processes.

4.14 Given that PTF Phase 1 represent the interface between the local road network and the trunk road network the legislative position in relation to borrowing to fund capital expenditure is complicated. Legal advice has been received and it is possible that Ministerial Consent will be required to enable borrowing. It is recommended that the Council instruct the Head of Finance to determine whether such approval is required and to seek such consent.

4.15 Subject to the Council committing to identifying an appropriate approach to funding the additional loan charges identified in paragraph 4.13 above, the

additional borrowing associated with this project would be prudent, sustainable and affordable. The Council's prudential indicators will be updated to reflect the inclusion of any additional capital expenditure in a report to the next meeting in October 2013.

4.16 The Council currently has no funding strategy in relation to PTF Phase 2, the Cross Tay Link Road. Given the scale of this project and the current fiscal environment, this project can be only be progressed in the short to medium term with significant Scottish Government funding. There is no such commitment at this time.

Revenue

4.17 In addition to the additional loan charges budget identified above, there will be maintenance costs for Phase 1. These will be met, as necessary, through prioritisation of the structural maintenance budget.

5. CONCLUSION AND RECOMMENDATIONS

5.1 The Perth Transport Futures Project plays a vital part in the reduction of congestion, improvement in air quality and sustainable development and economic growth of Perth, and the area as a whole. The report outlines the extensive background work undertaken to date on developing the project, the links to key strategic documents such as TAYplan, Proposed Local Development Plan and the potential costs associated with the Project. The report also seeks the necessary funding commitment to deliver the Project, with a particular focus on the first two phases of the Project – the A9/A85 junction and link to Berthapark. The Council's commitment to transport infrastructure is of particular interest to the Reporter in relation to the Local Development Plan examination.

5.2 The Council is asked to:

1. Endorse the requirement for the Perth Transport Futures project
2. Commit to funding Phase 1 of the project, taking into account the position outlined in Section 4
3. Instruct the Head of Finance to determine whether consent is required from Scottish Ministers for borrowing and to request such consent, if necessary
4. Agree that workshops will be undertaken to allow further elected member input into the development of Phase 1
5. Authorise the Executive Director (Environment) to progress the Compulsory Purchase Order (CPO), if required, and report back to members in due course.
6. Instruct the Executive Director (Environment) to continue discussions with Transport Scotland and Scottish Government officials regarding the Perth Transport Futures project.
7. Request the Executive Director (Environment) to provide further reports in due course on the implementation of Phase 1 of the Perth Transport Futures project.

8. Request the Executive Director (Environment) to provide further reports in due course on the implementation and funding arrangements for the future phases.

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Approved

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Date 19 June 2013		

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

The undernoted table should be completed for all reports. Where the answer is 'yes', the relevant section(s) should also be completed

Strategic Implications	**Yes / None**
Community Plan / Single Outcome Agreement	**Yes**
Corporate Plan	**Yes**
Resource Implications	
Financial	**Yes**
Workforce	**No**
Asset Management (land, property, IST)	**Yes**
Assessments	
Equality Impact Assessment	**Yes**
Strategic Environmental Assessment	**Yes**
Sustainability (community, economic, environmental)	**Yes**
Legal and Governance	**Yes**
Risk	**Yes**
Consultation	
Internal	**Yes**
External	**Yes**
Communication	
Communications Plan	**Yes**

1. Strategic Implications

Community Plan / Single Outcome Agreement

1.1 The project supports the Community Plan Vision to ***create and sustain vibrant, safe, healthy and inclusive communities in which people are respected, nurtured and supported and where learning and enterprise are promoted."*** *Specifically this projects encourages sustainable economic growth, an improves and safer environment and healthier choices for sustainable transport.*

1.2 The project supports the following Outcomes:

- Our area will have a thriving and expanding economy
- Our area will have improved infrastructure and transport links
- Our young people will attain, achieve and reach their potential
- Our communities will be safer
- Our area will have a sustainable natural and built environment

Corporate Plan

1.3 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at

a corporate and service level and shape resources allocation. They are as follows:

i) Giving every child the best start in life
ii) Developing educated, responsible and informed citizens
iii) Promoting a prosperous, inclusive and sustainable economy
iv) Supporting people to lead independent, healthy and active lives
v) Creating a safe and sustainable place for future generations.

