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Transport Planning Society

Transport Planning Society's assessment of the DfT Appraisal, Modelling and Evaluation Strategy

A think piece from the Transport Planning Society's Governance, Appraisal and Business Case Modelling policy group

About the Transport Planning Society

[The Transport Planning Society \(TPS\)](#) is the only professional body focusing entirely on transport planning in the UK. The aim of the Society is to raise the profile of transport planning and chart a course for the profession.

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Introduction

In May, the Department for Transport published its new Appraisal, Modelling and Evaluation Strategy (AMES). Its previous Appraisal and Modelling Strategy (AMS) had been published in 2019, following an extensive engagement programme during the preceding year. The new strategy states that it focuses on improving transport analysis by using people-centred evidence, better place-based insights, clearer guidance and modern digital data to identify the most effective, best-value interventions.

The new strategy is welcome: a lot has changed since 2019, so that modelling, appraisal and evaluation need to respond. It is also worthwhile reflecting on the impact that the 2019 AMS has had on good practice. Members of the Transport Planning Society's Governance, Appraisal and Business Case Modelling Policy Group have reviewed the document, and set out their assessment below.

General

A lot of good things are promised, to either fill gaps, make TAG easier to use, or just make it better. Some are still quite vague, but this is understandable as the AMES is a menu of areas to look at rather than a detailed set of proposals.

For some of the suggestions, how they are tackled will be key. An example is in the statements "for better connecting economic case evidence to the strategic case" and "supporting vision-led planning and place-based objectives". This should not be done via additional bolt-on TAG units or supplementary guidance: such an approach would not bring these topics properly into the core of decision-making, and could counteract other AMES objectives such as making TAG more accessible and proportionate. Properly integrating these aspirations into the core processes would be better – and we realise this isn't easy, as more consistency between the strategic case evidence and subsequent more detailed economic analyses has long been a challenge.

This is also why, rather than just focusing on improved methodology, we recommend a strong focus during the lifespan of this strategy on supporting best practice and effective decision-making. Although appraisal methodology should of course stay up-to-date and take advantage of technical developments, making better use of what is already there may well deliver the biggest bang for our bucks. Just as important as the numeric technicalities of cost-benefit analysis is how appraisal and business case processes are used in practice to support decision-making. We mention, below, a number of existing weaknesses in this area.

Indeed, we would encourage DfT to take a more user-led and outcome-led approach. DfT has a distinguished track record of proactively seeking academic input and review on appraisal and modelling techniques. Extending this approach to obtaining input from practitioners and decision-makers on practical matters and how appraisal supports decision-making processes in practice would be equally beneficial. They will be able to offer advice on the issues and opportunities with the way appraisal and business cases are currently used in front-line project development and decision-making, and on what DfT can best do to help those techniques achieve their full potential in delivering more effective, relevant, timely analysis and better decisions.

The rest of this paper looks at each of the priorities for change that were highlighted in the strategy.

Enabling Economic Growth

Enabling economic growth is a national and local government priority. The AMES highlights this and sets out the work DfT are doing to advance approaches related to two key areas: 1) place-based appraisal and transformational change and 2) wider economic impacts.

Across these two themes, DfT highlights the following planned and ongoing work to improve appraisal approaches:

Place-based appraisal:

- Developing a consistent method of quantifying benefits for place-based appraisal which is consistent across government that avoids double counting
- Developing further guidance to clarify methods to estimate dependent development

Wider economic impacts:

- Adding benefits only when it is really needed to carefully manage complexity of the analysis
- Estimating impacts related to changes in unemployment
- Updating methods for existing labour markets
- Updating guidance on agglomeration benefits
- Reviewing the treatment of international economy effects within TAG

The research pieces and proposed updates to the guidance are very welcome. However, wider economic impacts still remains a complex area requiring more evidence and understanding, and scope for more analysis, particularly at the early stages of scheme development. Research published by DfT over recent years strengthens the argument that current methods and the parameter values they use are becoming dated.

