



# The NATA Refresh - reviewing the New Approach to Appraisal

## Response from TravelWatch SouthWest

**1. The need to ensure proportionality of appraisal effort is noted in NATA, but users suggest that in practice the burden appears to be on the excessive side. How might we support promoters and analysts so that appraisal is proportionate.**

Much of the burden of appraisal arises from the complexities of the mathematical modelling of traffic, cost savings and complex environmental analysis. This happens all too often at a very early stage of development of the scheme, and is carried out by the promoter, who by that time feels ownership of what may be in fact the wrong intervention to go forward. It would be useful if schemes were examined by independent consultants and DfT representatives at a conceptual stage - this with site visits and stakeholder involvement - to assess whether the scheme is in fact a good one or whether there are better alternatives.

**2. If there were a light touch appraisal, how should sufficient robustness be maintained?**

Robustness is best maintained by having more than one party do the appraisal. This would parallel the way that a property for sale is subject to more than one valuation. The appraisal should concentrate on outcomes of the intervention, rather than looking simply for the solution with best COBA value.

**3. The Department and other bodies involved in strategic planning should consider wider dissemination of strategic analysis to provide the context for later stages in decision making. How should strategic appraisal tools be developed, balancing the right options being generated without unnecessarily analysing those that are unsuitable?**

(1) Clarity about policy goals especially on modal shift and carbon emissions. (2) Identifying measurable outcomes which support those goals. (3) Use of Geographical Information Systems to allow visual understanding of how the proposed interventions will work and achieve the goals stated. (4) Selecting the options that deliver the best value for money in the context of sustainable development.

In general:

- Evidence based and innovative rather than historical schemes - new data and a fresh approach
- Schemes in the context of a future network, and not just in isolation - for example, a new station in the context of other elements of an improved public transport network.
- Full assessment of corridors on multi-modal basis, with emphasis on policy for modal shift.

**4. In the future, option generation is likely to be more complex, integrating for example small-scale and better use options. The range of alternatives considered, including some possibly rejected at an earlier stage, may be informative to decision making. How might this information be presented?**

The most useful method of presenting such information is by use of Geographic Information Systems, whereby layers of data can be superimposed to give a perspective on land use, commuter flows using TEMPRO, and other transport demands and problems, as well as public transport networks. Using these tools, small-scale options need to be considered in terms of their cumulative effect.

Digital cameras and video footage can be used to record traffic volumes, commuter traffic behaviour and other problems during the course of the day - to give visual perspectives on what the problems are.

Public transport user groups are an untapped resource - early consultation and discussion with these may reveal much faster the problems and issues surrounding the interventions being considered.

**5. The analytical framework used to assess transport interventions should explicitly recognise wider government objectives in the evidence provided, beyond the Department's economic, environmental and social ones. How should those elements which relate to broader objectives, such as housing or regional growth or the distributional impacts on the socially excluded, be presented?**

We are concerned that future appraisal methodology will fail to reverse the current bias towards road building and thus fail to support the government's stated aims regarding sustainable transport, accessibility, and the reduction of carbon emissions. Although we welcome a more multi-modal approach to appraisal, we doubt that a "one method fits all" approach is workable unless there are new monetary weightings accorded to different modes. The appraisal method needs to ensure that travel by train, bus or tram is specifically favoured - otherwise it is unclear how we will match transport infrastructure to policy.

A particular issue that has featured in articles in the press on appraisal has been the impact of transport investments on the tax take of government. The use of motorised transport raises substantial tax revenues, with the extent differing by mode of transport. The provision of road capacity in particular has tax raising impacts as traffic is generated, reducing the overall costs to the government. Appraisal takes this into account and the NATA-BCR (Benefit Cost Ratio) will generally be higher (but not always) because motorised vehicle use increases through the provision of roads. We consider this to be an outdated and wrong approach in the context of the government's stated aims for reduction of carbon emissions and sustainable transport.

Every minute saved for a car driver is valued at 44p – which can be offset against the cost of building the road. This savings is multiplied by the theoretical millions of drivers using the road each year – and then yet again by 60 years, the notional lifetime of most road schemes. This the theoretical value of any new road to society is thus very high, even though modern policy puts forward the reduction of carbon emissions as a recognised goal. That new roads fast fill up with new traffic, slowing the road down, is not factored in to calculations which in itself a problem with the current appraisal method. **The fact that a minute saved on a cyclist's travel time is under the same system, worth 28p and a bus-user's time is valued at 33p a minute, is a complete anathema when sustainable transport is intended as the way forward.**

Public transport schemes may score well because they save time but they have other costs to society such as leasing of rolling stock (for example when a new station or new section of track leads to increased demand for rail services), subsidies at off-peak travel times, and so on. Once these are factored in public transport options that would improve accessibility and make it faster to travel to work for instance, interventions may then score low. How will the new appraisal change this?.