1.4 The project's benefits in respect of the wider objectives of the Corporate Plan (2013 – 2018) are outlined below:

- Giving every child the best start in life – provides access to the proposed new school campus
- Promoting a prosperous, inclusive and sustainable economy – assist in the delivery of sustainable economic growth of the Perth Area, in particular opening up of economic development land to the north and north west of Perth
- Supporting people to lead independent, healthy and active lives - The project will reduce congestion and therefore reduce traffic emissions, thereby contributing positively to air quality in the corridor and surrounding area. This will have a positive benefit for the health of residents in this area. The project also includes enhanced provision for pedestrian and cycle crossing over the A9 together with the upgrading of existing footpaths. This will provide a more positive environment for pedestrians and cyclists and could encourage more people within the area to walk and cycle.
- Creating a safe and sustainable place for future generation - The project will facilitate the delivery of the Local Development Plan strategy to support the sustainable economic growth of the area. In addition, by facilitating the Cross Tay Link Road and delivering the "Shaping Perth's Transport Future" transport strategy, this project can contribute to reducing the carbon footprint of the area and promoting sustainable travel modes. The project will lead to lower journey times and reduce congestion, while providing more travel connections and alleviating the conflict between local and through traffic movements. This will provide for a better environment for this area.

2. Resource Implications

Financial

2.1 The body of the report contains the required analysis of the financial implications of the report.

Workforce

2.2 None.

Asset Management (land, property, IT)

2.3 Future maintenance will be prioritised within the budget available.

3. Assessments

Equality Impact Assessment

3.1 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) using The Integrated Appraisal Toolkit and have been assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

3.2 The proposals have been considered under the Environmental Assessment (Scotland) Act 2005 using The Integrated Appraisal Toolkit and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

3.3 The proposals have been considered under the provisions of the Local Government in Scotland Act 2003 and Climate Change Act using The Integrated Appraisal Toolkit. The proposals will not have a direct impact on sustainable development or climate change.

3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions. This report however seeks to identify the capital funding take forward a proposal which is a key action from the Proposed LDP. There is a statutory duty of the Council to ensure that the LDP contributed towards sustainable development accordingly no further assessment is required.

Legal and Governance

3.5 The Perth Transport Futures project has been under development for a number of years. Appendix 1 outlines the full approvals undertaken by the Council, and its committees over that time period.

3.6 Future reports will be submitted to Council as the project progresses.

3.7 A Project Board has been established to oversee the delivery of Phase 1. Membership includes the Heads of Legal and Finance. The Board examines all issues in relation to risk through the developing risk matrix.

4. Consultation

Internal

4.1 The Executive Officer Team, the Head of Finance, the Head of Legal Services and the Head of Democratic Services have been consulted in the preparation of this report.

External

4.2 TACTRAN have been consulted in the preparation of this report.

5. Communication

5.1 This is a significant infrastructure project which will require a detailed communications plan. This will include workshops with elected members in August 2013.

2. BACKGROUND PAPERS

Appendix 1 details the full list of documents relied upon in the formulation of this report

3. APPENDICES

- Appendix 1 – Perth Transport Futures project Background Reports and Studies
- Appendix 2 – Congestion/air quality management
- Appendix 3 – Cost/value analysis
- Appendix 4a – Financial information
- Appendix 4b – Financial information
- Appendix 4c – Financial information

Appendix 1

Perth Transport Futures – Key Studies and Reports

This identifies the key stages in the development of the PTF package outlining the Committee decision making process, the Development Plan and other strategic documents.

March 1996 - Perth Area Local Plan 1995: Written Statement (link)

Policy 39 on page 22 refers to support for Perth Area Transportation & Land Use Study (PATLUS) investigations with a view of relieving congestion at Perth Bridges.

Page 23 under Recommendations, REC 2 refers to a new bridge north of Perth town centre

REC 9 on page 38 refers to a new bridge being required north of Perth town centre. Repeat of REC 2 on page 23)

REC12 on page 39 recommends amending the A9/A85 junction and partial interchange with A9 for Inveralmond Industrial Estate.

June 2003 - Perth & Kinross Structure Plan 2003: Written Statement

This Plan was adopted in June 2003 and covers the entire area of Perth and Kinross and provided broad strategic guidance up until 2020. The Structure Plan indicated what sort of development was required and where it should take place. This included recognition of the need to improve transport links if development is to provide for population, employment and environmental changes. It included recommendations for the A9/A85 and a need for a new bridge across the Tay River. They are as follows;

Para 3.2 on page 17 of Overall Strategy refers to need to improve transport links.

Para 5.7 on page 33 refers to development on A85 corridor as it is close to strategic transport network.

Sustainable Economy Policy 13 on page 42 specifically mentions the need to identify land for a new bridge over the Tay

June 2004 – Enterprise & Infrastructure Committee Report on Perth Area Local Plan Traffic Implications (Report 04/378)

Report discusses the likely outcome of city wide traffic modelling exercise at western edge of Perth and the wider Perth area and makes recommendations (see below) on key infrastructure proposals essential for the delivery of the Plan Strategy.

Report was approved but the Plan did not proceed to adoption.

Paras 4 and 6 on page 2 states that failing to address infrastructure requirements between the Broxden and Inveralmond roundabouts will result in chronic congestion at key junctions at the western edge of Perth including the Crieff Road junction.

