



TransportPlanningSociety

Joint Letter from:
Local Government Technical Advisers Group (LGTAG)
Transport Planning Society
Chartered Institution of Highways and Transportation
Royal Town Planning Institute

17 June 2020

Dear Stephen Fidler and Tom Aldred

Delivering changes to Transport scheme assessment methodology

The challenges in using the current system for transport appraisal are well documented. Overall, it is failing to ensure that funding is allocated to the schemes which would achieve the Government's and our key objectives in particular addressing climate change including decarbonising transport, supporting a better regional balance, and improving health.

At this time of profound change there is widespread agreement that we need to move on, and urgently, rather than continue to support and in effect "require" car-dependant development. The key forecasts and assumptions we have used are no longer valid in the past and now in the post-COVID world: we need to make sure that money goes to the projects which will best achieve society's overall objectives. Indeed Covid 19 has revealed some of the future characteristics that people might prefer: cleaner, quieter, safer environments, a sense of neighbourliness with local access to facilities.

In brief, the current appraisal system is based on translating a scheme's impacts into money values through the DfT's traditional version of social cost benefit analysis. It then summarises the value for money of a transport scheme or package in one number – the BCR (Benefit to Cost Ratio). The BCR has dominated decision making, but is only based on a limited number of artificially and inconsistently generated money values. For example, only one dominates most decisions – driver time savings especially for peak hours. In any case most of these disappear within a year or two and should not be the basis of any judgement. This has meant that a scheme improving public realm and prioritising walking, cycling or public transport may be rejected because it delays drivers, even if those same drivers would support it. The recent example in Calderdale, where a publicly supported sustainable package had a poor BCR because of predicted delays to cars has shown this only too clearly.

What we need to do is move towards a system where we test the effectiveness of our plans and developments in achieving clear and agreed objectives, rather than a complex process with poorly justified money values and forecasts and based on predictions which claim to know what the situation will be in 60 years. The increasing uncertainty needs to be recognised. The best way to know what the future will be like is to work actively towards creating it. There are various names for such a process: “Vision and Validate” or “Decide and Provide” are two recent examples. The DfT experimented with such methods in the 1990s but stayed with “Predict and Provide” even though there are fundamental flaws in this approach.

In the current Treasury 5 Case model the economic case has become dominant, but it is not a true measure of costs and benefits. The first steps to putting appraisal on the right path would be to take the first of the 5 cases and make it the key to assessing a scheme’s value. Thus, any transport intervention would need a new and enhanced Strategic Case assessment. The focus would be on positively achieving the key local objectives as agreed. Effectively this would create a set of criteria; a first draft would be:

Schemes will proceed to the next stage of appraisal only if they make a significant contribution in both the short and longer term to:

- reducing carbon emissions
- healthy ways of travelling
- safety and security for users and non-users
- improving the local built and natural environment
- creating sustainable patterns of development including housing and local facilities.

Neutral net impact or negligible contributions to the above will not be sufficient to proceed further. Generating traditional types of benefit for specific users (such as time savings) would not be included in the appraisal at this point.

In addition, schemes will not proceed if they encourage or perpetuate travel behaviour which:

- locks in carbon emissions in the short and medium term
- competes with healthy travel modes such as walking or cycling
- causes danger and severance
- contributes to local environmental damage such as air pollution damages local environments
- depends on planning which locks in unsustainable travel.

This approach needs to be combined with a longer-term review of the methodologies currently in use, including modelling assumptions and valuations. Much of what is done can already be used to support the new approach in a robust and evidence-based way. After the 2018 consultation, DfT recognised many of the changes needed, but progress has been slow.

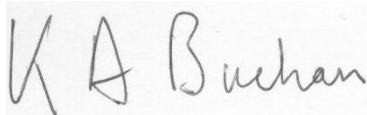
Deciding what we want to achieve, and working out how get there, is what will produce the right mix of transport policies, programmes and accessible development in the right place. Of course, it should be robustly and carefully designed and appraised, but against our shared objectives, not to comply with a flawed and outdated economic theory. We therefore call on the relevant Government departments to work with us on developing and issuing new transport related appraisal guidance reflecting the above reforms and advising that the use of the BCR as a decision-making tool is not acceptable. In the first instance we would welcome the opportunity to meet with yourselves and discuss this in more detail, with a view to potentially setting up a Task & Finish Group jointly with Government departments to move this forward.

We also attach a Position Paper on Transport Scheme Assessment and Funding giving further details of the issues with the present system and ideas of how we could go forward.

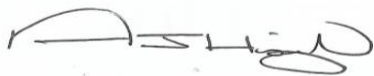
Yours sincerely



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