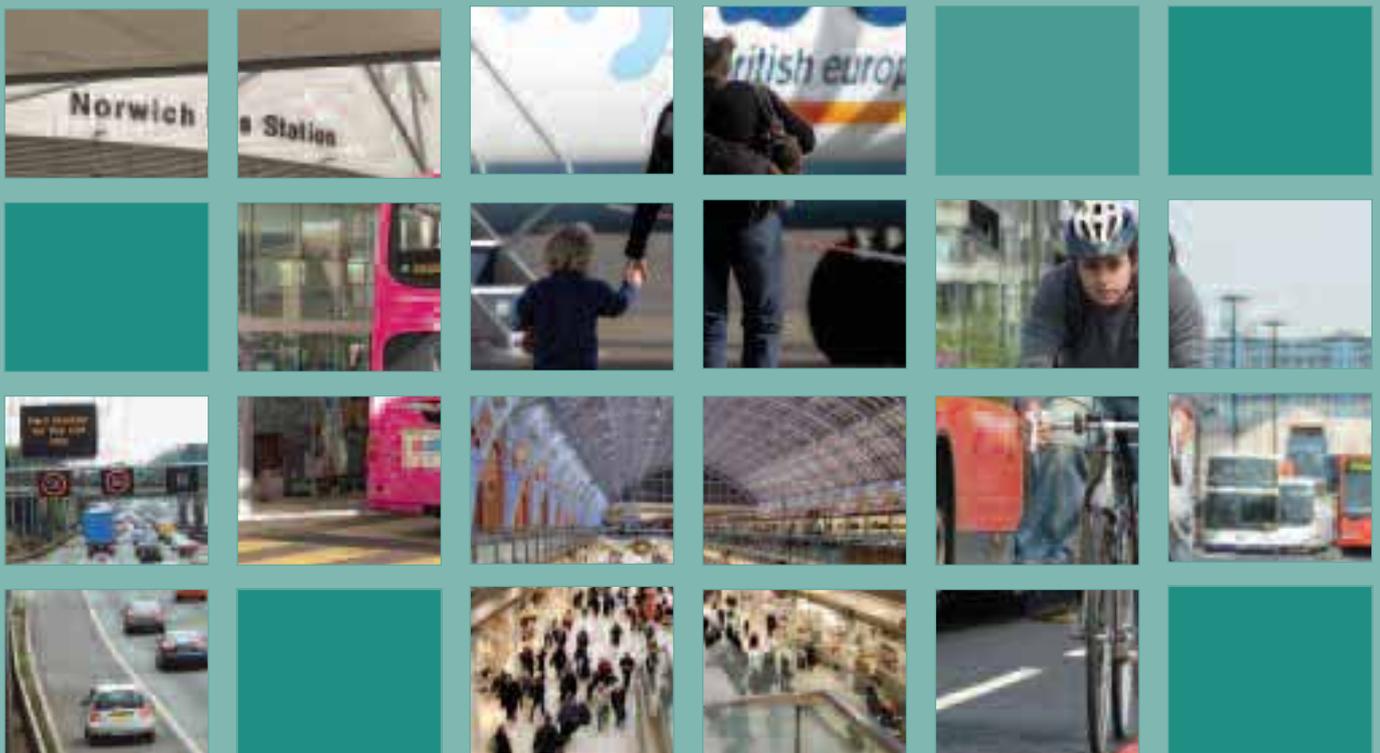


Annual Report 2008



This document is part of a series of Departmental Reports which, along with the Main Estimates 2008-09, the document Public Expenditure Statistical Analyses 2008 and the Supplementary Budgetary Information 2008-09, present the Government's expenditure plans for 2008-09, and comparative outturn data for prior years.



Department for Transport

Annual Report 2008

Presented to Parliament by the
Secretary of State for Transport,
by Command of Her Majesty
May 2008

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Foreword by the Secretary of State



This Government is committed to delivering an effective, sustainable, passenger focused transport network for the UK – and in 2007-08 we took significant steps towards achieving this vision.

In October 2007, I announced a new framework for transport planning – *Towards a Sustainable Transport System (TaSTS)* – which formed the DfT’s response to the Eddington study and *Stern Review of the Economics of Climate Change*, and explained how we will engage with passengers, transport users, the transport industry and other stakeholders in the years ahead.

As Sir Rod Eddington made clear in his Transport Study, the UK has broadly the right transport connections, in the right places, to support the journeys that matter to economic performance.

But demand for travel continues to increase. We have the fastest growing railway in Europe; six million more vehicles on our roads than a decade ago; and people are flying in record numbers.

So while we need to support people’s desire for mobility, we also need to continue tackling congestion and overcrowding on the network, while ensuring that transport plays its part in reducing carbon emissions.

Towards a Sustainable Transport System is a blueprint for transport policy that meets these core challenges: a programme that’s both economically and environmentally viable.

We will support this programme with sustained investment. The 2007 Comprehensive Spending Review means that the Department for Transport now has a long-term funding guideline to 2019 – by which time public spending on transport will have doubled in real terms over the twenty years from 1998-99.

Among the highlights of the past year covered in this Annual Report are:

- The Local Transport Bill – introduced in Parliament in November 2007 – will help improve public transport and restructure the way local transport is delivered. In particular, it will give local authorities increased flexibility and powers to improve bus services, provide greater passenger choice, and help tackle road congestion.

- The launch of the rail white paper in July 2007, which announced our long-term plans for a modern rail network capable of handling twice the current level of passengers and freight. Between now and 2014, the Government will deliver 1,300 extra carriages and invest more than £10 billion to increase capacity throughout the country.
- The go-ahead for the £5.5 billion expansion of Thameslink, and in October, the announcement that we had secured funding for the £16 billion Crossrail scheme.
- The launch of the Act on CO₂ campaign, which gives people the information they need to make informed decisions about buying a new car – and amend the way they drive – to reduce carbon emissions and other pollutants.
- The opening of the spectacular St Pancras International Station in November.
- The consultation on increasing capacity at Heathrow, so our most important international transport hub can continue to support economic growth in the UK in the decades ahead.
- The leading role that the UK Government has played to include aviation in the European Union Emissions Trading Scheme from 2012. This would ensure that any growth in aviation emissions is matched by a corresponding reduction in carbon from other sectors of the economy.
- The announcement in November of a £4 billion investment programme in local transport over the next three years.
- New plans to tackle congestion on our busiest motorways and give drivers greater choice on their journeys through a range of measures, including car share lanes and hard shoulder running.
- And in April, the extension of free off-peak bus travel for older and eligible disabled people throughout England.