Para 12 on page 3 refers to the need for a major new road over the A9 from Inveralmond linking it to a new junction on the A85

Para 13 on page 3 and 4 examine the impacts on the road network of different scenarios.

June 2004 – Enterprise & Infrastructure Committee Report on Review of Perth Area and Central Area Local Plans (Report 04/379)

Report reviews the Council's Draft Perth Area/Central Area Local Plan including development of a Paramics traffic model and addressing the implications for the local transport strategy which was under review at the time.

Para 11 on page 4 recognises the severe traffic problems in the north western area of Perth.

Para 12 on page 4 refers to development on the old Auction Mart would assist with the new junction on the A9 to serve Inveralmond West.

Para 13 on page 4 refers to Almond Valley village and that its development would contribute to the cost of a junction with the A9 but not from the A85 as originally proposed.

Para 14 on page 15 refers to transport modelling used and that radical solutions are required for the A9/A85 area. Recommend a new junction on the A9 with a link to the A85.

August 2004 – Enterprise & Infrastructure Committee Report on Draft Perth Area/Central Area Local Plan (Report 04/437)

Report reviews the Council's decision to omit Almond Valley Village from Draft Perth Area/ Central Area Local including addressing the implications for the local transport strategy.

Para 6 on page 3 and para 17 on page 6 refers to funding issues of A9 junction if Almond Valley is omitted form the Plan. It will pose significant challenges to securing necessary road infrastructure improvements and the development potential of north west Perth.

December 2004 - Draft Perth Area/Central Area Local Plan 2004

The Plan seeks to provide mixed use development in north west Perth to assist the provision of required infrastructure along the A9 between Broxden and Inveralmond roundabouts including a new junction at the A9/A85.

Para 4.1 on page 12 refers to major improvements required to A85/A9 junction and access at Inveralmond Industrial Estate.

Para 4.16 on page 14 refers to issue of Tay Bridge crossing to the north of Perth and has been discussed for decades and how the Local Plan safeguards land for such purpose.

Para 8.4 on page 32 refers to need for new junction at A85/A9.

P7 Inveralmond Industrial Estate (West) on page 57 refers to a new road junction required at Crieff Road or Bypass.

P10 Newton Farm on page 58 refers to need for new distributor road linking to Crieff Road.

June 2006 - Enterprise & Infrastructure Committee Report on comments received to Draft Perth Area/Central Area Local Plan 2004 (Report 06/480)

This report and the accompanying appendices identified the key issues for the Finalised Plan and makes recommendations on key infrastructure proposals essential for the delivery of the Plan Strategy and identifies sites for further investigation prior to the production of a Finalised Plan. It also sets out the procedures required to fulfil the Council's obligations for Strategic Environmental Assessment and Appropriate Assessment.

This report identified the sensitivities associated with works in the vicinity of the crematorium and the gardens of remembrance and it was noted that the road line should not impinge on either.

Report approved but ultimately the Plan did not proceed to adoption.

Para 20 on page 5 refers to need to develop rationale for new Tay Bridge and western edge road improvements.

Para 45 on page 29 refers to improvements required to Inveralmond roundabout, Broxden roundabout, new A9/A85 junction and new Tay Bridge linking it to Scone.

Paras 47 to 53 on pages 30 to 31 refer to works required to Western Bypass

September 2008- Tayside and Central Scotland Transport Partnership Regional Transport Strategy 2008-2023 (link)

TACTRAN produced a RTS that covers a 15year period and is refreshed every four years.

One of the objectives in this RTS is to ensure transport helps to deliver regional prosperity addressing issues of peripherally associated with the TACTRAN area.

The strategy highlights a number of key junctions across the region, in and round the three main cities are currently overloaded in peak periods. A9/M90/A93 Broxden

Roundabout, Bridgend and A85 Crieff Road are principal areas in Perth where congestion is a significant problem. The proposed concentration of further housing and employment across the south of the TACTRAN region will exacerbate these problems over time.

Page 41 refers to Perth having Air Quality Management Areas and in each case traffic is the main contributor to the local air quality problem.

August 2009 – Enterprise & Infrastructure Committee: Strategic Transport Network Issues (Report 09/405) (link)

This report outlined the key findings of the STAG appraisal including the preferred route option for the CTLR. The report also highlighted other aspects of the STAG appraisal which were:

- New crossing of the Tay
- New grade separated junction on the A9 and Improved A9/A85 Junction
- New Park and Ride sites
- Improved walking and cycling facilities
- Public Transport enhancements
- Friarton Link Road

The recommendations were:

- Note the completion of a comprehensive study into issues relating to the present and future capacity of the transport network in and around Perth
- Give approval for undertaking a full Strategic Environmental Assessment (SEA) of the alternative transport solutions identified in the study and a full and wide ranging consultation exercise into the likely public and key stakeholder acceptability of a potential new Tay crossing and associated package of improved transport measures in and around the city.
- Remit to the Executive Director to report back to a future meeting of the Enterprise and Infrastructure Committee on the results of the SEA and associated public consultation exercise, details of the package of sustainable measures in the central area of the city to complement the optimum alignment of a new Cross Tay Link and a report into potential options for funding and phasing of necessary improvements.

