

PUBLIC INQUIRY

DIDCOT HIF1 ROAD PROPOSALS

CASE REF: APP/U3100/V/23/3326625.

Opening Statement

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Thank you for the opportunity to offer this evidence to the Enquiry. I apologise for the lateness of my written submission, due to health problems in my family. I should state that my comments about Department for Transport guidance are my own judgement, based on my association with the evolution of the TAG Guidance notes and the research underpinning them since the 1990s, but I am not representing or speaking on before of the DfT, and none of my conclusions are necessarily the view of the DfT except where I specifically quote them. .

The main content of my submission is a response to a request from the POETS group to give an opinion on changes in circumstances and advice since the original work was done on the Didcot road proposals, and especially during 2022 and 2023.

Of course everybody knows that we have lived through very substantial changes. These include the momentous developments of Brexit, Covid, economic crisis, Governance, costs of living, the impacts of climate change and the effects of greenhouse gas emissions especially carbon. All of these things have affected the conditions of travel. The Treasury reviewed its Green Book on appraisal. The Department for Transport made substantial changes to the advice on transport project appraisal including the analysis of economic and social impacts. There were very substantial changes to the level, structure and interpretation of DfT traffic forecasts at a national level, and profound changes in the advice by DfT on how these forecasts should be handled when appraising specific local or strategic road proposals.

This resulted especially in a new format for the DfT's 2022 National Road Traffic Projections, and the treatment of 'Uncertainty' in Appraisal., which changed the nature of the required appraisal for road schemes.

A recurrent comment in Claudia Currie's report of the modelling and assessments presented to this Enquiry is the important claim that the methods and assumptions used were 'TAG Compliant', meaning that they were consistent with the advice given, at the time the work was originally done, with the guidance given by the Department for Transport in its series of advice notes called Transport Appraisal Guidance, or TAG. This is important as it establishes one point of agreement, namely that compliance or otherwise with DfT advice is relevant, even though the DfT is not the responsible Department for this application.

I do note an argument made by some of the POETS evidence that in detail the appraisals were not always compliant with TAG advice even when they were done, but my submission makes a different point, which is that:

Even if the appraisals she reports were TAG Compliant at the time the work was done, at various dates over the last decade, they are not compliant with TAG as it is now, on this matter of forecasting, appraisal and uncertainty..

This is my central point. I am thinking that it is possible that Ms Currie and I might actually agree on that proposition, which clearly would be useful: if she were now starting to assess this proposal as a new project, the work she would be supervising would have a different character, with different tests, different model runs, she would write a different report, provide different information, and therefore – maybe, I don’t prejudge that – she would come to a different conclusion. This would be helpful, if we agree on that point?

So first I state what the difference would be, and secondly I say why, in my judgement, it matters.

Since 2018, the DfT’s forecasts of road traffic nationally are not based on the idea of basing appraisal on a ‘most probable’ central value of traffic growth, maybe some with sensitivity tests on less probable alternatives. Instead, they are based on the idea of a range of alternative different futures. In 2022 this was formalised in the idea of ‘Common Analytical Scenarios, all of which need serious consideration. The scale of uncertainty involved was very substantial. The revised range of national traffic growth in the forecasting period ranged from an overall traffic growth from 8% to 54% over 35 years. It’s important to clarify that this range did not arise from a set of tests of the effects of different transport policies and projects. In all of them the same policy presumption was applied, that only already completely committed and funded policy and infrastructure changes were to be included in the forecasts. Any effects of potential policy decisions not yet taken or funded would need to be calculated on top of the range of scenarios, which would make the range of future possibilities even greater.

So to avoid confusion, these scenarios are not tests of alternative policies. The differences arose because of modelling uncertainty about underlying economic and social trends, the future economic growth rates, fuel prices, transport technologies especially electrification, and especially changing understandings about the underlying trends in travel behaviour, including longer run effects trends in working practices triggered by Covid, and the potential persistence of a trend since the 1990s for successive cohorts of younger people to be progressively less car dependent.

For local schemes, of course the national forecasts need to be adapted, according to local circumstances, using local models - for example the variable demand model used by Oxfordshire County Council. But what one uses that model for requires a different set of tests and calculations. Here is what the DfT Guidance actually says: I quote.

“For all interventions, a core scenario appraisal should be undertaken. However, there are significant and often unquantifiable uncertainties associated with forecasting travel demand, such that it is *not possible to robustly identify a ‘most likely’ or expected outcome with any certainty*. Key questions include:

- Under high demand assumptions, is the intervention still effective in reducing congestion or crowding, or are there any adverse effects, e.g. on safety or the environment?
- Under low demand assumptions, is the intervention still economically viable?

- Under a wide range of possible futures, does the intervention still provide value for money?”

This requires a form of Scenario Analysis, which should address these three ‘key questions’, very clearly specifying that ‘value for money’ of the project should be reported, for each of the scenarios, both in the ‘Outline Business Case’ stage, which is normally presented for public examination, and at the ‘Full Business Case’ stage.

Manifestly, such analyses have not been carried out – I think that would also be agreed? We do not see in the project appraisal any of the conventional measures of value for money – costs benefit ratios, calculations of present value of costs and benefits, separately identified for each of the Common Analytical Scenarios – or even, as a short cut which is sometimes OK for small schemes, for the conditions of high and low traffic growth.

So the next question is, if the relevant advice was followed at the time, should the analysis be updated when the guidance changes? There is also guidance in principle on this question of updating, which has applied since 2014 in the National Policy Statement on National Networks. This is that appraisal does *not* need to be updated - unless it would have a material effect on the appraisal. That of course is a matter of judgement. My judgement is that to carry out such analysis would potentially have a very material effect, because the new guidance enables questions to be addressed which simply have not been considered.

For example, if traffic growth is significantly higher than expected (or hoped) then this would be expected to significantly reduce the period of any relief from congestion, returning to current congestion levels. within – for example – five years of opening, and on a continually declining path. And carbon emissions would be increased.

If traffic growth is significantly less than expected, then a much more modest provision of additional road capacity would be required, and the value for money is reduced – potentially the net present value even becomes negative, if there are benefits, but less than the costs.

If a project does not show value for money in a wide range of different possible futures then that needs to be reported, and clearly some pretty serious thought has to be given about whether it should be changed.

So I conclude:

First, the form of appraisal now required by current DfT guidance has not been carried out.

Second, it is certain that, if it had been carried out, different information would have been produced than has been reported.

Third this would have been relevant to answering the questions of value for money under high and low traffic growth, and robustness to a wide range of different futures.

Another way of saying this is that the Enquiry would not be able, with the current submission, to answer the DfT’s three ‘key questions’ listed above.