These are just a few of the initiatives contained in this Annual Report. And we will be maintaining the pace of change in the year ahead as we work towards our ultimate goal: a sustainable transport system that increases choice; puts the passenger first; supports economic growth and makes a full contribution to our environmental objectives.



Rt Hon Ruth Kelly MP
Secretary of State for Transport

Norwich Bus Station

Chapter 1

Our aim and objectives



Chapter 1

Our aim and objectives



- 1.1 The Department for Transport's aim is transport that works for everyone.
- 1.2 In support of this aim, the Department has four strategic objectives which focus on the core areas of its business:
 - to sustain economic growth and improved productivity through reliable and efficient transport networks;
 - to improve the environmental performance of transport and tackle climate change;
 - to strengthen the safety and security of transport; and
 - to enhance access to jobs, services and social networks, including for the most disadvantaged.
- 1.3 To achieve its objectives, the Department for Transport provides leadership across the transport sector, working with regional, local and private sector partners who deliver many of the services.
- 1.4 Our work is focused around the following key tasks:
 - improving the current operation and capacity of transport networks and services, and providing better information for travellers;
 - shaping the future pattern of demand for transport, including through land-use planning and appropriate pricing;
 - tackling the environmental impacts of transport through pricing, regulation, technology, consumer information and promoting efficient use of resources;
 - planning and managing investment programmes for the long term;
 - regulating and licensing certain transport services and operators; and

- managing information and delivering services to support wider government objectives.
- 1.5 The Department strives to carry out its work effectively and efficiently, achieving value for money from its expenditure, as well as to be a good employer and to innovate in public service, management and delivery.

Our organisational structure

- 1.6 The Department for Transport comprises the central Department and seven executive agencies. It also has responsibility for 12 non-departmental public bodies.
- 1.7 The central Department, around 2,000 staff, is responsible for strategy, development of capability, and overall management of delivering against our objectives. The vast majority of staff, around 18,000, work in the executive agencies and are responsible for the delivery of services to the public including, for the most part, licensing, testing and enforcement of standards for vehicles, drivers, shipping and transport operators. The Maritime and Coastguard Agency also co-ordinates search and rescue operations. The Highways Agency is responsible for the strategic road network and the Government Car and Despatch Agency for government cars and mail.
- 1.8 Chapter 12 gives a fuller summary of the roles of the agencies and of the non-departmental public bodies. Each agency also produces its own annual report and accounts.

The central Department

- 1.9 The Department adopted a new organisational structure from the beginning of April 2007. It reflects our business priorities and was also shaped by the conclusions of Sir Rod Eddington's study.¹
- 1.10 In the new structure, three Directors General are each responsible for a key transport network: city and regional networks, national networks and international networks. A fourth Director General has taken responsibility for delivering and transforming driver and vehicle operator services, and for policy on logistics and road and vehicle safety. A fifth runs corporate resources.
- 1.11 The three networks were identified by Sir Rod Eddington's study as strategic priorities for transport. He also recommended that the Department assess the performance of each network and the policies which would improve performance looking across all the relevant modes of transport: train, car, HGV etc; and all the different users, such as business travel, freight, leisure etc.

¹ *The Eddington Transport Study – The case for action: Sir Rod Eddington's advice to Government*, December 2006.

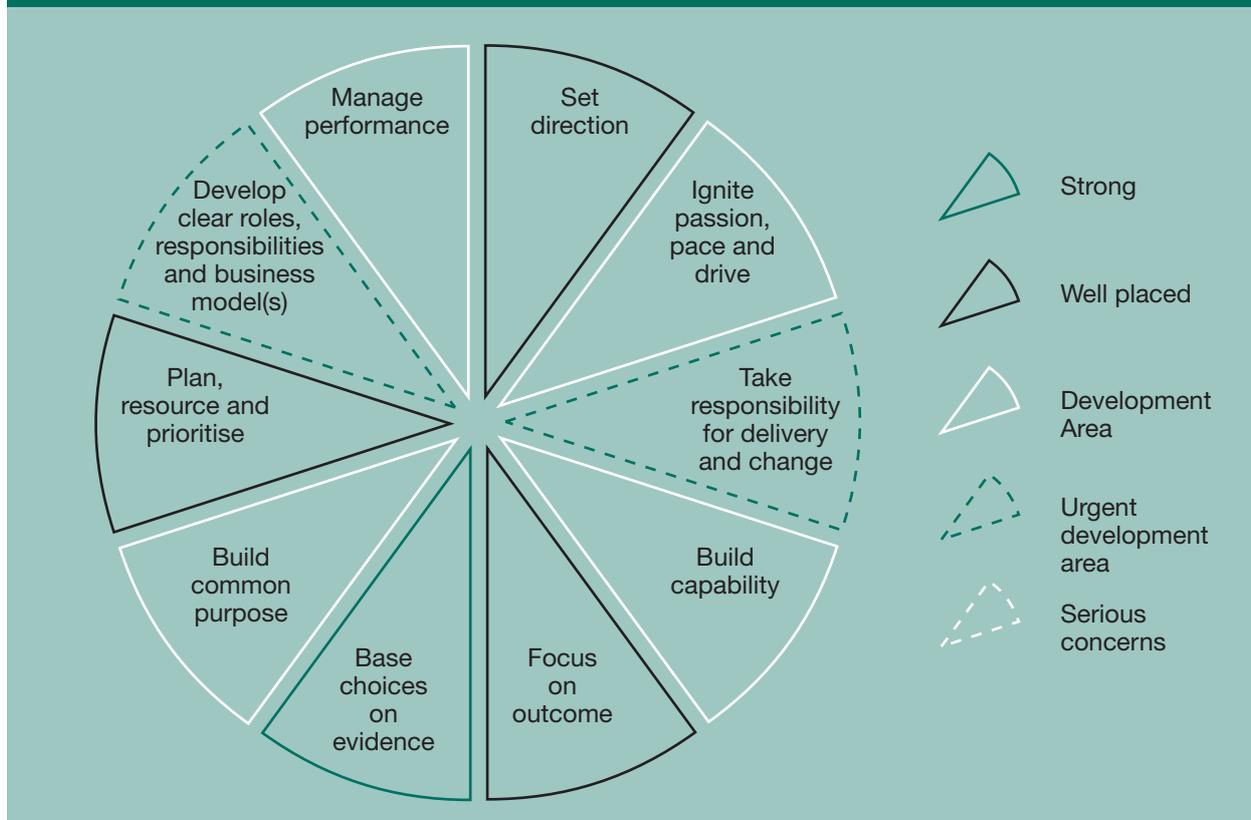
1.12 This approach necessarily involves more cross-cutting work among staff who have traditionally been organised solely on modal lines. But the three networks are not the only cross-cutting themes the Department has to manage. In total we have established Director General responsibility for nine themes: the three networks, plus accessibility and equality; environment; security; freight; safety; and service transformation.