Report approved by committee.

August 2009 – Enterprise & Infrastructure Committee: North West Perth Expansion Area Study (Report 09/406) (link)

This report outlined the key findings of the Development Impact Appraisal for the NWPEA.

The recommendations were:

- Note the completion of a comprehensive Appraisal into transport issues in and around the north western edge of the city;
- Note the completion of a comprehensive study assessing the infrastructure requirements and costs for the future development of North West Perth;
- Remit to the Executive Director (Environment) to take forward further development work into the detailed infrastructure design for North West Perth;

- Remit the Head of Finance and Corporate Resources Group to investigate delivery funding options and report back to a future Committee.

Report approved by committee.

August 2009 – Air Quality Action Plan (Report 09/404) (link)

This report outlined the Air Quality Action Plan which was developed to reduce the levels of Nitrogen Dioxide and Particles in order to meet the statutory standards. Among the actions contained within this Plan were options under six main headings – Cross Tay Link, Freight, Public Transport, Procurement, Planning and Education.

November 2009 – Perth Western Edge Development Impact Appraisal (link)

This was a STAG appraisal (Part 1 & Part 2) of potential solutions of a Perth Western Edge expansion. This appraised a large number of options including variations of routes and alignments around McDiarmid Park.

It was noted in this report that some of the options would "be unacceptable to local residents given public sensitivity towards the crematorium" and therefore would not be taken forward due to issues with implementability.

The retention of a dedicated crematorium access from Crieff Road in the options appraised minimised the potential risk of public acceptability of the proposals.

The main conclusion of the report was that option 2 & 3 (the junction link to the North and South of McDiarmid Park respectively) both met all objectives with broadly similar construction costs for both alignments.

April 2010 - TAYplan Strategic Development Plan Main Issues Report (link)

Plan focuses on changes required at a strategic land use level. The provision of infrastructure is considered key to improving accessibility and economic opportunities.
Para 7.14 on page 33 refers to congestion issues in Perth city centre and along the A9 and A90 between Broxden and Inveralmond.

September 2010 - Perth & Kinross Local Development Plan Main Issues Report (Report 10/509) (link)

Plan identifies new and improved physical infrastructure projects to support the projected expansion in population especially within the Perth core area.

Paras 3.6.9 to 3.6.12 on page 31 refer to congestion issues in city centre and at Broxden roundabout, Inveralmond roundabout and A9/A85 junction

Para 4.6.8 on pages 60 and 61 refers to the requirement for significant improvements to Perth's transport infrastructure.

Para 4.6.12 on page 61 refers to the commitment to improving the transport network around Perth and this includes the development of the CTLR north of Inveralmond; an improvement to the A9/A85 junction and a link from the CTLR to the A9/A85 junction.

Para 4.6.13 on page 62 refers to a variety of options being considered for the CTLR leaving a preferred route corridor and there is a map showing the route.

Para 4.6.14 on page 62 refers to the timescales expected for works on the CTLR, the A9/A85 junction and city centre enhancements.

Paras 4.6.15 to 4.6.17 on page 63 deal with funding of such infrastructure.

Para 5.2.19 on page 80 refers to Almond Valley requiring a new junction at A9/A85.

Para 5.2.21 on page 83 refers to the creation of a CTLR south of Luncarty and providing an improved link to the A9 for Luncarty and Stanley.

Para 5.2.33 on page 97 refers to delivery of key infrastructure projects at CTLR; A9/A85; Inveralmond roundabout and Broxden roundabout.

October 2010 - Perth Traffic and Transport Issues Transport Appraisal (Final) (link)

A STAG (Scottish Transport Appraisal Guidance) appraisal was undertaken of Perth's wider transport issues and potential solutions in October 2010. STAG is an objective led appraisal technique that ensures that eventual transport interventions fully accord with national, regional and local strategic objectives.

This appraised 11 options that would alleviate the identified issues with 6 options taken forward for further appraisal. The conclusions of the appraisal were that a Cross Tay Link Road (CTLR) along with a range of other measures with a suggested phased approach:

- Crieff Road Improvements – to address immediate network issues at a core location for the future development of Perth.

- CTLR– to provide an alternative route across the River Tay thereby removing the need for all east-west movements to travel through the city centre and provide the capacity for cycling; walking and public transport improvements.
- Sustainability package – to provide improvements to the cycling, walking and public transport network.
- Broxden grade-separation – to provide improved journey times and reliability.
- New slip roads at M90 Friarton junction (future work).

