

## Jobs created by investment in active travel:

### A report by Sustrans Scotland into grant funding from Transport Scotland

#### Summary

Investment in sustainable transport schemes creates jobs cost efficiently. We estimate that an investment of £7.5m<sup>1</sup> in walking and cycling schemes would create or sustain 94.4 full-time equivalent (FTE) jobs. Were this investment reduced to £1m, the number of FTE jobs would be reduced to 12.6. It has been estimated that similar investments in road infrastructure would create 60.4 and 8.1 FTE jobs respectively.

#### Findings

Table 1-1 shows the number of jobs that we estimate were created as a result of the Transport Scotland grant to Sustrans in financial year 2009-2010 and what might happen if this budget reduces to £1m as it might if the proposed budget cuts go through. Funding is split to 70% infrastructure and 30% smarter choices, reflecting the broad pattern of previous grant usage.

**Table 1-1 Number of FTE jobs that are created as a result of walking and cycling investment**

	£7.5m investment	£1m investment
<b>70% infrastructure / 30% smarter choices</b>	86.9	11.6

Table 1-2 shows the same figures if a different distribution between infrastructure and smarter choices is applied: a 100% infrastructure scenario and a 50:50 split.

**Table 1-2 Number of FTE jobs that are created as a result of walking and cycling investment**

	£7.5m investment	£1m investment
<b>100% infrastructure</b>	75.5	10.1
<b>50% infrastructure / 50% smarter choices</b>	94.4	12.6

By comparison road infrastructure schemes consume more resources than cycle infrastructure so for illustrative purposes we can compare the level of job creation from road construction of a similar financial investment. A road infrastructure scheme that provided for 20% less GVA would create 60.4 FTE from £7.5m of investment and 8.1 FTE from £1m of investment<sup>2</sup>.

#### Methodology

Using figures estimated by the Department of Business, Innovation and Skills (BIS), we have assumed a Gross Value Added (GVA) figure of 47.42% of infrastructure expenditure, meaning that

<sup>1</sup> In financial year 2010-2011 Sustrans received £7.5M in funding from Transport Scotland

<sup>2</sup> This figure is supported by a study in USA that estimated that road only schemes created about 20% fewer jobs than walking and cycling infrastructure ([http://www.peri.umass.edu/fileadmin/pdf/published\\_study/PERI\\_ABikes\\_June2011.pdf](http://www.peri.umass.edu/fileadmin/pdf/published_study/PERI_ABikes_June2011.pdf)).

the added value of products and services in a regional economy increases by 47.42% of the sum invested in infrastructure<sup>3</sup>.

We have also assumed an average GVA per FTE of £47,087; meaning that every £47,087 of growth in the local economy amounts to one additional FTE job<sup>4</sup>.

As smarter choices interventions carry a far lower capital cost than infrastructure schemes, it can be assumed that the GVA resulting from investment of this sort would be higher; this suggests that less expenditure is required from a smarter choice scheme, which is a mix of infrastructure and soft measure projects, to produce the same level of outcome as an infrastructure only scheme. Here we have assumed smarter choices to have a 50% higher level of GVA to investment ratio (71.13%).

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<sup>3</sup> The BIS GVA as proportion of expenditure is cited in [pteg/CBT/Sustrans \(2010\), Employment in Sustainable Transport](#); the figure supplied relates to bus operating costs

<sup>4</sup> The GVA to FTE multiplier is also quoted in pteg (2010) and refers to a figure from: DfT (2009), Transport Statistics Great Britain