Developing capability and the '4ward' programme

1.13 In June 2007, the Cabinet Office published the results of the Department's Capability Review, an external assessment of how well placed the Department was in terms of leadership, strategy and delivery, to meet current and future challenges. The review placed us third (equal) across all the departments assessed. It recognised explicitly how far we have come since the Department was created in 2002 and noted our strengths, particularly in analysis and evidence-based policy making.

1.14 But in view of the challenges we face, the review found that there was a need for development in six out of the ten areas scored, and that two of these needed more urgent action.

Figure 1a: **Assessment of capability for future delivery June 2007**



- 1.15 We accept the findings. In response, we developed a programme of change – ‘4ward’. This name reflects the view of many staff, that we are on a journey, recognising the progress already made, but with more to do. The ‘4’ reflects the four themes which bring coherence to the various projects and actions that make up the programme. These are:
- building and demonstrating strong and cohesive leadership;
 - making the right strategic choices;
 - delivering today’s services and tomorrow’s improvements; and
 - sustaining and building our capacity effectively.
- 1.16 We completed eight early actions in the first six months of the programme and have finalised a more detailed plan for the next two years. Key elements are:
- introducing a set of **leadership** standards across the central Department and agencies, which develop the Professional Skills for Government model and will be embedded in our performance management systems;
 - improving the way we develop **strategy**, following up *Towards a Sustainable Transport System* (TaSTS) with a wide ranging programme of consultation with our stakeholders;
 - improving **delivery** by clarifying the roles and responsibilities of the central Department and our agencies, including through implementation of the recommendations from the Nichols Review, and by continued progress on our shared service programme; and
 - developing our **capability** through recruitment to key posts and an evolving new workforce strategy.

Delivering against objectives

- 1.17 To assess its progress in delivering on its objectives, the Department reports against a number of targets, including its Public Service Agreement (PSA) targets. Objectives relating to the full range of the Department’s business, including PSA targets, were published in its business plan *Delivering Better Transport: Priorities for 2006-07 to 2008-09*, updated in March 2008.
- 1.18 A new set of 30 PSAs covering the period 2008-09 to 2010-11 were published as part of the Comprehensive Spending Review in October 2007. Progress on these will be reported in next year’s annual report.
- 1.19 Appendix D of this year’s report covers progress on each of the PSAs set out in Spending Review 2004. In addition, each chapter of the report makes clear where the activities have contributed to the delivery of PSA targets.

Index to information about PSA targets and other objectives for the period 2007-08

PSA targets	Chapter
By 2007-08, make journeys more reliable on the strategic road network	Chapter 5 – National networks
By 2010-11, the 10 largest urban areas will meet the congestion targets set in their local transport plan relating to movement on main roads into city centres	Chapter 4 – City and regional networks
Improve punctuality and reliability of rail services to at least 85 per cent by 2006, with further improvements by 2008	Chapter 5 – National networks
By 2010, increase the use of public transport (bus and light rail) by more than 12 per cent in England compared with 2000 levels, with growth in every region	Chapter 4 – City and regional networks
Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40 per cent, and the number of children killed or seriously injured by 50 per cent by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities	Chapter 8 – Safety and security
Improve air quality by meeting the Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide (NO ₂), particles (PM ₁₀), sulphur dioxide (SO ₂), benzene and 1,3-butadiene. Joint target with Defra	Chapter 7 – Protecting the environment
Reduce greenhouse gas emissions to 12.5 per cent below 1990 levels in line with our Kyoto commitment and move towards a 20 per cent reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables. Joint target with Defra and BERR	Chapter 7 – Protecting the environment
Financial information split by PSA objective	Appendix A
Progress and performance reports by PSA target	Appendix D

Chapter 2

Key achievements



Chapter 2

Key achievements



Transport network improvements during 2007-08

April 2007

Learning lessons from tragedy

- 2.1 By investigating often tragic accidents, the Department's three accident investigation branches aim to prevent future loss of life. The Marine Accident Investigation Branch report on the loss of the yacht *Ouzo*, with all three crew, is typical. Published in April 2007, it contained a number of very important recommendations that have received widespread support in the leisure boating sector.

May 2007

Calculating carbon online

- 2.2 In May 2007, the Department's online travel planner Transport Direct launched a carbon calculator. This lets users compare the estimated carbon costs of a range of journey options, covering both cars and public transport. The carbon counter shows kilograms of CO₂ emitted per traveller for each journey option.

June 2007

Road deaths down

- 2.3 Figures released in June 2007 showed that road safety improved in 2006. The number of people killed in road accidents fell by 1 per cent (to 3,172). There were 1 per cent fewer people killed or seriously injured (31,845). There were 5 per cent fewer road casualties overall in Great Britain (258,404 in total). Child casualties fell even more, by 9 per cent overall. Within this, the number of children killed or seriously injured in 2006 was 3,294 (down 5 per cent on 2005). The Think! campaign continues to be a strong and trusted medium for road safety messages, winning numerous awards.

July 2007

Helping drivers to buy greener

- 2.4 In July 2007 we launched the Best on CO₂ car rankings tool, developed in association with *What Car?* magazine. This tool allows consumers to search for the top 10 most fuel efficient cars in each class. The campaign won the Greenfleet 2007 Green Marketing Campaign of the Year award.

Online licensing wins business award

- 2.5 The Driver and Vehicle Licensing Agency's electronic vehicle licensing system won the prestigious National Business Award in the Orange Best Use of Technology category.