October 2010 - Shaping Perth's Transport Future Strategy Document (link)

This summarised the STAG appraisal and formed it into a Transport Strategy for the Council to take forward including an integrated package of Perth City Centre enhancements.

October 2010 - Shaping Perth's Transport Future: SEA Environmental Report (link)

This was the SEA for the Shaping Perth's Transport Future Transport Strategy encompassing all projects.

November 2011 - Shaping Perth's Transport Future: SEA Environmental Report Addendum (link)

This was the addendum to SEA for the Shaping Perth's Transport Future Transport Strategy following extensive consultation work. This firmed up the corridor option for the CTLR.

November 2011 - DMRB Stage 1 Assessment Report (link)

The DMRB Stage 1 Assessment's purpose is to identify *"the environmental, engineering, economic and traffic advantages, disadvantages and constraints associated with broadly defined improvement strategies"*

The report summarises the options identified as part of the earlier Perth Traffic Transport Issues STAG appraisal and appraised them in greater detail. It notes that consultation with St Johnstone Football Club ruled out the option of the link road passing to the south of the McDiarmid Park. The options taken forward to DMRB Stage 2 Assessment were:

- Option 2: New bridge over the A9 north of McDiarmid Park
- Option 16: New Foot/Cycle Bridge

November 2011 - DMRB Stage 2 Assessment Report

This looked into the options identified in Stage 1 in further detail, identifying key risks and constraints to the options as well as assessing the various route alignments (all to the north of McDiarmid Park).

The key considerations of the options assessed were:

- Alternative Junction Layouts
- Type and buildability of the road bridge
- Impact on the Lade
- Amendments to the existing Crematorium access
- Drainage

Alignment 1 was selected for further assessment as it had key advantages over other alignments considered:

- Provides the second longest weaving length to Inveralmond Roundabout at 710m
- Was Transport Scotland's Standards Branch's preferred option
- Allows the implementation of the Primary Flood Mitigation Area

The DMRB Stage 2 report also outlines the options associated with the Crematorium access (section 4.9) including retaining a separate access and combining the new road with the access. It was recommended that Option B (to retain the separate access road) was taken forward.

May 2012 – Planning Application Approval (Report 11/01579/FLL)

On the basis of the agreed alignment for the A9/A85 junction, a planning application was submitted (along with the required Environmental Assessment). This was approved at the Development Management Committee of 30 May 2012). It included the formation of slip roads, roundabouts, bridges, SUDS ponds, landscaping and diversion of the Lade, north of the A9 and A85 Junction. It should be noted that the planning application identified no impact on either the crematorium or the Garden of Remembrance.

June 2012 - TAYplan Strategic Development Plan (link)

The approved Plan promotes improvements to existing transport infrastructure, its network and linkages as well as making better use of existing network.

Proposals Map on page 7 shows proposed upgrades along A9 at western edge of Perth and A9-A94 road link.

Policy 3 on page 13 refers to safeguarding land for infrastructure provision including routes identified on the Proposals Map.

January 2012 – Special Council Meeting Perth & Kinross Proposed Local Development Plan (Report 12/5) (link) Link to Proposed Local Development Plan

The Plan focuses on the growth of Perth City and its core area and that much of the existing infrastructure is at capacity. Therefore essential infrastructure needs to be in place and requires investment as a result.

Para 3.6.3 on page 34 refers to need for significant transport investment required for Perth.

Paras 5.1.14 to 5.1.17 on page 70 refers to the transport infrastructure needs for Perth including the A9/A85 junction and the CTLR.

Site H7 (Berthapark) on page 77 mentions need for CTLR to be in place before development commences.

Site H70 (Perth West) mentions need for multiple access points onto Trunk Road.

Site E38 (Ruthvenfield Road) and Op7 (Newton Farm) on page 80 refers to requirement for A9/A85 junction improvement.

Site H27 (Luncarty South) on page 135 refers to new A9 junction to be required

Site H29 (Scone North) on page 142 refers to need for CTLR to be in pace before houses can be occupied.

January 2013 Special Council Meeting Proposed Local Development Plan Draft Action Programme (Report 13/26) (link)

The information contained in this paper demonstrates that the Council has taken account of the infrastructure and other constraints likely to impact upon the effectiveness of the sites identified in the Plan

It further demonstrated that the Council has taken steps to implement plans to address the critical constraints making significant progress in a range projects.

April 2013 – Composite Capital Budget and Housing Investment Programme 2012/17 – Monitoring Report No 4 (link)

The report identified that in the interim of further dialogue with Transport Scotland to secure additional funding towards the A9/A85 as agreed in December 2012, in order to progress the project, £400,000 is required to fund ground investigation and other consultancy costs.