For true understanding of transport interventions, we believe that maps are essential, and proper analysis of demand and the achievement of modal shift . Transport needs to be considered much earlier in the context of suburban growth and urban extensions. Aims to build livable cities and towns - with new employment and housing built on new public transport networks, as they are in many parts of Europe - cannot be done on a piece-meal ad hoc basis, but needs to be designed as a system, so that developers and other funders understand the overall transport needs and the commitment necessary.

With regards to carbon emissions, the Climate Change Bill is to set a long-term framework to cut total UK domestic CO2 emissions by 26-32% by 2020, and by 60% by 2050.

Achieving these goals will require early consideration of transport in the context of growing towns and cities, and a unified and network approach in providing better public transport.

**6 Over the Refresh, the extent to which the evidence for strategic decisions can be consistent with local or scheme specific evidence should be explored. How might the provision of more detail about the strategic analyses of economic, safety and accessibility impacts of transport policies be made helpful for project appraisal?**

The problem with the current methodology is that these aspects - economic, safety and accessibility - are secondary considerations in current NATA analysis, since they are overshadowed by the question of whether or not a scheme speeds up the journey of the motorist. This means that, although Government may wish for modal shift, accessibility, and the reduction of carbon emissions, the appraisal process does currently favour the interest of motorists in deciding the best option.

The current method of appraisal not only selects new road building as the most beneficial intervention with regards to cost benefit analysis, but it also selects the fastest road rather than the one that is the most useful. This is because the economic benefit is derived from just how much the motorist can be given a

faster run from A to B, rather than from a genuine appraisal of value in the context of modern life - perhaps a slower alternative services the railway station, an employment area and allows new bus routes to run. This angle, however, is not brought out by the current appraisal methodology.

**7 In providing decision makers with the evidence on environmental impacts there is always going to be a balance between taking appropriate account of the environmental impacts of transport interventions and the need to summarise evidence for decision makers alongside other impacts. Is the current balance?**

We do not feel that the balance is right.

(a) Filling out a TAG sheet on the impact on landscape and biodiversity is very much like asking an estate agent to fill in a sheet describing any faults in the house he is selling. The balance at the moment is heavily focused on the scheme going forward, and substantially sidelines consideration of the true environmental cost. Independent analysis is needed early on, with visits to the site to see what is involved.

(b) Natural England plays too small a role in vetting schemes. The taxpayer foots the bill for contentious and very expensive mitigation, when the biodiversity or landscape implications of the scheme should have been a show-stopper.

(c) Roads through areas valued for local recreation should be excluded early on, as the expense and delay in trying to force a scheme past public opinion is a waste of resources, and counter-productive.

(d) Carbon emissions from transport are a national and regional concern. However, current NATA appraisal assesses public transport poorly against road construction, as explained in our answer to question 5.

**8. What are the priority areas for extending the use of the monetary valuation of environmental impacts?**

It is very hard to put a monetary valuation on environmental impact. However, if early survey work reveals the presence of species protected by European Law or in a Biodiversity Action Plan, then the suitability of the scheme needs to be examined and alternatives investigated. Similarly if the scheme has a great deal of local opposition, the reasons need to be taken seriously and investigated.

The priority is for regional and national policies on landscape, biodiversity and the reduction in carbon emissions to be given more much sway in transport appraisal.

**9. Given there are a range of decision makers and the mass of evidence underlying appraisal is large and increasing, does the AST remain a useful format?**

The AST is too formulaic, and often hides the details of the scheme.

**10. How do we summarise the results of strategic analysis?**

The use of maps, GIS and other visual presentations is essential. The scheme in the context of growth arising from the RSS needs to be made explicit by the use of GIS techniques. Cross-border geographical analysis is also key, as is the need to show subsequent and related schemes that might be constructed in the future.

**11. From the range of techniques available to better communicate the appraisal advice, what should the Department consider?**

See above.

**12. Do you have any suggestions about the consultative change process we envisage to ensure that you can participate as we develop changes to the guidance?**

In the case of public transport, there should be increased dialogue with User Groups and their representatives, who often have a great deal of expertise to offer.