August 2007

Bag it, Bin it

- 2.6 Following a successful trial in the south east, the Highways Agency's 'Bag it, Bin it' campaign launched nationally in August 2007. This saw the Agency handing out free specially designed car litter bags in service stations. As well as helping to clear up the motorway and trunk road network, the campaign won a Gold Award from the Chartered Institute of Public Relations for the best public sector campaign.

September 2007

Highway Code tops the best seller list

- 2.7 The *Highway Code* is the Department's very own bestseller. We published a new edition on 28 September 2007, in partnership with the Driving Standards Agency, following public consultation on our proposed changes. The new edition went to the top of the paperback bestsellers list within eight days of its launch and sales increased by over 400 per cent (October to December 2007) compared to the same period in 2006. It also received the most hits in the motoring section of DirectGov.

October 2007

Changes to the Blue Badge scheme

- 2.8 On 15 October 2007, new Blue Badge legislation¹ came into force. Amongst other things, this extended the scheme to children under the age of two with specific medical conditions, and amended the badge design to prevent fraud and aid parking enforcement. The Department also published a revised Blue Badge users' booklet, *The Blue Badge Scheme: rights and responsibilities* and a new advice leaflet, *Can I get a Blue Badge?*

New Eurostar depot

- 2.9 A new depot for Eurostar trains opened at Temple Mills, Stratford, on 2 October 2007, replacing the North Pole Depot in West London. This is conveniently situated for trains using the new High Speed 1 line into St Pancras.

¹ The Disabled Persons (Badges for Motor Vehicles)(England)(Amendment) Regulations 2007.

November 2007

High Speed 1 complete

- 2.10 On 14 November 2007 section two of the Channel Tunnel Rail Link, from North Kent to London, was opened to passenger traffic, on time and on budget. This marked the completion of the link and the creation of High Speed 1. As a result, journey times from London to Paris and Brussels have been cut by 40 minutes, to 2 hours 15 minutes and 1 hour 51 minutes respectively.

St Pancras Station restored

- 2.11 The spectacular St Pancras International station has been restored to its full nineteenth century glory, while at the same time being developed into a major twenty-first century gateway to Britain. Highly acclaimed on opening, it presents a dramatic first impression for rail passengers, whether from the continent or on domestic services from the Midlands.

Fresnel lenses

- 2.12 The Vehicle and Operator Services (VOSA) and the Highways Agency joined forces to trial a solution to 'side swiping' incidents involving left-hand drive trucks. From November, they began issuing left-hand drive lorries with window mounted lenses – known as Fresnel lenses – as they entered the UK at Dover. They gave out 40,000 lenses in the trial, which produced a dramatic 59 per cent reduction in accidents involving left-hand drive trucks. A further 90,000 lenses will now be distributed, targeting major ports in both England and France.

December 2007

St Pancras International Thameslink Box Fit-Out

- 2.13 A new Thameslink interchange at St Pancras International station opened as planned on 9 December 2007. The low-level station is used by First Capital Connect, replacing the small and inconveniently-sited Kings Cross Thameslink station in Pentonville Road. The new station has been built ready to receive 12-car trains to be introduced by the Thameslink Programme.

Top IT award for VOSA's MOT records project

- 2.14 At the British Computer Society IT Industry Awards in December, VOSA's MOT records computerisation project was announced as winner of the Business-to-Business Project Award. The awards recognise excellence, professionalism and innovation in IT, and the citation from the judging panel read, "A challenging project that brings real benefit to the motor industry".

January 2008

Cabin bag rules eased

- 2.15 The restriction on the number of cabin bags that air passengers may carry began to be lifted from 7 January 2008. This was made possible because individual airports were able to demonstrate that they had the screening capacity in place to be able to handle the additional cabin bags, whether by using new technology and procedures, or by deploying extra staff or other resources.

Electronic Bus Service Registration saves time

- 2.16 VOSA launched Electronic Bus Service Registration in January, allowing bus operators to register their services online. The new service will not only transform the way bus service route and timetable data is passed between bus operators and VOSA, it will also speed up the process for real-time systems. This will benefit anyone planning their bus travel using Traveline, Transport Direct or other online providers.

More awards for agency IT projects

- 2.17 VOSA's computerisation of MOT records topped the e-Government National Awards 2007 category 'Central e-Government Excellence: Take up and Usage Growth' in January. DVLA's Electronic Vehicle Licensing was highly commended in the same category.

February 2008

Launch of the London Low Emission Zone

- 2.18 The Mayor launched the London Low Emission Zone (LEZ) on 4 February 2008. The scheme covers most of Greater London and means that heavy goods vehicles (HGVs) over 12 tonnes must meet strict emissions standards or pay a £200 daily charge to operate in London. The Department worked closely with Transport for London to ensure the success of the first phase of the LEZ. VOSA tests the emissions of vehicles wanting to enter the zone, and issues low emission certificates or reduced pollution certificates that exempt them from the charge.

Digital tachograph rules change

- 2.19 New regulations came into force on 5 February 2008, to reflect the introduction of digital tachographs throughout the EU. These specify when operators of HGVs and PSVs must download data from digital tachographs and driver cards. The regulations strike a fair balance between ensuring data is available for checking by enforcement officers and avoiding undue burdens on operators.

March 2008

Terminal 5 opens

- 2.20 Her Majesty The Queen opened Heathrow's Terminal 5 on 14 March. This marked the completion of a £4.3 billion construction project to create one of the country's largest freestanding buildings, with the aim of a significant improvement to the travelling environment for air passengers.

Liberalisation of air services

- 2.21 The UK has signed new liberalising bilateral agreements with countries such as Argentina, Pakistan, Thailand, Israel, Mauritius, Trinidad and Tobago, Jamaica and Colombia. The most significant of these was the landmark agreement with Singapore, signed in March 2008, which removes all restrictions on air services between the two countries.

Parking rules made more transparent

- 2.22 New powers to make parking enforcement more motorist-friendly came into force as part of the Traffic Management Act. Motorists in England should benefit from a fairer and more transparent framework.

April 2008

Concessionary fares go England-wide

- 2.23 The statutory minimum entitlement to free off-peak bus travel was further extended from April 2008. This means that older and eligible disabled people can travel throughout England on off-peak local buses. This major new concession will increase social mobility and boost bus patronage.

Funding the ATOL consumer protection scheme

- 2.24 From 1 April 2008 the costs of consumer protection under the Air Travel Organisers' Licensing (ATOL) scheme (in the event of tour operator insolvency) will be met from a £1 per passenger contribution paid by travel companies into the Air Travel Trust Fund.

More checks on the safety of trucks

- 2.25 The Vehicle and Operator Services Agency has been given funds to increase by 50 per cent the number of checks carried out on heavy goods vehicles on international journeys. Figures show that HGVs from overseas are more likely to be unroadworthy, overloaded or being driven in excess of drivers' hours rules than their UK counterparts.

2007-08 action underpinning future network improvements

Towards a sustainable transport network

- 2.26 The Department published the discussion document *Towards a Sustainable Transport System: Supporting economic growth in a low carbon world* (TaSTS) in October 2007. This document responded to the recommendations made in the Eddington transport study and the *Stern Review on the*

Economics of Climate Change. It also set out the Department's ambitious policy and investment plans for the period to 2013-14. Further details are in Chapter 3.

The Local Transport Bill

- 2.27 The Local Transport Bill will provide new mechanisms to meet local transport needs and was introduced to the House of Lords on 7 November 2007. The Bill has already undergone a full public consultation as well as Parliamentary pre-legislative scrutiny by the House of Commons Transport Select Committee.

Transport Innovation Fund bids for tackling congestion

- 2.28 In response to the criteria the Department published in February 2007, Greater Manchester and Cambridgeshire came forward later in 2007 with major proposals to use the Transport Innovation Fund (TIF) to tackle congestion. We expect to decide on their proposals in the summer. The fund has been extended for an extra four years, to 2019, with pump priming money available in 2008 and 2009 to support local authorities as they develop their business cases for TIF.

Reforming the planning system

- 2.29 The Department helped to develop proposals for the reform of the planning system for nationally significant infrastructure projects in the transport, energy, water and waste sectors. The Planning Bill was introduced to Parliament in November 2007.

£110 million additional funding for cycling

- 2.30 On 21 January 2008 the Department announced an extra £110 million for Cycling England's budget over the next three years, making a total of £140 million. In parallel, the publication *A Sustainable Future for Cycling* sets out our approach and aspirations for cycling.

ATM extension

- 2.31 Active traffic management (ATM) on the M42 motorway has proved both successful and popular. Sensors in the road feed information on traffic conditions to the Highways Agency's West Midlands Regional Control Centre. A mix of measures can then control the traffic flow, including automated signalling, variable speed limits and real time information for drivers. The system uses the hard shoulder as an extra running lane in busy periods.
- 2.32 The pilot scheme showed significant benefits for motorists, the environment and the economy, reducing journey times, fuel consumption and vehicle emissions. Following the successful trial, the Secretary of State announced in October that these new ways of managing motorway traffic would be implemented permanently as part of a £150 million scheme on the motorway box around Birmingham. Further schemes will follow.

Rail High Level Output Specification

- 2.33 In July the Department published the white paper *Delivering a Sustainable Railway* and the associated High Level Output Specification for the railway, setting out what Ministers expect the railway to deliver from 2009 to 2014, and the level of spending the Government intends to devote to the railway.

Crossrail

- 2.34 In October 2007 the Prime Minister confirmed that Crossrail had the necessary funding to enable the programme to go ahead to provide a major new cross-London rail link. Crossrail will provide fast, efficient and direct rail access to the West End and the City from Shenfield and Abbey Wood in the east and Maidenhead and Heathrow in the west. Construction work is set to begin in 2010 and the first trains are expected to run in 2017. The line will enable an estimated 200 million passenger journeys a year to be made.

Consulting on Heathrow expansion

- 2.35 In November 2007 the Department launched its consultation on adding capacity at Heathrow. Ministerial decisions on Heathrow will be taken later this year.

Application for planning permission for Stansted expansion

- 2.36 BAA submitted its planning application for a second runway at Stansted in March.

EU emissions trading for aviation

- 2.37 The UK has taken the lead in Europe on the inclusion of aviation in the EU emission trading scheme. At the December 2007 Environment Council, Member States agreed to cap emissions from flights entering and leaving the EU at the average of 2004-06 levels. This means that airlines which increase their emissions above the limit must offset them against carbon savings elsewhere.

Planning consent for London Gateway port

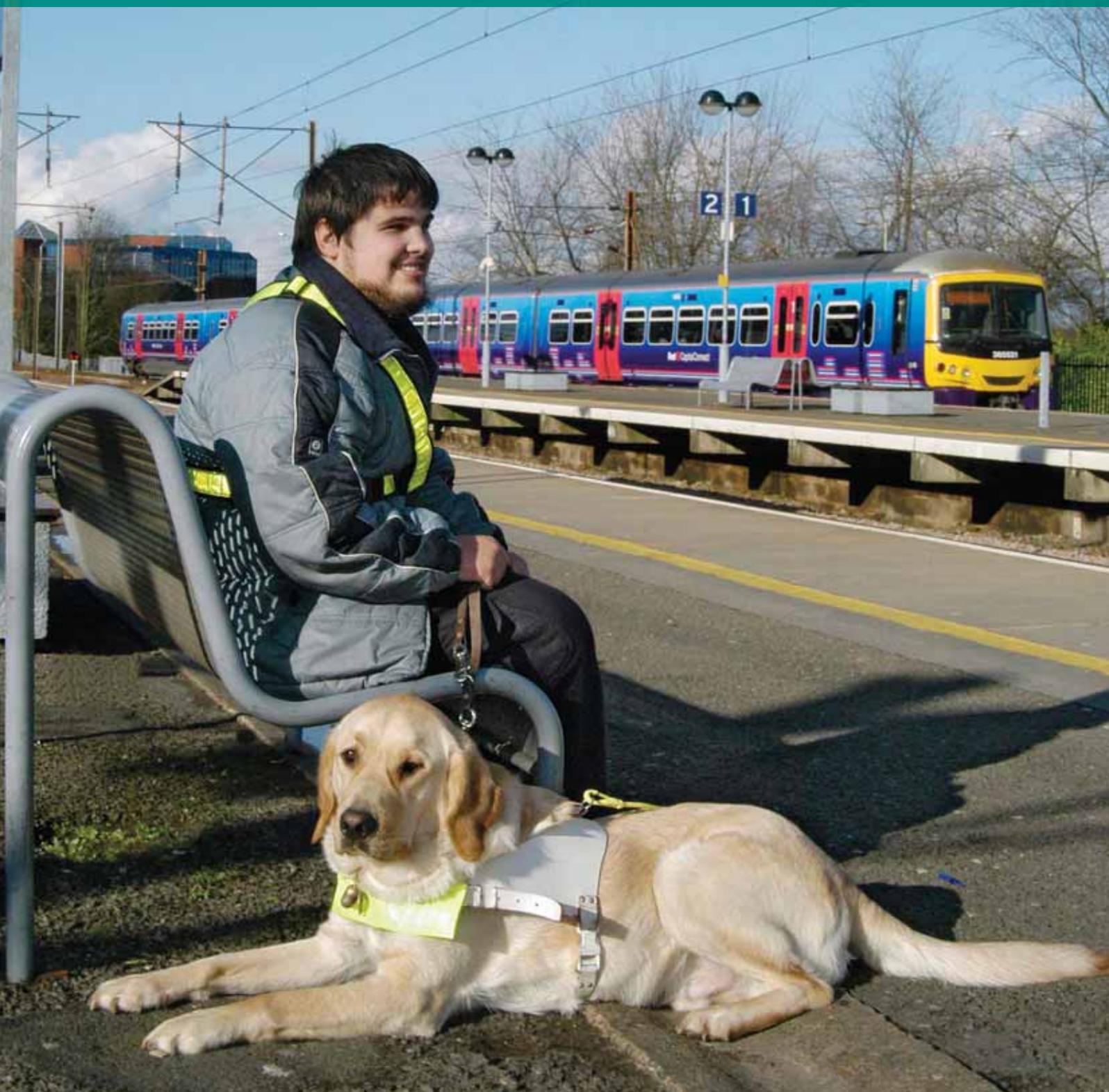
- 2.38 In May 2007, the Government gave consent for the proposed London Gateway container port on the Thames Estuary, the first major port development on the River Thames for over half a century. Work on the project will start this year, allowing the first phase of the development to open in 2010-11.

Rail freight

- 2.39 During 2007, the Department announced funding grants of £150 million towards supporting rail freight. The awards will improve freight infrastructure on five specific projects across the country and reduce dependency on road transport, removing around 300,000 lorry journeys from our roads every year.

Chapter 3

A sustainable transport network



Chapter 3

A sustainable transport network



- 3.1 In October 2007, the Department published *Towards a Sustainable Transport System – Supporting economic growth in a low carbon world* (TaSTS). The publication:
- described how the Government is responding to the recommendations made in the Eddington study to improve transport’s contribution to economic growth and productivity, and how it is ensuring that transport will play its part in delivering the overall level of reductions in carbon emissions recommended by the *Stern Review of the Economics of Climate Change*;
 - set out the Department’s ambitious policy and investment plans for the period to 2013-14; and
 - proposed a new approach to longer-term transport strategy, building on the model recommended by Sir Rod Eddington, and explained how we will engage with passengers, users, the transport industry and other stakeholders as we develop and implement that process.
- 3.2 TaSTS sets out five broadly defined goals, which embrace our strategic aims, but develops them to capture the full range of Government objectives that could be furthered by transport. These five goals are:
- maximising the overall competitiveness and productivity of the national economy, so as to achieve a sustained high level of GDP growth;
 - reducing transport’s emissions of CO₂ and other greenhouse gases, with the desired outcome of avoiding dangerous climate change;
 - contributing to better health and longer life-expectancy through reducing the risk of death, injury or illness arising from transport, and promoting travel modes that are beneficial to health;

- improving quality of life for transport users and non-transport users, including through a healthy natural environment, with the desired outcome of improved well-being for all; and
 - promoting greater equality of transport opportunity for all citizens, with the desired outcome of achieving a fairer society.
- 3.3 TaSTS explains that the Department's investment plans to 2014 will focus on the most congested and crowded routes as well as giving additional emphasis to public transport. Although many of our funding commitments during this period, and the options currently being progressed, were developed along traditional modal lines, they rightly reflect the current priority to focus new infrastructure and public transport investment in and around our most congested cities, while also addressing the most important capacity constraints on the other priority links identified by Eddington – our inter-urban corridors and international gateways.

Partnership approach

- 3.4 The Department achieves many of its objectives by working in partnership with a wide range of public and private sector bodies. The nature of the partnerships varies widely, as does the level of direct control by the Department. It funds some services through delivery partners such as Network Rail and local authorities. In other areas, such as aviation and logistics, where most of the funding comes from the private sector, the Department's role is to set the regulatory framework.
- 3.5 TaSTS is a paper looking towards the long term and, as such, we wanted to engage with our stakeholders as early as possible in the process so that, when decisions are made, it reflects both our concerns and those of freight, business and industry stakeholders as well as the travelling public. Therefore, following an explanatory roadshow after the publication of TaSTS in October 2007 we have conducted an informal dialogue with a wide range of our stakeholders.
- 3.6 The Department also works closely with many other Government departments and agencies to ensure that our transport policies reflect and contribute to wider government objectives. Examples include:
- working with the Department for Environment, Food and Rural Affairs (Defra) on our shared air quality and climate change PSA targets, and contributing to the delivery of the wider climate change and sustainability agendas;
 - working with Business, Enterprise and Regulatory Reform (BERR) and Defra on our shared climate change PSA target to reduce greenhouse gas emissions to 12.5 per cent below 1990 levels in line with our Kyoto commitment and move towards a 20 per cent reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables;

- working with Communities and Local Government (CLG) on the development and implementation of their Sustainable Communities Plan;
 - working with the Department of Health (DH), through the aviation health working group, to tackle issues of common interest on the welfare of air passengers, including research on air travel related deep vein thrombosis and cabin air quality;
 - working with the Department for Children, Schools and Families (DCSF) and DH to find ways of reversing the rapid rise in the number of children travelling to school by car, to improve child road safety, and to highlight the links between sustainable travel and health; and
 - working with the Home Office, police and local authorities to tackle road safety, vehicle-related criminal and antisocial behaviour.
- 3.7 The Department has also produced a strategy and action plan explaining how we propose to meet the aims of the 1998 compact between the Government and the voluntary sector.

Chapter 4

City and regional networks



Chapter 4

City and regional networks



Summary

Seventy-five per cent of the population in England lives in towns and cities of more than 25,000 people¹. London and the nine largest conurbations account for 37 per cent of the English population. London and our cities are also key drivers of the economy.

In transport terms, the vast majority of all journeys are effectively local: 40 per cent within two miles, 68 per cent under five miles. These journeys get us to the shops, our work, our schools, our hospitals and other services. Most road congestion is also in urban areas, and the sheer number of shorter journeys makes those undertaken by vehicles an important source of carbon emissions from surface transport.

The factors which shape all these journeys are controlled by a variety of players: national government sets funding levels and the regulatory framework, and lets rail franchises; regional development agencies co-ordinate advice on major transport schemes; the Mayor of London has substantial devolved powers; local authorities are responsible for local roads (97 per cent of the total network by length) and are key players in land use changes, and the quality of the road networks. Alongside Passenger Transport Executives (PTEs) in large conurbations and the private operators, local authorities are also responsible for bus and light rail services.

Against this background, the Department for Transport aims to:

- curb congestion where it is a barrier to economic growth;
- get people to work on time, reliably, in reasonable comfort and at reasonable cost;

¹ Source: *National Travel Survey*, DfT. Based on 2006 data, England only.

- promote low carbon ways of travelling such as walking, cycling and public transport;
- reduce road deaths and injuries in urban areas;
- reduce pollution from transport in cities; and
- provide the appropriate level of transport infrastructure to support the increase in housing supply and hence address long-term housing affordability issues.

During 2007-08 the Department has:

- continued to provide record funding for local transport provision, including in London (paragraphs 4.1 – 4.7);
- worked with London and the nine largest conurbations on road congestion, agreeing plans to tackle congestion and improving regulation of traffic management;
- continued to improve local journeys for all with:
 - bus patronage growing overall, supported by record year-on-year increases in funding;
 - a new national concession providing free off-peak travel on local buses throughout England for older people and those with a disability;
 - a six-fold increase in the financial support for cycling;
 - a reduction in deaths and injuries on local roads (see Chapter 8); and
 - national air quality objectives met for four out of seven pollutants (Chapter 7).

Looking ahead, the Department is continuing to improve the way local transport is planned and delivered by:

- negotiating, with other government departments, the first round of local area agreements;
- promoting further devolution by helping city regions develop proposals for governance reform;
- preparing to deliver the improvements in the railway for 2009-14, especially to peak hour commuting capacity for urban areas, following the High Level Output Specification in July 2007; and
- working with regional and local stakeholders to prepare for decisions on spending which will affect provision in 2014-19.

Funding transport provision

- 4.1 The Government continues to provide record levels of funding in support of city and regional networks, including funding for:
- London (paragraphs 4.2 – 4.7);
 - major transport schemes in each English region (paragraphs 4.8 – 4.13);
 - capital and revenue support for each local authority (paragraphs 4.14 – 4.17); and
 - bus operators (paragraphs 4.18 – 4.20).

London

- 4.2 Transport for London (TfL) is responsible for implementing the Mayor of London's transport strategy. It manages the buses, the Underground, the Docklands Light Railway, Croydon Tramlink, a 580-kilometre network of main roads, all of London's 6,000 traffic lights, and takes a strategic lead in traffic management across all of London's roads. TfL also runs London river services, Victoria coach station, the dial-a-ride service for those who need door-to-door transport, and regulates taxis and the private hire trade.
- 4.3 TfL has an annual budget of nearly £5 billion, about half of which comes from central government grants. The remainder is funded by fare revenue, congestion charge income, borrowing and other smaller sources (for example, advertising). Government transport grants to London have risen significantly over recent years and totalled over £2.5 billion in 2007-08.
- 4.4 In October 2007 agreement was reached with the Mayor to extend the longer-term funding deal from 2009-10 to 2017-18. The extended provisions, together with some medium-term adjustments in relation to Metronet, are shown opposite.

Figure 4a: London funding 2007-08 to 2017-18 £ million

£m (cash)	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
GLA transport grant	2,544	2,440	2,555	2,872	3,004	3,150	3,304	3,465	3,562	3,662	3,763
Overground grant ¹	14	41	42	42	43	44	45	46	47	49	50
Capital grant for PFI		100	100								
Put Option grant ²	1,700										
Future borrowing for Metronet ³	157.5	157.5	157.5	157.5							
Capital grant Metronet	150	116	49	235							
Total⁴	4,566	2,855	2,904	3,307	3,047	3,194	3,349	3,511	3,609	3,711	3,813

¹ For heavy rail services, including Silverlink Metro network which was transferred from DfT to TfL in November 2007, and was rebadged as London Overground.

² Reflecting TfL's obligation to purchase approved borrowing undertaken by the Metronet companies six months after any insolvency event.

³ Reflecting TfL's obligation to purchase approved borrowing undertaken by the Metronet companies six months after any insolvency event.

⁴ The Greater London Authority (GLA) transport grant to 2009-10 was as agreed at SR04 but adjusted to take into account TfL's revised costs following the restructuring of the existing and future Metronet debt.

4.5 Providing this funding line gives greater certainty and allows TfL to:

- better manage its financial and investment planning;
- make the most effective use of the new prudential borrowing regime, which allows local authorities more flexibility in raising funds to support investment;
- provide the guarantees and infrastructure needed to underpin the 2012 London Olympics; and
- provide a clear baseline against which the separate agreement on funding Crossrail, and the management of risk on this project, can be monitored and delivered.

4.6 Work continues to deliver the transport for the 2012 Olympic and Paralympic Games. This work is led by the Olympic Delivery Authority (ODA), which is working closely with the Department, TfL, Network Rail and other transport bodies. The ODA published its first Olympic Transport Plan in October 2007 following consultation at the beginning of the year. This plan will be revised and become more detailed after the Beijing Games and again in 2011.

- 4.7 The Docklands Light Railway (DLR) improvements are also proceeding well with the tunnelling for the Woolwich Arsenal extension complete. The 55 additional railcars, ordered to increase DLR operations from two-car to three-car on the majority of the DLR network, began to arrive in the UK in December 2007. As part of the capacity improvements on the Underground, an extra carriage was added to Jubilee line trains in 2006, which has created an additional 22 per cent capacity. The Channel Tunnel Rail Link (CTRL), on which the high-speed 'Javelin' service for the Games will operate, is now complete. Eurostar services began operation from St Pancras on 14 November 2007 as planned.

