

Welsh Transport Appraisal Guidance (WelTAG) 2017

Consultation Response Form

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Question 1: Do you think WelTAG 2017 is an improved process for developing, appraising, and evaluating transport related projects?

Yes/No:

If no, please explain the reason for your answer:

Yes, we welcome the update in respect of the Well-being of Future Generations Act (2015) and to reflect WG's 5 case business model which drives a more integrated appraisal; one of the key principles of the WoFG Act 2015.

Specifically we welcome this statement "The proposed solutions may lie entirely within the transport sector or may merge with or lie within other delivery areas such as health or education.", as it recognises and allows for the fact that a transport solution may not be the only solution or required intervention for an issue. This will support delivery of sustainable development for Wales as defined by the Well-being of Future Generations (Wales) Act.

Our detailed comments below are intended to provide positive suggestions on how to further modify the process to provide a robust framework to enable sustainability in decision making, ensuring the 5 ways of working and seven well-being goals of the Act are an integral part of the planning and design of transport projects.

Question 2: WelTAG 2017 has been written to encompass the goals, objectives, and ways of working set out in the Well-being of Future Generations (Wales) Act 2015. Are there specific areas where the document needs to be improved or strengthened?

Yes/

If yes, Please explain the reason for your answer:

Whilst we welcome the strengthening that has occurred we think it could benefit further in the following areas:

In the 5CBM environmental consideration and sustainability isn't explicit but it is implicit. It moves project appraisal away from considering environment and sustainability as a separate issue and ensures more integration. So this is good, as long as project appraisers are clear of the overarching requirement *to integrate* it. Greater emphasis of this principle, one of the 5 ways of working introduced by the WoFG Act, as a significant change to the new approach would be beneficial.

Integrated consideration would be enhanced by greater understanding of the terms *outcome* and *impact*. A policy or programme has both inputs and outputs. The outputs lead to one or more outcomes which in turn have an impact.

However we note that the draft guidance perpetuates the separation between:

- "Social and cultural impacts"
- "Environmental impacts"
- "Economic impacts"

This approach may not help enable a shift towards consideration of integrated outcomes.

The draft guidance displays a marked preference for the term "impacts" often in circumstances where the term "outcomes" would be more appropriate. It may benefit from some clarity and consistency in use of these terms.

The useful distinction could then allow a WeITAG *Impact* [singular] *Assessment Report* to cover the domains of

- Social and cultural **outcomes**
- Environmental **outcomes**
- Economic **outcomes**

This would enable project and programme appraisal to identify both a set of feasible and a set of desirable outcomes. Some options may be feasible but not desirable because of the balance of outcomes, and some may be desirable but not feasible. Obviously unsustainable options, such as those which would increase greenhouse gas emissions or damage biodiversity should be filtered out *before* the short list is finalised. Having arrived at a set of options that are both feasible and desirable, a system of ranking must be undertaken to arrive at the preferred option by the end of stage two of the five case process.

The 5CBM promotes objective led appraisal, so it is crucial that objectives include sustainability and environmental objectives to ensure that they are considered right from the start. Our detailed suggestions are below: –

P10 Text re Stage One: Strategic Outline Case (SOC)

"It provides the opportunity to review whether there are non-transport solutions or solutions that would operate across sectors. If these are identified then people with skills and experience in these areas should be involved in the WeITAG process."

This suggests that the broader spectrum of participants is decided after this stage, but to fully understand and identify alternative solutions, we believe that you would need a cross-spectrum of people/sectors involved from the start. This would help demonstrate application of Collaboration and Involvement ways of working.

In the section on the objectives setting (p10/11), against which a solution will be judged, we suggest that in addition to referencing the National Goals/Indicators set by the WoFG Act and transport priorities to help identify these objectives, it would also benefit from including reference to considering the latest:

- Health priorities for Wales
- Natural Resource Priorities (Environment Act required Natural Resource Policy due to be provided by WG in March 2017).
- The relevant Public Services Board Well-being plan objectives (available post March 2018) and evidence from Area Statements (2018/19) for local priorities.
- Other relevant strategies and plans appropriate to the scale. e.g. Flood Risk Strategy; LDP, Active Travel plan, etc.