**13. The document identifies some issues and we would appreciate your views on the priority – a ranking if appropriate – the Department should attach in progressing these. We recognise that all the areas will need some consideration, but what are your views on their importance?**

a. **The Department should consider how best to support the continued interest in the reliability and wider economic benefits of transport improvements. The nature of these issues suggests the support would be wide, looking at data, modelling issues in the context of innovative transport solutions. The need to reconcile wider economic benefits and regeneration benefits is a particular area for guidance.**

The concept of "reliability" needs a modal-specific angle. For example, congestion on the roads during rush hour can be alleviated - albeit temporarily - by adding a lane to increase road capacity or by detouring long-distance traffic around a bypass. These options will score well on the current NATA assessment, because the appraisal currently favours even a small reduction in travel time (for the motorist, specifically.)

A new methodology is essential, one that emphasises the benefits if bus, tram, rail or bus-based rapid transit is involved. The time saved by someone using public transport should be given a much higher monetary value.

We also suggest that analysis of "reliability" should look at a route as a whole, or whether more traffic will simply be added to the road when a new section of road is built - traffic induction needs to be built into appraisal.

**b. The importance of journey time savings in the overall benefits of a scheme suggest some further information about their composition would be informative. Whether this is possible should be explored.**

The importance of journey times in isolation is not sufficiently informative as to the benefits of a scheme in the context of urban and suburban transport. In these cases, it is the *incremental improvement of the public transport network* and the reduction of overcrowding on trains, and reliability of public transport services that are important, as well as the volume of passengers that can be safely conveyed. These parameters need to be factored in to any transport appraisal and given proper weighting. The current appraisal system completely fails to do this.

**c. The Department will seek, engaging with the industry, to improve data and methods regarding freight time savings.**

We would hope that this will be associated with modal shift to rail.

**d. The Department should consider how accessibility measures should be used in the NATA framework. In particular, should the information on the accessibility impacts in relation to local targets be presented, or should a more national approach be used? How should the accessibility impact be presented alongside the other impacts of interventions?**

We consider accessibility problems an important issue. It would be useful to employ local maps to indicate where services were or will be located, rather than the generalised "target driven" analysis used by many local authorities.

The Department should consider how best to determine value for money within the transport appraisal framework using cost effectiveness analysis, in order to take account of economy-wide carbon and other environmental limits .

As an organisation representing the public transport interests of the region, we are more focused on this aspect than on carbon reduction *per se*. However, the South West has sustainable development as a core aim, and we therefore support appraisal techniques that help deliver a low-carbon economy.

Any technique that does this should not just look at a given scheme in isolation, but in the context of whether ensuing development is to be less car-based, more concentrated, and less distributed in nature - in other words, with a lower carbon footprint.

**f. The Department should develop desk-based analysis of the spatial aspects of environmental impacts. This can be used to facilitate strategic analysis, especially using GIS evidence, and support analysis of smaller schemes.**

We heartily agree with this - GIS is vastly under-used, and the National Statistics Office now provides very useful data for super output areas and lower output areas, so that very local statistics can be used and visualised with modern mapping software and datasets.

**g. The Department should investigate the extent to which transport's wider economic benefits can be associated with housing growth. The considerable change in land value due to the use of land for housing may – in part – reflect some benefits of transport enabling housing growth.**

We very much agree with this; sustainable housing growth - and especially the opportunities for urban renewal - is exactly the kind of wider economic benefit that good public transport in particular can bring, yet these benefits are underplayed by the current appraisal system.

**h. While work to join up freight, rail and aviation forecasting of trip generation is continuing, the Department should in the short-term consider how to ensure that the modal interactions are**

**adequately represented in some specific areas. This is needed at a strategic level, to incorporate into the trip generation common assumptions, such as TEMPRO.**

A top priority - modal interactions and interchanges are very poorly represented in current appraisal methodologies.

**i. The Department should consider defining common modelling scenarios to be used by those involved in strategic modelling and scheme level appraisal. These would recognise that some scenarios are policy determined. The evidence from alternative scenarios will need parallel tools to analyse uncertainty around scheme impacts.**

The use of common modelling scenarios is difficult, in the sense that public transport schemes - or schemes that couple public transport initiatives with urban renewal and cycling (for example a new interchange with public space and cycle provision) - cannot be modelled in the same way as a new bypass or other road scheme.