Transport Appraisal

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The aim of this session is to answer three questions

- Why model and analyse the impact of transport bids?

- How can a transport appraisal be used to provide evidence on the impact of a scheme on a local economy for an RGF bid?

- What supporting information should be provided?

This presentation will be fairly high level and is intended to:

- get the audience to think about whether a transport appraisal is required/would aid the application

- signpost relevant information and guidance
A reminder of the criteria for the Regional Growth Fund

The Regional Growth Fund (RGF) has two main objectives:
(a) To encourage private sector enterprise by providing support for projects with significant potential for economic growth and create additional sustainable private sector employment; and
(b) To support in particular those areas and communities that are currently dependent on the public sector make the transition to sustainable private sector led growth and prosperity.

- Project Location
- Additionality
- Sustainable private sector growth
- Value for Money
- Governance and capability
- State Aid compliance
Transport appraisal is informed by a systematic assessment of impacts

<table>
<thead>
<tr>
<th>Qualitative/Quantitative assessment</th>
<th>Qualitatative, Quantitative &amp; monetised assessment</th>
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<tbody>
<tr>
<td>Areas for development</td>
<td>Some valuation evidence</td>
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<tr>
<td>Townscape</td>
<td>Wider (economic) impacts</td>
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<td>Water environment</td>
<td>Landscape</td>
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<td>Accessibility</td>
<td>Air quality</td>
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<td>Social inclusion</td>
<td>Journey ambience</td>
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<td>Integration</td>
<td>Regeneration</td>
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<td>Biodiversity</td>
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<td>Risk of death or injury</td>
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<td>Noise</td>
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<td>Greenhouse gas emissions</td>
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<td>Reliability</td>
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<td>Physical fitness</td>
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<td>Time savings</td>
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<td>Operating costs</td>
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<td>Private sector impacts</td>
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<td>Cost to the Exchequer</td>
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A full transport appraisal* provides an assessment of a range of economic, environmental and social impacts

* For the purposes of this presentation the term “transport appraisal” is intended to refer to the process and analysis which underpins the Economic Case within DfT’s Transport Business Case approach (for more details see: http://www.dft.gov.uk/about/howthedftworks/transportbusinesscase/)
Transport appraisal may provide important supporting information

- Evidence to inform assessment of impact on private sector growth and jobs:
  - Models/analysis can help show the extent to which transport is a constraint on growth and demonstrate the effectiveness of the scheme in achieving its objectives
  - Some impacts will contribute to economic growth (e.g. business time savings and improvements in reliability)
- Illustrate the wider impacts (e.g. economic, environmental, social) beyond the core objectives of the scheme
- Transport models can provide information on the spatial distribution of benefits
- Demonstrate that there are no concerns about financial sustainability, environmental impacts, equalities etc
The role of conventional transport appraisal will vary by bid.
Transport Appraisal can be used to demonstrate the impact of a scheme on the local economy

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<tr>
<th>Impact</th>
<th>Contribution to private sector growth</th>
<th>More information</th>
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<tbody>
<tr>
<td><strong>Business Benefits</strong></td>
<td>Reductions in journey times, delays and congestion directly improves the productivity of businesses by making more time available for work and reducing travel costs</td>
<td>TAG units 3.5.6 and 3.5.7</td>
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<td><strong>Regeneration</strong></td>
<td>Improvements in accessibility may help reduce unemployment in areas by increasing the number of jobs within commuting distance and encouraging inward investment</td>
<td>TAG unit 3.5.8</td>
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<td><strong>Dependent Developments</strong></td>
<td>Increased transport capacity may allow developments to be brought forward that would have previously been blocked due to negative transport impacts e.g. congestion</td>
<td>TAG unit 3.16</td>
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<td><strong>Wider economic impacts</strong></td>
<td>Reductions in journey times can help increase productivity by deepening labour markets, increasing competition and encouraging ideas and working practices to be shared</td>
<td>TAG unit 3.5.14C</td>
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Modelling and analysis should be proportionate

“Light touch” appraisal
E.g. spreadsheet, qualitative descriptions etc

Full appraisal
E.g. multi-modal model, sensitivity tests etc

- Low cost
- Mature technologies
- Minimal/zero on-going costs
- Data clearly demonstrates an existing problem
- Strong supporting evidence on direct jobs

- High cost
- Novel technologies
- Material on-going costs
- Problem is expected to emerge in the future
- Weak supporting evidence on direct jobs

Applicants need to take a view on this based on their own circumstances
It is the applicants responsibility to provide a clear demonstration of transport related impacts

The level of supporting information required will depend on what you are claiming but consider the following:

- Appraisal Summary Table
- Transport Economic Efficiency/Public Accounts/Analysis of Monetised Costs and Benefits tables
- Assumptions (e.g. planning data, optimism bias, appraisal period, annualisation rates)
- NATA worksheets
- High level description of modelling approach

Applicants aren’t required to provide full technical details but HMG analysts can request relevant information to assess claims made
In conclusion...

- The extent to which transport appraisal will support an application will vary from scheme to scheme.

- There is guidance available to help you demonstrate how transport impacts on the local economy.

- Ensure you provide sufficient evidence to allow HMG analysts to verify your claims.

- Detailed guidance on transport appraisal is available at: [www.dft.gov.uk/webtag](http://www.dft.gov.uk/webtag)