This would help ensure that the objectives developed are supporting broader well-being outcomes for Wales, for e.g. reduced pollution (Air/land/water); reduced health impacts (e.g. physical and mental); supports low carbon wales; increased ecosystem resilience; increases accessibility to work and leisure etc. It would also help identify collaborative solutions and demonstrate how the long term, prevention and integration aspects of the ways of working have been taken into account.

P16 Purpose of the Full Business Case stage

The purpose of the Full Business Case is to make a full and detailed assessment of the preferred option to inform a decision as to whether or not to proceed to implementation. This should therefore include consideration of all statutory duties and relevant policy/plans, including with respect to the Environment (as discussed above).

Also further to the statement : *The detailed design and appraisal work should be used to refine the design and to inform any complementary measures that are needed in order to more fully realise the benefits of the proposal and to help mitigate any adverse impacts.* The first step of mitigation is to “avoid” – so if the comments above about considering wider statutory duties are applied, it is more likely that decisions that avoid mitigation needs are reached.

In respect of this example under stage 4 p18:

“A logic map should have at least four elements as illustrated in this example for a new bus lane:

Context: number of bus passengers, cyclists and car trips along the corridor before implementation; changes in bus/rail fares, fuel prices and (town centre) car park charges.

Inputs: cost of delivering the bus lanes e.g. labour and equipment.

Outputs: location of bus lane, length of bus lane.

Outcomes: actual change in bus journey times, any change in car journey times, change in number and percentage of trips made by bus, cycle and car along the corridor.”

We are concerned that this isn't demonstrating that evaluation needs to be across all of the objectives and outcomes identified in earlier stages in respect of the multi-benefits that the proposed option should be delivering – hence why it was chosen over others. For example, Health, environmental, social, economic and cultural outcomes. It is this that will show how well the scheme is in fact contributing to the Well-being Goals set out in the WoFG Act.

We are also unclear where and how the guidance is explaining how to use the 5 'ways of working' principles (the SD duty) set out in the WoFG Act. For example: What must be considered in respect of 'long term' in any assessment; what constitutes 'involvement' in this respect; the comments made above would help ensure that it is considering social, economic, cultural and environmental impacts and opportunities in an 'integrated' way; how is the assessment supporting a 'preventative' approach; and what and where are the opportunities for collaborative delivery? The guidance would also benefit from being clear on what the process needs to evidence, in respect of these 5 principles or ways of working.

P20 Summary of the WeITAG process:

STAGE 1: STRATEGIC OUTLINE CASE

As discussed above this needs to include from the start, all relevant legislation and policies and consideration of local objectives where appropriate. For example from SoNaRR, the Public Services Board, or relevant evidence from an Area Statement prepared by Natural Resources Wales when these become available (2018/19).

P23 Strategic checklist :

We welcome the reference to 'local objectives where appropriate', but feel the document would benefit if these were articulated earlier, as described above.

P34 We support 'no weighting' as per this para:

"The appraisal work should not assign weightings to the impacts. It is for the decision makers at the end of each Stage and ultimately the elected representatives to decide on the merits of changes to the transport system and the inevitable trade-off between the social and cultural, environmental and economic costs and the benefits of the proposed schemes, compared to the alternative of not intervening in the transport system."

But we think it would benefit from inclusion of a reminder that the decisions taken should be **maximising** their contribution to the overall well-being of Wales, in line with the Goals, as set out in the Act.

P35, Welsh language considerations don't appear to be picked up in the social and cultural impacts.