Our position on how DfT should prioritise their efforts includes a mix of gathering better evidence and the development of better and transparent tools which enable the consideration of economic growth early on in the development of schemes, avoiding highly complex tools and methods as currently relied on. Often the analysis of economic growth comes late in the business case process, when the options for investment being considered have been narrowed down to a small shortlist or even just a preferred option, mostly to demonstrate further benefits.

However, considerations about economic growth need to feature more strongly from the start of the options development and in the Strategic Outline Business Case, making better use of existing and new evidence as well as new tools. This aligns with the theme in DfT's Better Connected about improving how we make decisions and appraise options; and with the proposed focus of clearer and simpler guidance to estimate dependent development.

While TAG already provides a framework for assessing static wider economic impacts, the current guidance on dynamic wider economic impacts focuses on setting out different analytical approaches to analysing these impacts, providing limited details on how to actually carry out the analysis. Tools to carry out these impacts are currently limited and context specific. This means that analysing

dynamic wider economic impacts assuming land use changes still remains a dark art for most. This is therefore a priority area to continue developing.

While DfT has continued to expand the guidance on Supplementary Economic Modelling in recent years, these tools are still difficult to build and access and, importantly, they tend to be used late in the day when key decisions shaping schemes have already been made. With regeneration-led and housing related transport investments becoming more and more important across the country with the aim of enabling economic growth, the ability to analyse these impacts is vital.

Not all points of discussion mentioned at TAG Fest 2025 are covered in the new AMES, although many could be covered in AMES's more generic ambitions for TAG improvement. Our specific recommendations are:

Wider economic benefits:

- Earlier consideration of dynamic WEIs in options assessments to ensure these are properly taken into account early on in the options development process. Clearer guidance or simpler tools to assess dynamic WEIs early on would support this, as well as simpler guidance to assess dependent development (as mentioned in the AMES)
- Improve access to SEM tools and capability to use them. In reality, a mix of tools should be available with different levels of complexity to be run at different stages of the business case
- The current WEIs analysis and WEIS dataset is available at local authority level. Past DfT studies have considered lower levels of spatial granularity, but this has not been implemented yet. DfT should consider providing more guidance on when lower levels of spatial granularity should be used and how to obtain those data sets. It would be good to see if the upcoming agglomeration guidance captures this. A more general update of methods and parameter values is now overdue.

Place-based analysis and transformational impacts:

- While the updated Green Book provides a definition for transformational impacts with reference to tipping points, case studies demonstrating what this looks in practice would be very welcome to improve our understanding of these.

Protecting the Environment

The AMES ambitions focus on two areas: 1) updating carbon appraisal guidance and 2) covering ecosystem and climate change effects. There are a number of areas where it is good to see DfT accepting that these approaches and assumptions are falling behind in reflecting current developments and increasing policy challenges. We are concerned about the implications of the current method of valuing carbon as marginal abatement (which produces very low values in early years).

The use of the MAC has odd and counter intuitive results. This is because in application, the less mitigation takes place, the cheaper it is at the margin because we can continue to use the lower cost methods of abatement which remain available. This has the effect that by spending less than intended on early abatement, raising the future damage costs, the price of carbon in TAG is less than

it otherwise would have been (rather than more): the more you fail to avoid climate change the lower the MAC. This is why we challenge its use for carbon values in appraisal.

We also recommend that the Department considers the right place where scheme carbon impacts from users are represented in appraisal: the programme versus scheme level. As picked up in the strategy, we expect projections of EV uptake and fuel efficiency to reflect the latest published data and funded policy plans, rather than unsubstantiated government ambitions. Sensitivity testing will be key.

The emphasis on cost benefit analysis still militates against a realistic assessment of:

- including the “natural capital” approach into appraisal: this treats the natural world as an asset not an opportunity for exploitation. It should be paralleled by social and community capital.
- taking account of non-monetised elements such as landscape, visual intrusion, severance.
- taking account of variable contextual values for the monetised elements: noise partly reflects this, but others do not.
- reflecting the value of area designation at local and regional level, the “showstopper” approach. This may not be absolute, but CBA hides the decision behind something that looks robust but is in fact hugely uncertain.

On natural capital progress has been made by Government, and the “Enabling a Natural Capital Approach (ENCA) resource” from DEFRA is available. This needs to be understood and reflected in TAG with worked examples. The current system in infrastructure investment neither protects species sufficiently (from badger tunnels to relocating newts) nor has the important underlying aim of expanding natural capital. The current TAG approach still reflects a damage limitation and mitigation approach rather than incorporating values at the option development and strategic assessment stages.

Overall, a far greater emphasis needs to be given to the urgency of global climate change and in particular warming, which is evident at the time of writing throughout Europe. The very low carbon cost in appraisal distorts our investment programmes. The real costs are already arriving: road and rail infrastructure will need investment to produce resilience at much higher levels than can be supported by the carbon costs produced by TAG.

The strategy promises to collaborate with and learn from both DSNEZ and DEFRA, and we expect that representing 2 degrees and 4 degrees warming scenarios will require a complete rethink about forecasting and appraisal; and a laser like focus on decision-making for resilience as well making every effort to avoid the 2 degree outcome, let alone 4. It is unlikely that any resilience package could avoid the outcomes of 4 degrees, nor any appraisal system assess the impact.

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Improving Transport for People

The Department has identified three areas where they will seek improvement:

- Welfare appraisal: how transport investment makes people's travel easier and quicker, opening up economic and social opportunities.
- Distributional effects: how transport impacts people differently according to their characteristics and where they live and work.
- Health: how better transport options can be an important factor in improving people's physical and mental health.

We are pleased to see that the strategy aims to improve upon the planning, design and delivery of schemes to meet the needs of local people – much of the criticism of TAG is driven by a one size fits all concern.

In that context, it is somewhat concerning that this part of the strategy continues to focus strongly on developing new values of travel time and time savings. Even though small travel time savings will be addressed, as well as heterogeneity in the values of time, do Level 1 benefits (which are dominated by user and non-user time savings) really capture the welfare impacts of transport?

The strategy promises to consider appraisal through a wellbeing lens. If TAG addresses this issue it would be a valuable step forward. Increasingly, mobility and accessibility are seen as enablers of wider societal goals, rather than transport itself delivering all benefits, which has been measured and valued in a silo.

Forecasting under Uncertainty

The AMES frames uncertainty as fundamental to transport decision-making, recognising that future conditions — behaviour, technology, climate and decarbonisation — are inherently unpredictable, and that appraisal should test how schemes perform across a range of plausible futures rather than be optimised against a single forecast. Despite this, the strategy commits to only one core action under this theme: refreshing the uncertainty scenario guidance to make it more proportionate and flexible for users.

This commitment is driven by user feedback that the current Common Analytical Scenarios (CAS) do not work for all users in their current format and that uncertainty analysis outputs are difficult for non-technical decision-makers to interpret. The companion document — *TAG Uncertainty Scenarios: Upcoming Changes* — provides further detail on the transition. Key points include:

- A final update to the CAS has been published in its current format (CAS 2025). DfT has stated explicitly that this is the last time a set of common analytical scenarios will be published in this way — signalling a fundamental shift in approach.
- In the interim, DfT will continue to publish a core scenario (defined as it is now), along with guidance on high and low scenarios.

- The development of refreshed guidance will involve extensive stakeholder engagement before publication via the TAG orderly release process. DfT has indicated this will take place over the next few years.
- A think piece on the use of scenarios in transport modelling and appraisal — drawing on international, cross-sector and academic practice — was published in June.

Updated versions of TAG Unit M4 and the Uncertainty Toolkit were also published on 28 May 2026 to improve clarity and usability in the interim.

DfT has always framed uncertainty as fundamental to transport decision-making, stressing that future conditions (behaviour, technology, climate) are inherently unpredictable and that appraisal should test how schemes perform across a range of plausible futures rather than a single forecast..

Our most important point to make is that DfT should prioritise embedding uncertainty at the start of the decision process, not as a late sensitivity exercise. Uncertainty is often considered late in the development process and many early decisions are clustered around a core scenario with a single output; this limits influence on strategic choices. The focus should be on early-stage challenge of assumptions, scenario framing, and testing whether the right scheme is being promoted in the first place. Despite the promise of a more bespoke and flexible approach to scenario development, this much earlier uncertainty analysis does not seem to be considered in the updated AMES position.

Secondly, DfT should prioritise improving usability and flexibility of guidance. This means clearer expectations on proportionality, stronger support for locally-driven scenarios, and practical guidance on building bespoke scenarios where CAS do not fit. Alongside this, improving communication outputs (visual, spatial, decision-focused) should be a core priority to ensure uncertainty genuinely informs decision-making. We are pleased to see that this appears to be a focus of the refreshed guidance.

The current approach often results in testing a limited set of scenarios and reporting results around a central case, which can still lead to a narrow application and single answer mindset. The tools are stronger on framework and consistency than on enabling genuinely exploratory or decision-shaping analysis. There is a gap in guidance on building and using bespoke scenarios, incorporating climate risk and carbon uncertainty, and linking uncertainty outputs directly to decisions. More explicit treatment of optimism bias ranges (rather than point values), better integration of uncertainty into carbon assessment, and clearer approaches to adaptive planning would strengthen the framework. Current TfL and TfN scenario planning approaches tend to better capture behavioural, spatial and demand uncertainties, and are more tailored to decision contexts than standardised national scenarios; and in particular help the focus mentioned in AMES on what needs to be true for a scheme to be a success or failure in delivering its objectives and value for money.

Enhancing Analytical Methods

The AMES recognises the shift that has taken place in how transport planning is promoted, as vision-led and proactive, rather than reactive to projected growth and location proposals. We are pleased to see that the strategy makes the case for a continued and strong case for analysis, through identifying whether and how interventions can support the area's vision, from an early stage and throughout the options development process. There is no immediate need for new tools, but for

guidance on how existing tools can be used better to ensure that they reflect and stress test local strategies and ambitions.

This is not to say that the existing tools that support strategic modelling and appraisal are flawless. The use of the DfT's Connectivity Tool will be a litmus test – it has been welcomed by the profession as an addition to, or even an alternative to forecasting using strategic modelling, although that initial enthusiasm may well be waning by experience of application. As the AMES also says, risk aversion may reduce the value of its use in early stage option development; whereas the tension between a strategic case built on current conditions and an economic case underpinned by large scale modelling will be a challenge. On the other end of the scale, TAG units M5.1 and M5.2 on modelling park and ride, and modelling smarter choices, deserve a review and bringing up to date, learning from applications since their publication in 2013.

The four initiatives on enhancing modelling methods are apt; and some carry over from the 2019 Appraisal and Modelling Strategy:

- Exploring novel data sources
- Creating digital twins
- Making a step change in freight analysis
- Developing a national synthetic population

These are all valuable, and we also note that the Department is taking an active role in overseeing and being engaged in the development of agent and activity based models (TAG Unit M5.4), and particularly their potential application in appraisal. We expect the DfT to play a similar role in establishing Supplementary Economic Models (SEMs) that go beyond the guidance in TAG Unit M5.3, resulting in models that can be understood and used by a larger part of the profession than is current.

Some ten years ago, the Department took a bold step in developing guidance on the use of mobile phone data in strategic transport modelling; and the resulting report is still used a best practice, not just in the UK but around the world. We suggest that the use of any new data sources by the Department will be accompanied by similar activities, ensuring that lack of capacity and/or capability will not hinder the wider uptake.

A similar picture emerges in the context of the Department's aim to develop digital twins, for example for network resilience. It is encouraging to see the Department take the lead; but progress elsewhere needs to benefit from the lessons learnt, and best practice guidance for digital twin implementations by lower tier transport authorities.

There is no doubt that freight modelling and analysis has been, and continues to be the Achilles heel of transport modelling and appraisal. The development through FAME (Freight Analysis and Modelling Environment) of a cross-modal freight modelling system is overdue; and we expect that it will capture induced demand effects, as identified as a current weakness in the recent Goodwin Think Piece.

Supporting Best Practice

The focus on improving analytical culture across the transport sector is the right one. The main issue is not a lack of guidance, but how that guidance is understood and used in practice. At the moment, appraisal is often treated as a technical step to complete, rather than something that helps shape better options and decisions.

Making guidance clearer and easier to use is important, but this alone will not be enough. There is a real opportunity to improve guidance to ensure that analysis plays a stronger role earlier in the process, supports strategic thinking, and is used consistently and proportionately to improve outcomes.

Development of an improved feedback loop between practitioner experience and written guidance would help to foster the culture of analysis that DfT is aiming to achieve, and at the same time would aid continuous improvement of guidance.

DfT should focus on making sure analysis is used to shape better strategies, options and decisions from the start, rather than being applied at the end as a check. This means strengthening how appraisal supports strategic thinking, improving how results are used in decision-making, learning from real schemes, and making guidance easier to apply across the sector.

- Use analysis to shape strategies and options early by linking appraisal more clearly to policy goals such as growth, decarbonisation and accessibility, and ensuring the strategic case is evidence-led
- Increase the impact of appraisal on decisions by providing clear guidance to decision-makers on how to interpret results and associated uncertainty
- Improve accessibility, capability and proportionality by making TAG easier to use, providing practical examples, and setting clear expectations on the level of analysis needed for different types of schemes
- Develop improved two-way engagement channels between DfT and practitioners to enable effective and timely practitioner feedback on the clarity, content and application of guidance.
- Improve alignment of the guidance with vision-led principles in the National Planning Policy Framework (NPPF)
- Provide explanation as to 'why' aspects of the guidance are included, with improved linkages to evidence and research. This will help practitioners to understand the rationale behind the guidance and facilitate improved application of proportionality and a culture of analysis.

TAG provides a clear and structured framework for appraisal, helping ensure a consistent approach across schemes and setting out a full process from option development through to evaluation. However, in practice it is stronger at guiding analysis at the project level than shaping strategies early. While option development is included, there is often a lack of clarity on how appraisal should be used to support strategic thinking and decision-making from the outset, which limits its influence at the most important stage.

TAG is also less clear on how results should be used in decisions. This can lead to a focus on outputs rather than helping decision-makers understand trade-offs, uncertainty and outcomes, reducing the overall impact of appraisal.

Finally, TAG can be difficult to apply consistently, particularly for non-technical users. The guidance can be complex and repetitive, with unclear application in areas such as proportionality, which contributes to inconsistent use across the sector. Readers can interpret written guidance in different ways, further leading to inconsistency in application.

International evidence shows a shift towards using appraisal to support wider policy outcomes, not just transport performance. The OECD and its International Transport Forum highlight that many countries are prioritising accessibility, equity and decarbonisation, and linking appraisal more closely to long-term strategic goals.¹ International guidance emphasises uncertainty and learning, including testing different future scenarios and evaluating schemes after delivery to improve future decisions.²

Overall, there is a lack of clear guidance on how analysis should inform option development and strategic cases, meaning appraisal is often applied late in the process rather than helping to shape interventions and test different approaches from the outset. Its impact is further limited by an over-reliance on traditional metrics and a lack of clarity on how wider evidence and professional judgement should be used, which risks appraisal being seen as a way to justify decisions rather than inform them. Finally, there is no strong, consistent system for feeding lessons from application of the guidance and completed schemes back into guidance and practice, reducing confidence in appraisal and limiting opportunities for improvement over time.

These issues suggest that DfT should prioritise using analysis to shape options and support strategic decisions early, rather than focusing primarily on assessment at the end of the process. Appraisal will have greater impact where it supports understanding of outcomes, trade-offs and uncertainty, rather than relying mainly on single metrics. Building confidence will also require clearer guidance, practical examples, and a stronger learning loop from evaluation into future appraisal and decision-making.

Evaluation

Evaluation should be at the heart of evidence-based decision making. Understanding the impacts of past policies, programmes and projects, be they positive or negative, should be integral to the planning and then implementation of whatever we do next. The DfT has an impressive portfolio of evaluation studies, having published more than eighty evaluation reports since 2013, but across the transport sector experience is mixed. Highways England has its long-running Post Opening Projects Evaluation (POPE) programme, although this is not without its critics.³ As yet, there seems to be no systematic publication of evaluation studies undertaken by Combined Authorities.

The AMES sets out five guiding principles for the DfT's evaluation work:

¹ OECD / ITF (2022): Broadening Transport Appraisal

² ITF (2025): Developing Future Scenarios report

³ See for instance Phil Goodwin's *article Understanding induced traffic: some new insights and what they mean for road project planning and appraisal*, in Local Transport Today (LTT940, 10 June 2026)

- Collect proportionate evidence for DfT’s portfolio, that is matching the evaluation evidence to the need and opportunity for good evidence
- Be evidence-drive and method-neutral – method-neutral means picking the right methods for each evaluation rather than looking to shoe-horn a template approach
- Build stronger links between evaluation and appraisal
- Evaluation will be embedded in development and delivery of strategy
- Match evidence to decision points (which means using evaluation findings to inform decisions on future plans, programmes or projects)

It also sets out four actions:

- “We will increase our focus on retrospective evaluation, undertaking evaluations of legacy projects to inform current priority areas”
- “We will work with local authorities and other partners to support trials of new approaches to transport delivery to enable better learning from innovation”
- “We will review and update DfT’s evaluation guidance unit to set out good practice in evaluating the value for money of interventions”
- “We will undertake an evaluation study to examine cost estimates against outturns, to inform future appraisal practice for the use of cost estimates”

Retrospective evaluation is always challenging. The preferred approach would always be to define a monitoring and evaluation plan alongside a scheme’s business cases and collect bespoke data and collate other data sources in real time before and after implementation. Retrospective evaluation, as its name suggests, takes place after the fact and is reliant on collation and analysis of administrative data sources, as well as re-use of data collected for other purposes. All other things being equal, a retrospective evaluation would be less reliable than one which follows a well-specified pre-defined Monitoring & Evaluation Plan. None of this should be taken as an argument not to do retrospective evaluation, as such studies certainly tell us more than not doing evaluation at all. However, we need to have our eyes open to the limitations of this particular approach.

Undertaking trials and evaluating these will be valuable. Giving local authorities the opportunity to experiment should help drive forward innovation, but integral to this has to be the acceptance that some trials will not be as successful as hoped. This learning can be potentially as valuable as identifying success. No one would go into a trial with the expectation that it won’t deliver what is intended, but the accepting that trials may not deliver and that in retrospect public money could have been better used, is central to the success of this initiative.

There is, however, a bigger issue with local authority led evaluation, which is that quality is variable across the country and there are no protocols for publication of findings. The DfT’s 2025 Local Authority Major Schemes Benefits Management and Evaluation Framework and TAG Unit E1 (which the AMES says will be updated) are both helpful in this regard, but the challenge now is to move from guidance to practice. As principal funders of devolved transport budgets, the Department

should take a lead role in ensuring local government gives evaluation the focus it needs and publishes their findings.

Integral to the assessment of value for money at the business case stage is modelling and cost benefit analysis leading to a benefit cost ratio (BCR). Ex post assessment of value for money will need an ex post assessment of the BCR. This is not a straightforward task. Defining the evaluation counterfactual can be difficult, especially for larger and complex schemes. There is a question of whether to use the models used for the business case (if we had known what we know now about the schemes outputs, this is what the BCR would have been) or should contemporary models and appraisal practice be used (if we had known what we know now about the schemes outputs *and* with our current view of how supply change leads to benefits, this is what the BCR would have been). And the task of understanding exactly what a scheme cost, as well as what was spent when should not be underestimated. This is certainly an area where there would be benefit from engaging with practitioners.

Directly responding to a recommendation of the Transport Appraisal Review, the commitment to do an evaluation study on cost estimates is particularly welcome. Integral to understanding how well costs are estimated is also understanding the methods that are applied. Any evaluation would therefore need to cover both outcomes and process. This activity will be especially important at early stages of project development where at present methods tend to be high level and, with one variation or another, largely based on benchmarking. Greater openness is needed too. The most recent work that informs optimism bias is based on a database that is not in the public domain and there is no way for promoters to check whether the actual costs of their scheme are the one in the database. There is no good reason for both the business case costs and the outturn costs of publicly funded scheme not to be in the public domain.

One last point: while the four evaluation related actions in the AMES are all to be welcomed, what would also be good to know is what lessons DfT has drawn from evaluation and how these have been reflected in policies and programmes. Reports such as the DfT's February 2026 Local Authority Major Schemes Meta-Evaluation helpfully bring together findings across studies and make recommendations for better practice, but at present while AMES says that evaluation provides "a strong evidence base to guide future policy development, investment decisions, delivery and appraisal" How this guiding happens is not clear.

Final points – progress since the 2019 Appraisal and Modelling Strategy

The 2019 Appraisal and Modelling Strategy identified the following key areas of improvement under five themes

People and place

Consolidating the current framework to allow appraisals to better articulate the impacts of proposals on people, health and the environment. Potential research identified focuses on location attractiveness and urban realm (i.e. quality of the urban experience), expanding the evidence base for walking and cycling, social and distributional impacts and freight appraisal.

Reflecting uncertainty over the future of travel

Key aims are to facilitate a step change in presenting intelligent uncertainty analysis to decision-makers, develop a common understanding and guidance on this in the appraisal context, and provide a potential toolkit and case studies in TAG to help users.

Transformational investment and housing

The shorter-term priorities for this theme are to take stock of current methods, scope areas for development and provide case studies to allow a clearer understanding of the potential for wider impacts and to promote a proportionate approach to their appraisal. We are also working with other government departments to explore how we can best appraise cross-sectoral investments.

Sustained activities will be to develop methods from a national and local perspective and work collaboratively with industry to open out supplementary economic modelling methods, including efficient methods for assessing the potential to unlock housing developments.

Supporting users of TAG and making it more accessible

We have identified several quick wins that aim to produce a marked improvement in the understanding and application of analysis for appraisal. This will take the form of more accessible information supporting TAG and improved signposting in TAG itself. Information-sharing and supporting our users is a fundamental part of this theme, with the introduction of an annual TAG conference and training events, and development of case studies aimed at demonstrating proportionality.

Modelling and appraisal tools

Strengthening existing guidance on current practice, introducing more detailed guidance on evaluation and enhancing guidance on model development, with an emphasis on a proportionate approach. We will review and seek to enhance our current forecasting capabilities, in particular freight modelling. Important elements are opening up our national models and exploring what use could be made of potential alternative techniques and innovations in industry.

Our assessment of progress made

Regarding people and place, progress has been made in walking and cycling analysis, now Active Travel England has been established and largely embedded; but the new AMES still recognises that there is work to be done. Place-based appraisal remains a challenge also identified in AMES. Freight analysis has hardly progressed since the 2019 strategy, although the new focus on FAME is welcome.

The Uncertainty Toolkit and the associated Common Analytical Scenarios have formulated an approach to considering uncertainty, even if in practice they have not made the difference that was expected. The Department is learning the lessons and the suggested changes in AMES are sensible. A major challenge remains how to ensure that uncertainty is incorporated in decision-making from the start, and how it is communicated.

