



June 2023

To: Relevant divisions in the Department of Transport, its agencies, stakeholders, and local authorities

### **Update of appraisal guidance for transport projects and programmes**

#### **A. Background**

- 1) The purpose of this Circular is to announce the introduction of the Transport Appraisal Framework (TAF). The TAF provides appraisal and implementation guidance that aims to promote investment in the transport system which meets the needs of society, fulfils strategic policy objectives, and delivers value for money.
- 2) The TAF builds on the relevant guidance on evaluating, planning and managing public investment – contained in the Public Spending Code and DPENDR Circulars 25/2021 and 06/2023 – by providing guidance specific to the transport sector.
- 3) The TAF replaces the Common Appraisal Framework (CAF) for Transport Projects and Programmes (published in 2016 and updated subsequently).
- 4) The changes will lead to an appraisal framework that facilitates the delivery of transport investment proposals through rigorous and proportionate appraisal, in compliance with PSC requirements, and by making the appraisal framework more accessible and user-friendly.

#### **B. Purpose**

- 1) The purpose of this update is fourfold: to fully align transport appraisal guidance with the PSC, support implementation of the National Investment Framework for Transport in Ireland (NIFTI) at scheme level, improve technical guidance where methodological developments allow, and improve accessibility and user-friendliness.
- 2) The TAF contains ten module documents and aligns with the Decision Gate process and project lifecycle as established in the PSC. This approach provides accessible guidance for the relevant stages of the project lifecycle, drawing on PSC requirements, and facilitates more agile and flexible updates to the documents.
- 3) The TAF now fully establishes methods to assess the alignment of investment proposals with NIFTI and introduces updates to technical appraisal guidance including an enhanced Transport and Accessibility Appraisal (TAA) for the detailed assessment of scheme options.
- 4) The appendix to this circular provides a non-exhaustive summary of the main changes from the CAF to the TAF.

#### **C. Effective date**

- 1) All new transport investment proposals from 13 June 2023 should comply with the requirements of the TAF.
- 2) For transport investment proposals which are already progressing through the project expenditure lifecycle, Sponsoring Agencies and Approving Authorities should ensure that these



comply with the requirements in the updated guidance as they move forward and in particular as they reach the next relevant Decision Gate.

- 3) An important change is the removal of the requirement for a Strategic Assessment Report (SAR). Where a SAR has been submitted prior to this circular but no comments have been returned, comments from the relevant Approving Authority will be prepared as normal. The Sponsoring Agency are to address them at the Preliminary Business Case stage, rather than submitting an amended SAR for approval by the Approving Authority.
- 4) For SARs which the Department or Approving Authority have already provided feedback on but not approved, the Sponsoring Agencies should implement the necessary changes at PBC stage.

#### **D. Actionable by**

This circular should be brought to the attention of:

1. All staff in the Department of Transport, and staff in relevant Departments who are involved in the evaluation, planning, and management of public expenditure for transport projects.
2. All staff in local County Councils who are involved in the evaluation, planning, and management of public expenditure for transport projects.
3. All public bodies under the aegis of the Department; and to ensure that arrangements are put in place to implement its terms in the areas under the aegis of the Department

This circular and the updated TAF will be made available for download on an updated Gov.ie webpage. Further updates to modules will occur on an ongoing basis to ensure the transport appraisal guidance reflects any changes to the PSC update later in the year. Updates will also be made to enhance the framework and to aid the delivery of transport investment proposals.

#### **Enquiries**

Enquires can be addressed to the Strategic Research and Analysis Division (SRAD), Department of Transport, email [sra@transport.gov.ie](mailto:sra@transport.gov.ie).

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## Appendix 1

The TAF represents a substantial update to the Department's transport appraisal guidance. The main changes from the existing CAF are in the following areas:

- The TAF consists of 10 separate documents named Modules, to create a more accessible and agile appraisal framework. The structure of the modules is aligned with the structures of the existing CAF and the PSC. This structure is as follows:
  - Module 1: Introduction
  - Module 2: Roles, Responsibilities, and the Project Lifecycle
  - Module 3: Project/Programme Outline Documents
  - Module 4: Preliminary Business Cases
  - Module 5: Detailed Project Brief and Procurement Strategy
  - Module 6: Final Business Cases
  - Module 7: Detailed Guidance on Appraisal Techniques
  - Module 8: Detailed Guidance on Appraisal Parameters
  - Module 9: Project Implementation, Review and Ex-Post Evaluation
  - Module 10: Key Definitions and Useful Resources
- The new guidance departs from the formatting style of the 2016 CAF. Content is broken out by numbered bullets. This is intended to present key points in a clear manner and improve the ability of users to reference relevant information readily.
- The threshold for deeming a project a major project has increased from €100m to €200m.
- In instances where the Approving Authority is an agency with delegated sanction, the criterion for appraisal documentation being submitted to the Department of Transport for a technical review has been amended. This will now take place on foot of a decision by the Approving Authority that in its view the scheme is at risk of exceeding the 'major project' cost threshold in future.
- The Government is no longer the Approving Authority for major projects. Instead the relevant Approving Authority should seek Government consent (through the Department of Transport) at Preliminary Business Case Stage and Final Business Case Stage.
- A recent PSC update by DPENDR has introduced a 3-stage approval process prior to implementation which includes Decision gates by the Approving Authority at:
  1. Preliminary Business Case Stage
  2. Pre-Tender Stage
  3. Final Business Case StageThis update removes the Strategic Assessment Report (SAR) requirement of the Decision Gate process, and Decision Gate 0 has been removed from the Decision Gate process in an effort to streamline the appraisal process.
- In the transport sector, Sponsoring Agencies must now produce a Project/Programme Outline Document (POD), to be reviewed by the relevant Approving Authority (for schemes estimated to cost <€200m) or the Department (for schemes >€200m). The POD is not a PSC requirement or a formal Decision Gate, but rather serves to streamline the appraisal process for transport



proposals by minimising the risk of duplication or delay at PBC stage, and confirming at an early stage that schemes are on a strong footing in terms of option development, alignment with policy, governance, etc.

- The information which previously was required at SAR stage, and Decision Gate 0, should be formally submitted as part of the PBC for Decision Gate 1 approval.
- The guidance sets out new requirements for the assessment of scheme alignment with the NIFTI Investment Priorities and Modal & Intervention Hierarchies. Sponsoring Agencies should complete a NIFTI Assessment table, provided in the guidance, to assess the level of compliance of a scheme proposal with NIFTI Investment Priorities. The aim of the NIFTI Assessment is to provide decision makers with a clearer sense of a scheme's potential impact on each of the investment priorities.
- The NIFTI assessment table is used to note, using narrative text and indicative scoring, the likely impact of a proposed intervention across each of the Investment Priorities, noting if a positive or negative impact is likely and the potential scale of the impact. The scores allocated to options are not intended to be aggregated.
- Several areas of the guidance have been updated with the aim of improving submissions and giving greater clarity. Important areas where guidance has been updated include:
  - Scheme Rationale
  - Objective Setting
  - Development and Appraisal of Options
  - Sensitivity and Scenario Analysis
  - Risk Analysis and Management
- Guidance on the use of Multi-Criteria Analysis (MCA) to sift a longlist of scheme options to a shortlist of options for detailed appraisal has been updated. This MCA should be centred on the scheme objectives.
- The requirements for detailed appraisal of scheme options have been revised. For schemes estimated to cost less than €30m, an MCA is required for detailed economic appraisal of the shortlist of scheme options. For schemes estimated to cost €30m or more, a new Transport and Accessibility Appraisal (TAA) methodology has been developed. The TAA is similar to an MCA and must be used in conjunction with a form of Cost Effectiveness Analysis to assess the impacts of shortlisted options. Cost Benefit Analysis (CBA) must subsequently be carried out on the shortlist, or a subset of the shortlist. These changes are intended to improve the analysis of scheme impacts that are difficult to monetise and capture in a CBA, and to present important information in a clear and concise format to decision-makers.
- The appraisal criteria for use at detailed appraisal stage have been revised and updated.
- Parameters to be used in transport CBAs have been updated. TAF establishes new parameters for journey time reliability and journey quality for public transport, electric vehicle fuel consumption, and cycling journey quality. Further changes include the update of the base year for CBA calculations from 2011 to 2016, and updated Value of Travel Time Savings parameter values using the latest available input data.

The above lists the main changes made to the TAF from the 2016 CAF and is not exhaustive.



## Appendix 2

### Lifecycle for Transport Projects