On P36 under Environmental impacts, we feel both the reference to:

Biodiversity: is there an impact on wildlife and the number of species and

Water Environment: is there an impact on water courses,

are very generic and would benefit from some more detailed guidance. It may be that we need to start to use a different language here to support delivery of the Environment Act, for example using "resilience of ecosystems and the benefits they provide" rather than natural resources in terms of air, land and water. WG Environment Act Implementation team may need to be consulted on this. Identifying the receptors and considering impacts on those, such as statutorily designated sites (SSSIs, SACs, SPAs) and protected species and the Section 7 lists of important habitats and species (from the Environment (Wales) Act 2016), is more consistent with SEA type approaches.

Water environment could more clear that it is about considering water quality and quantity and the Water Framework Directive.

“Reducing the need to travel” should also be a key consideration here.

In respect of SEA, the document does refer to an Impacts Assessment Report, but we are not clear whether this is done under the SEA /Environmental Impact Assessment regulations or not. There’s no mention of the regulations, but we would have thought that many projects being appraised would require a statutory assessment and that these would need to be integrated with the project appraisal. We also believe that by undertaking a wider ‘Sustainability Appraisal’ (SA), the projects performance against the well-being goals could also be appraised.

As mentioned above the consideration of sustainability & environment in this process is quite traditional and we believe this is a good opportunity to make this appraisal guidance even more in line with the requirements of the WoFG Act and the Environment Act, particularly in respect to resilience, but also in respect of the new Biodiversity duty under the Environment Act.

Project assurance/governance is also key and there is mention of a Review Group for each appraisal. This review group should include someone that can scrutinise projects from the viewpoint of sustainable management of natural resources and sustainable development as defined in the Well-being of Future Generations Act.

In respect of the economic impact assessment discussed in this consultation (quoted below) and the need to support delivery of the requirements in the Environment Act (Wales) 2016, we make the following comment :

P23 “The economic impacts of an option include an assessment of the value for money offered by the option. This is based on a comparison of the value of the beneficial impacts which can be quantified and given a monetary value, minus the value of any adverse impacts which can be quantified and given a monetary value, compared to the cost of delivering, maintaining and operating the option”.

An options appraisal may include both social cost-benefit analysis and multi criteria analysis. However Economic Impact analysis has implications beyond social cost-benefit analysis. It is an approach inconsistent with the consideration of total economic value. The maximisation of TEV is, however, consistent with the ecosystems approach which underlies the Environment Act (Wales) 2016. The sustainable management of natural resources outlined in Section 4 of the Act requires decision makers to, amongst other things:

- (a) Consider the appropriate spatial scale for action
- (b) take account of the benefits and intrinsic value of natural resources and ecosystems
- (c) Take account of the short, medium and long term consequences of actions

Economic Impact Analysis, despite the implications of its title, does not achieve this because it is inherently static and not dynamic. Moreover because transport projects and programmes have the potential both to have an effect upon structural rigidities that could improve the supply side of the economy and to affect the distribution of income, a more sophisticated approach is required at both the appraisal and evaluation stages of the ROAMEF cycle.

Transport is essential to enable individuals to reach employment, educational, recreation and health opportunities. So it has a key role to play in addressing well-being. For this reason the Commercial case needs to consider not simply the level and type of involvement by the private sector but also by the third sector.

Question 3: It is our intention to provide Advisory Notes to accompany WelTAG 2017. What advisory notes would you find helpful?

Please respond in the box below:

The Guidance needs to that explain what it means to consider the SD principle or '5 ways of working' – this may be helpfully supported by more detailed Advice notes.

Advice note on how to take account of ecosystem resilience and move to more integrated consideration of the social, economic, cultural and environmental impacts and outcomes.

SA rather than SEA and how these process should work to support the WELTAG and vice versa.

Question 4: Are there any areas where you would find additional training and support helpful?

If yes, please make your suggestions below:

Question 5: Do you have any other comments on the guidance?

Please respond in the box below:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here: