

Technical Note

Note Title	Economic Appraisal of Coedely Dualling Scheme and the implication of reduced traffic demand as a result of Covid-19
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Prepared For	Rhondda Cynon Taf County Borough Council
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The traffic model and economic analysis undertaken for the Coedely Dualling Scheme has been undertaken in accordance with Welsh Transport Appraisal Guidance. This involves developing a traffic growth forecast based on the National Trip End Model produced by the Department for Transport.

The department for transport released a number change proposals to the Transport Appraisal Guidance on Friday 24th July 2020. They included an update to the Appraisal and Modelling strategy to account for recent events including Covid-19, the decarbonisation agenda and revised economic growth forecasts. It is envisaged that these changes will be incorporated into the next formal release of TAG in 2021.

In the interim it is recommended that sensitivity testing around projected lower economic growth is undertaken to accompany a core scenario assessment. This will be done with the submission of the Stage 3 WelTAG. It should be noted that there is no expectation to account for new population assumptions through NTEM as a result of Covid-19 and revised GDP projections, and there is no expectation to update already calibrated and validated models. It is proposed that the future release of TAG will pull together research and findings relating to the direct impacts of coronavirus on traffic demand.

Further, one of the objectives of the proposed scheme is to support the development of 14 hectares of B1 and B2 employment land identified within the Local Development Plan Planning Policy SSA 14. It is not anticipated that the impact of the coronavirus outbreak will affect the location of this strategic development site allocation.

Within the modelling undertaken there is an uncertainty log which summarises all known assumptions and uncertainties in the modelling and forecasting approach and includes an assessment of the likelihood for future change. The purpose of the uncertainty log is to record the central forecasting assumptions that underpin the Core Scenario and record the degree of uncertainty around these central assumptions.

The uncertainty log includes an assessment of the uncertainty of each individual input by placing it into one of four categories as shown in Table 1:

Table 1: Classification of Uncertainty Log Inputs

Probability of the input	Status
Near certain: The outcome will happen, or there is a high probability it will happen	Intent announced by proponent to regulatory agencies. Approved development proposals. Project under construction.
More than likely: The outcome is likely to happen, but there is some uncertainty.	Submission of planning or consent application imminent. Development application within the consent process.
Reasonably foreseeable: The outcome may happen, but there is significant uncertainty.	Identified within a development plan. Not directly associated with the transport strategy/scheme, but may occur if the strategy/scheme is implemented. Development conditional upon the transport strategy/scheme proceeding. A committed policy goal, subject to tests (e.g. of deliverability) whose outcomes are subject to significant uncertainty.
Hypothetical: There is considerable uncertainty whether the outcome will ever happen	Conjecture based upon currently available information. Discussed on a conceptual basis. One of a number of possible inputs in an initial consultation process. A policy aspiration.

The key role of the uncertainty log is to detail the forecasting assumptions that form the core scenario, which is the most unbiased and realistic set of assumptions that will form the central case of the scheme appraisal. Only assumptions that are considered to be near certain or more than likely are included specifically in the core scenario. This included the development of the adjacent 14 hectares of B1 and B2 employment land but did not include the Covid-19 pandemic as it was not foreseen at the time.

Further to the scheme specific considerations described above a recent report published by INRIX regarding 'European Passenger Travel Response to Covid-19' indicates that a number of countries have already met or exceeded pre Covid-19 vehicle miles travelled.

In light of the above, it is considered that the proposed A4119 Coedely Dualling scheme is still necessary to alleviate the congestion on the A4119 and will provide a good level of value for money in line with national transport appraisal guidance.