Transformational impacts remain a huge challenge in the current approach to modelling and appraisal. Here the mismatch between the strategic case for the scheme, and the tools available for their calculation and valuation in the economic case remain the largest; and the current definition of value for money is not helpful, placing these benefits, even if monetised, only at Level 3 (indicative).

One of the successes since the 2019 AMS is the organisation of TAGFest, following its announcement in the strategy aspirations. These two-day events are valued by the profession, and manage to bring the Department's officers and practitioners together, with a genuine feeling of improved communication and engagement. Elsewhere, progress has been slow and we recognise that this aspect remains a strong component of the new AMES. A rewrite of the High Level Guidance only gets part-way along the route to improving TAG accessibility.

Our views are supported by the Department itself, in that in its 2021 review of the 2019 Appraisal and Modelling Strategy restated that

- Current appraisal practice does not engage sufficiently with the strategic context within which schemes are being developed; or with other strategies, programmes or policies which will interact with the intervention. And that the strategic case for many proposals remains weak.
- There is an undue focus on the benefit-cost ratio (BCR) and effort is put into boosting the BCR at the expense of other analysis which would illuminate the impacts of the scheme and particularly how it contributes to the delivery of its strategic objectives.
- There are particular problems with developing proposals to support a specific place (or places). In particular, it is often unclear when proposals may lead to transformational change.
- Silos between central government departments exist which act as barriers to generating truly place-based strategies.
- Robust analysis of place-based impacts is not carried out or considered in decision making
- There is a lack of transparency around how decisions are taken, with external stakeholders unclear about how business cases are approved.
- The Spending Review process is seen as encouraging an inappropriately heavy focus on the BCR.
- A lack of capacity exists to engage with the full appraisal process especially the more technical aspects, in both local government and Whitehall.
- There is under-investment in rigorous ex-post evaluation

The Transport Planning Society recommends that the Department places a real and intended emphasis on making transport modelling and appraisal more relevant for its users and intended beneficiaries – and that the term 'people-focused' will not be an empty promise. Quite a few of the intended improvements in the 2019 Appraisal and Modelling Strategy remain outstanding, and have not reduced in importance. Strengthening the strategic case with quantified evidence, reflecting non-monetised benefits better in value for money assessment, including distributional effects, place-based analyses, transformational schemes have been on the radar since that time, and although it is heartening to see them feature in the new AMES, they are too important to remain on the wish list for another five years.

On the whole, while its clarity on the DfT's forward programme is welcomed, AMES is very much business as usual. However, we do see a potential game-changing aspects should new guidance on proportionality lead the professions to doing less to develop the business cases for many schemes – less modelling, less appraisal and short business cases mean faster decisions and faster implementation. And tidying up TAG to remove the duplications, contradictions and fill some gaps while making it all more accessible can only be a good thing.

About the Transport Planning Society

The Transport Planning Society (TPS) is the only professional body focusing entirely on transport planning in the UK. The aim of the Society is to raise the profile of transport planning and chart a course for the profession.

About the Transport Planning Society Policy Panel

The TPS Policy Panel was formed in November 2024 to:

- Ensure TPS is influential and proactive in seeking improvements in policy and practice, and in setting the transport agenda at a national, regional and local level.
- Be proactive in the creation of an open, diverse and inclusive transport planning community.
- Provide the widest possible forum to engage on relevant and topical transport planning issues.
- Improve the public understanding and the image of transport planning and transport planners, and promoting transport planning as a profession.

The panel has five sub-groups, and this piece has been co-authored by eight members of the Governance, Appraisal and Business Case Modelling Group:

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- Claire Bond, Senior Director, Arcadis
- Adriana Moreno Pelayo, Associate Director (City Economics and Strategy), Arup
- Karishma Kumar, Principal Consultant, Atkins Réalis
- Sam Corns, Highways Strategy Manager, TfGM
- Graham James, Technical Director, Galle Saliman
- Keith Buchan, Director for Skills, Transport Planning Society and Director, MRTU