Report approved by committee.
May 2013 – Perth City Plan (link)

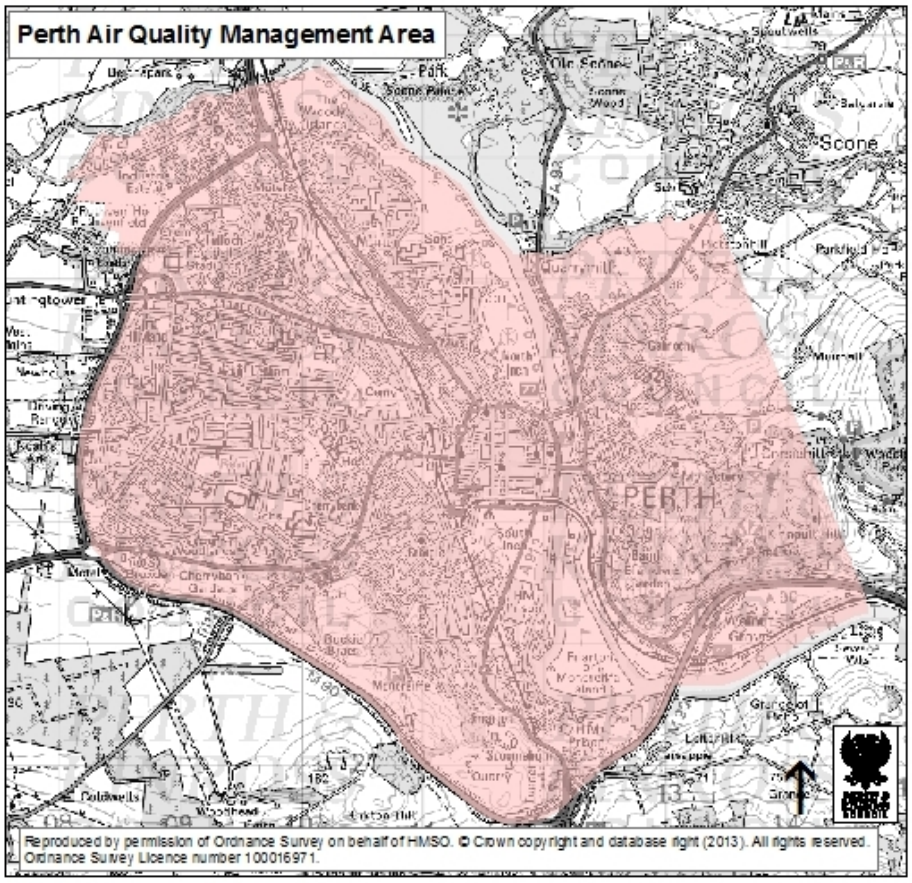
The City Plan reflects the requirement to improve roads and transport infrastructure to enhance connectivity between the city centre and the planned western expansion, the wider region, and the rest of Scotland.

Appendix 2 identifies the key stages in the development of the PTF package demonstrating that the Council's commitment to the Perth Transport Futures Project is clear.

Appendix 2

CONGESTION AND AIR QUALITY MANAGEMENT

Whilst increasing traffic levels have long been recognised as an issue by the mid 2000s monitoring revealed that, at a number of points within the city, air quality fell below European standards. The main cause of degraded air quality was clearly identified as traffic pollution which was exacerbated by congestion. In response to this and as required by The Environment Act 1990 the Council declared an Air Quality Management Area (AQMA). This brought with it a statutory duty to bring forward an action plan to address the issues.



The key congestion problem results from the conflict between local traffic and traffic travelling through the city converging in the centre of Perth to use one of the two existing bridges over the River Tay (Perth Bridge and Queen's Bridge). Other key congestion areas include:

- Trunk Road Network - A9, Inveralmond Roundabout, Broxden Roundabout,A85 (Crieff Road).
- Local approach roads - A93, A94, A90 (Dundee Road).
- Town Centre - Perth Bridge, Queen's Bridge, Glasgow Road, Dunkeld Road,Atholl Street etc.

When there are major incidents, such as the closure of Friarton Bridge due to high winds or major road works, traffic has to divert through the city centre due to the lack of an alternative east-west route. This results in increased journey times of over 1.5 hours for traffic attempting to cross the city. Similar problems are also experienced on event days at Perth Racecourse and Scone Palace. Due to physical constraints, namely the location of the rail line, Kinnoull Hill and the River Tay, future development in Perth and the immediate city-region is primarily concentrated to the north-west of the city centre. As a result, cross-city movements can be expected to increase in the future resulting in the need for the development of the transport network to support the planned development of Perth and the wider region.

Forecasts of transport movements in the area predict that if future land-use developments were to occur with no change to the transport network existing problems would become greater and new transport/movement problems would merge. This means the current network would only be able to support limited development and is expected to have severe operational difficulties before 2015 with gridlock becoming common place.

