



Department
for Transport

TRANSPORT ANALYSIS GUIDANCE

The Proportionate Update Process

January 2014

Department for Transport

Transport Analysis Guidance (TAG)

<https://www.gov.uk/transport-analysis-guidance-tag>

This TAG Unit is guidance for the **TECHNICAL PROJECT MANAGER**

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1 Principles of the TAG Proportionate Update Process

1.1 Introduction

1.1.1 This Unit sets out the principles for the proportionate updating of Business Cases in response to changes to TAG guidance.

1.2 Governance of the guidance – The orderly release process

1.2.1 The Department updates TAG to keep its methods and values in line with good practice, meeting the Treasury's Green Book guidance on appraisal and evaluation in Central Government.

1.2.2 Some projects using TAG to generate advice to decision-makers have lifecycles of many years from inception to delivery, with multiple decision points requiring modelling and appraisal advice along the way. For these projects, the resulting changes to modelling and appraisal methods and/or values beyond that already planned for can increase the resources, cost, and/or time needed to prepare business cases.

1.2.3 The TAG Orderly Release Process provides advance notice of changes to TAG. This gives more certainty of the timetable for changes and early sight of forthcoming revisions, allowing scheme promoters and sponsors to plan the work required to implement the changes.

1.3 The principles of proportionate updating

1.3.1 While sound planning of business case development, assisted by the Orderly Release Process, can minimise the cost, resource, and time needed to ensure a business case remains in step with latest evidence, it is nonetheless reasonable for project sponsors to decide what updates to business cases it is proportionate to make when TAG, or other guidance / evidence changes.

1.3.2 The Department expects that such decisions should be made on a scheme by scheme basis, and be based on balancing the need to ensure decisions are based on up-to-date evidence with the need to support decision makers in delivering their programme. This should involve reasonably balancing (a) the greater time, cost, and/or resource needed to deliver programmes, with (b) the quality of the analysis submitted to assist the decision required, including its robustness against potential challenge from all sources.

Who should decide?

1.3.3 The decision on this balance should be taken by the scheme sponsor¹, making proper use of the governance framework overseeing the work and resulting decision advice (e.g. an Investment Board), seeking advice and agreement from relevant centres of excellence (e.g. the appropriate analytical team in the overseeing organisation) and legal advisors.

How should this be decided?

1.3.4 It is difficult to set down overarching guidance on what this balance should be for different types of project, decision points, or TAG changes and the relevant considerations and factors for each project may be different. However, it is reasonable to presume that the case for not adopting latest evidence would be stronger the more it can be shown that:

- the changes are not material to the decision at hand;

¹ The scheme sponsor is defined here as the party responsible for funding the proposed transport scheme from a central resource. In more simple terms, the sponsor is the party that receives a transport investment business case, where the promoter is responsible for preparing the business case and the supporting analysis.

- adopting the change would require significant increase in the resources, cost, and/or time needed to prepare the decision advice; and
- the risk of successful legal challenge is low; and,
- the risk of damage to the reputation of the analysis supporting the scheme, or the Department's wider portfolio, is low.

1.3.5 This approach has been developed primarily for sponsors inside DfT. To the extent that sponsors outside of the Department take decisions such as these, and apply the above reasoning, they should satisfy themselves that the decision taken on balancing these elements is appropriate. Moreover, decisions by sponsors outside the Department whether or not to adopt guidance changes is taken entirely at their own risk and the Department cannot be held responsible for any loss of damage flowing from that decision.

1.3.6 When considering this balance, scheme sponsors should be aware there could also be the option of adopting the changes to TAG in an additional sensitivity test. This could sometimes be delivered at lower time/resource cost, while helping to mitigate some of the risks from not fully updating the central case analysis.

When to update

1.3.7 Updates to analytical models and appraisals, where they are deemed to be material, should be programmed to coincide with forthcoming decision-points within a project. The Department would not expect work to be undertaken to update analysis as a general necessity where it will not be used. Promoters should therefore plan when changes should be implemented for their work programme, considering the balance of factors described above.

1.3.8 It is also worth noting explicitly that the Department would not expect promoters to retrospectively revisit transport analyses used to inform final funding decisions in light of guidance changes.

1.4 Analytical Assurance

1.4.1 The degree to which analysis underpinning advice to decision-makers is based on the latest TAG guidance (and other evidence), and the steps taken by the project team to mitigate any resulting risks, is an important part of the analytical assurance surrounding the advice. This information should form part of the decision advice to schemes sponsors.

2 References

HM Treasury (2013), The Green Book: appraisal and evaluation in central government, <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

3 Document Provenance

This TAG Unit is based on previous TAG Unit 1.5 – [The Proportionate Update Process](#).