In addition, the adverse impact on the local economy increasing congestion would also be detrimental to air quality within the city's Air Quality Management Area (AQMA). It would restrict opportunities for any further bus priority and cycling and walking enhancements that would encourage sustainable travel. In summary the key transport problems include:-

- Walking and Cycling – unattractive due to heavily trafficked roads in the city centre and on key routes leading to the centre, air quality problems and severance by the A9 to access to future growth areas.
- Bus network - congestion at key junctions impacting on reliability of journey times and compromising the operation of existing bus priority measures.
- Bus congestion at South Street and Mill Street bus stops.
- Local Road Network - congestion in the city centre due to the constraints imposed on the local road network by the Perth and Queen's Bridges and the lack of a suitable alternative east-west route that avoids the centre of Perth.
- Crieff Road /Newhouse Road to the north-west of the city centre also experiences congestion.
- Air Quality – Perth AQMA designated in Perth city centre and wider city region in 2006 as a result of air quality being below the required standards with transport identified as a key contributing factor.

Traffic Modelling

Perth and Kinross Council appointed the transport consultants SIAS to undertake a Perth wide traffic modelling exercise using S-Paramics. S-Paramics is a micro simulation modelling tool that models individual vehicle movements throughout their entire trip across the entire model.

The modelling work undertaken looks at the existing network and applies predicted increases in traffic through both new developments and the background increase in traffic (as determined by the National Road Traffic Forecast) and can assess proposed changes to the road network in terms of journey time and congestion.

The model used by Perth and Kinross Council was developed using a wide range of data sources including OS mapping, public transport data, video surveys, traffic signal timings and traffic survey data and is subject to extensive calibration and validation, in line with industry standards and best practice. In addition, the model was reviewed by JMP Consultants on behalf of Transport Scotland who deemed that the calibration and validation for a model of this size seemed reasonable as suitable for application.

The S-Paramics model was an integral part of the appraisals undertaken and the ongoing design work for the A9/A85 junction improvement project and the overall Cross Tay Link Road (including the Perth City Enhancements package). The visual outputs from the scenarios clearly demonstrate both the scale of the existing and potential traffic issues facing Perth and the positive impact the proposed solutions will provide. In addition, these solutions have been tested by adding traffic likely to be generated by potential land use scenarios and proposed developments to confirm that they can provide a medium to long term solution for Perth.

Appendix 3

VALUE/COST ANALYSIS

Roads benefits - These can be summarised as:

- An upgraded A9/A85 junction providing for better flow of both local and through traffic and easier connections to Inveralmond.
- A second major access to Inveralmond will relieve pressure on this junction at peak times
- Improved pedestrian and cycle safety over A9.
- Reduction of journey times on the local transport network and increased network capacity.
- A vital first link in potential A9/A94 link road and 3rd Tay Crossing, so further enhancing the transport network in and around Perth.
- Expansion of Perth as envisaged in the Proposed Local Development Plan.
- Improved amenity for residents and businesses in the Crieff Road corridor.
- A positive contribution towards meeting the objectives of the Council's AQMA within both the Crieff Road Corridor and wider Perth
- Potential for the creation of between 3,000 – 5,000 jobs through the opening up of development land

Value/cost analysis - A detailed analysis of the junction upgrade scheme was carried out and this showed that there would be significant time savings on the network and a consequent reduction in congestion in both the AM and PM peaks.

An economic assessment of the costs and benefits of the scheme was also carried out as part of a detailed DMRB part 2 assessment of the scheme. This showed that the scheme could deliver a Benefit to cost ratio (BCR) of 4.4 over a 30 year period equating to an Net Present Value (NPV) of £33.70m. These figures are as a result of standard methods of economic assessment applied to transport improvement schemes. In simple terms a BCR of 1 means the scheme has benefits that equal its overall costs. The output from this analysis shows a BCR of 4.4 which is indicative of a highly cost effective scheme. This type of detail and analysis is critical in any request for Scottish Government funding.

Clearly it can be seen that the scheme will deliver significant benefits to the area, not only in terms of reduced journey times, but also with regard to air quality and the unlocking of significant development land and can therefore make a major contribution towards the wider aims of the Council and its Corporate Plan.

Other benefits - The proposals for the A9/A85 works will also enable the opening up of land allocated in the Proposed Local Development Plan for employment use and an opportunity site for employment or retail use, both of which are adjacent to the A9 and A85. The economic benefits of these sites being developed for employment use in terms of potential jobs created are as follows:

Table 2

Site	Ref	Area	Developable area – 40% (ha & sqm)	Use Class & Employment levels
Ruthvenfield Road	E38	25ha	10 ha = 40,000 sqm	Class 4 (Light Industry): 851 FTE Class 5 (General Industrial): 1,111 FTE Class 6 (Storage & Distribution): 571 FTE Class 4 (Office - Business Park): 4,000 FTE
Newton Farm	Op7	6ha	2.4ha = 9,600 sqm	Class 4 (Light Industry): 260 FTE Class 6 (Storage & Distribution):137FTE Class 4 (Office - Business Park): 960 FTE Class 1 (Retail): 565 FTE

FTE = Full Time Equivalent

Notes:
Development Plans allocate land for employment in hectares and a common development density of 40% is assumed (Business Land Need Study by Oxford Economics 2008) because of the amount of land that will be required for roads, access, parking, deliveries, waste, drainage, landscaping etc.

This figure is then converted to square metres to estimate the amount floorspace that should be created. From this the expected employment levels of such floorspace for different uses can be calculated using the Employment Densities Guide (2010) by the UK Government.

LOANS FUND - Updated Projections

(£'000)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Loans Fund Budget	13,137	12,714	13,405	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996
Estimated General Fund Loan Charges*	12,742	12,692	13,398	14,674	16,246	17,562	18,492	19,585	20,386	20,975	21,785	22,031	21,868	21,849
Transfer To/(From) the Capital Fund	395	22	7	1,322	(250)	(1,566)	(2,496)	(3,589)	(4,390)	(4,979)	(5,789)	(6,035)	(1,517)	(1,265)
Loans Fund Budget Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0	0	0	(4,355)	(4,588)

* based on applying Statutory Guidance

Estimated CLF Interest Rate	3.32%	3.28%	2.85%	2.81%	2.98%	3.08%	3.21%	3.38%	3.55%	3.64%	3.79%	3.86%	3.88%	3.90%
New Composite Borrowing Included	15,556	36,179	34,943	23,556	22,431	7,407	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900

(estimates for HRA and Prudential Borrowing have also been included in overall Loans Fund assumptions in all years)

Notes:

1 New borrowing estimates are per latest Capital Monitoring to 2016/17 on the Core General Fund Programme
2 A further **£12M** new borrowing had been assumed from 2017/18 on the Core General Fund Programme
3 A further £100K of contributions has been assumed each year, which reduces the borrowing on historic expenditure

LOANS FUND - Updated Projections

(£'000)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Loans Fund Budget	13,137	12,714	13,405	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996
Estimated General Fund Loan Charges*	12,742	12,693	13,383	14,831	16,942	18,543	19,486	20,596	21,413	22,013	22,839	23,096	22,943	22,933
Transfer To/(From) the Capital Fund	395	21	22	1,165	(946)	(2,547)	(3,490)	(4,600)	(5,417)	(6,017)	(3,999)	(1,265)	(1,265)	(1,265)
Loans Fund Budget Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0	(2,844)	(5,835)	(5,682)	(5,672)

* based on applying Statutory Guidance

Estimated CLF Interest Rate	3.32%	3.28%	2.84%	2.83%	3.02%	3.11%	3.23%	3.39%	3.55%	3.63%	3.77%	3.84%	3.86%	3.88%
New Composite Borrowing Included	15,556	36,279	33,763	36,556	31,431	7,407	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900

(estimates for HRA and Prudential Borrowing have also been included in overall Loans Fund assumptions in all years)

Notes:

1 New borrowing estimates are per latest Capital Monitoring to 2016/17 on the Core General Fund Programme
2 A further £12M new borrowing had been assumed from 2017/18 on the Core General Fund Programme
3 A further £100K of contributions has been assumed each year, which reduces the borrowing on historic expenditure
4 Includes £23.5M for A9/A85 Junction improvements, less £400K already budgeted and £2.18M contribution

LOANS FUND - Updated Projections

(£'000)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Loans Fund Budget	13,137	12,714	13,405	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996
Estimated General Fund Loan Charges*	12,742	12,693	13,383	14,729	16,570	18,028	18,964	20,066	20,875	21,468	22,286	22,537	22,379	22,364
Transfer To/(From) the Capital Fund	395	21	22	1,267	(574)	(2,032)	(2,968)	(4,070)	(4,879)	(5,472)	(6,290)	(2,532)	(1,265)	(1,265)
Loans Fund Budget Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0	0	(4,009)	(5,118)	(5,103)

* based on applying Statutory Guidance

Estimated CLF Interest Rate	3.32%	3.28%	2.84%	2.82%	3.00%	3.09%	3.22%	3.38%	3.55%	3.63%	3.78%	3.85%	3.87%	3.89%
New Composite Borrowing Included	15,556	36,279	33,763	30,056	26,931	7,407	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900

(estimates for HRA and Prudential Borrowing have also been included in overall Loans Fund assumptions in all years)

Notes:

1 New borrowing estimates are per latest Capital Monitoring to 2016/17 on the Core General Fund Programme
2 A further £12M new borrowing had been assumed from 2017/18 on the Core General Fund Programme
3 A further £100K of contributions has been assumed each year, which reduces the borrowing on historic expenditure
4 Includes £23.5M for A9/A85 Junction improvements, less £400K already budgeted, £2.18M contribution, and 50% funding (£11M) of the balance