Major transport schemes in each English region

- 4.8 The Department also provides funding for major local authority schemes (generally those costing more than £5 million). Schemes are selected for consideration based on advice provided by the English regions on priorities within indicative Regional Funding Allocations. A total of £7.921 billion has been set aside from 2006-07 to 2015-16 to fund local authority major schemes and Highways Agency schemes on the regional network.
- 4.9 Ministers broadly accepted the first round of regional advice, provided in 2006. We will issue guidance in the summer of 2008, asking regions to provide a second round of advice on priorities by early 2009.
- 4.10 The schemes are broadly designed to meet a range of objectives related to congestion, public transport, safety, economic growth and access to employment, and are expected to be consistent with the authority's local transport plan.
- 4.11 Once accepted as a regional priority, authorities may submit a full major scheme business case to the Department, which is subject to a full assessment of value for money and deliverability. Local authorities are expected to have undertaken robust problem identification and options sifting before reaching a decision on their preferred scheme.
- 4.12 The following schemes, which were regional priorities, were completed within the 2007-08 financial year:

Figure 4b: Major transport schemes completed during 2007-08

Name of scheme	Gross cost (£millions) ¹	DfT contribution (£millions)
A228 Leybourne and West Malling Corridor Improvement Scheme (Kent)	28.5	20.5
A38 Northfield Regeneration Relief Road (Birmingham)	19.3	15.3
A4146 Stoke Hammond and Linslade Western Bypass (Buckinghamshire)	48	40.6
A429 Barford Bypass (Warwickshire)	10.4	9
Barnsley Interchange (South Yorkshire PTE)	22	18.3
Barnstaple Western Bypass (Devon)	42.1	38
Coastal Access Improvement Scheme Phase 2 – Burgh Le Marsh Bypass (Lincolnshire)	15.1	13.6
Coleshill Multi-Modal Interchange (Warwickshire)	8.4	4.1
Cradley Heath Town Centre Strategy (Sandwell)	10.8	6.8
East Kent Access Phase 1 (Kent)	23.3	18
Eldon Square Bus Station (Newcastle)	11	11
Freckleton Street Bridge Maintenance (Blackburn)	11.4	8
Inner Ring Road Major Maintenance Scheme (Derby)	13.3	12
Outer Circle/Radial Routes (Centro)	17.3	17.3
Plymouth Northern Corridor (Plymouth)	15.7	11.3
A165 Reighton Bypass (North Yorkshire)	6.6	6.6
Rugeley Bypass Stage 3 (Staffordshire)	25.5	19.7
Sheffield Northern Inner Relief Road II and III (Sheffield)	62.5	56.5
Stephenson's Link (Nexus)	6.4	6.4

¹ Gross Cost of schemes are based on latest Quarterly Monitoring Returns submitted by the respective local authority/PTE.

4.13 At the end of the 2007-08 financial year there were a further 37 schemes either under construction or fully approved and expected to start construction shortly. In addition, 52 schemes are at an earlier stage in the approval process, either programme entry or conditional approval. Programme entry is approval in principle and signifies an intention, subject to satisfactory progress of legal and planning procedures, affordability and value for money. Conditional approval is a firmer commitment when planning and legal procedures have been completed but before tenders to build have been sought. Whilst the Department would expect to fund these schemes in future years, this is subject to the schemes securing statutory powers, continuing to demonstrate that they represent best value for money, deliverability, and remaining affordable.

Capital and revenue support for each local authority

4.14 Many transport services are funded locally, with the Government providing revenue support for individual council's total spending across all services. It is for local authorities to decide the right priorities for their spending in the context of their responsibilities and duties. Figure 4c shows the results of those local decisions in terms of English local authorities' revenue expenditure for 2006-07 (latest available figures). Figure 4d shows a breakdown of the net current expenditure for the two largest elements: highways maintenance and public transport.

Figure 4c: English local authorities' revenue expenditure 2006-07

£ millions	Expenditure	Income	Net current expenditure	Net total cost
Other roads and transport	1,273	597	676	1,103
Total highway maintenance	2,327	392	1,936	2,217
Parking	791	1,275	-484	-405
Concessionary fares	887	104	783	786
Public transport	2,616	214	2,402	2,489
Total	7,895	2,582	5,313	6,191

Table contains rounded figures

Figure 4d: Local authority revenue expenditure on highways maintenance and public transport

	2006-07 Net current expenditure £millions
Structural maintenance – principal roads	82
Structural maintenance – other local authority roads	319
Environmental, safety and routine maintenance – principal roads	319
Environmental, safety and routine maintenance – other local authority roads	622
Winter maintenance	128
Structural maintenance – bridges	58
Street lighting	407
Total highways maintenance	1,936
Support to operators – bus services	968
Support to operators – rail services	980
Support to operators – other	95
Public transport co-ordination	360
Total public transport	2,402

Table contains rounded figures

- 4.15 In addition to general revenue support, the Department pays Rural Bus Subsidy Grant (RBSG) to local authorities with rural areas, which they use to fund bus services that are not provided commercially. The Department has also funded over 400 projects under the Rural and Urban Bus Challenge schemes and Kickstart competition. A total of £67 million was provided to local authorities for these services in 2007-08.
- 4.16 The Department also allocates capital funding to local authorities outside London, which authorities can then prioritise to reflect local needs.
- £571 million was provided in 2007-08 for integrated transport improvements. These schemes, each usually costing less than £5 million, include bus lanes, traffic calming, cycle routes, pedestrian crossings, urban traffic control, park and ride, and junction improvements. Funding is allocated on a formula reflecting pressures, assessments of the quality of plans, and past delivery. In November 2007, the distribution of £1,768 million for 2008-09 to 2010-11 was confirmed, providing year-on-year increases.
 - £672 million was provided in 2007-08 for highways capital maintenance. This covers major renewals for roads, bridges and street lighting as opposed to more routine day-to-day repairs. The allocation to local authorities of £2,268 million of funding was announced in November 2007, providing year-on-year increases totalling 13 per cent between 2007-08 and 2010-11. The funding was distributed between local authorities largely on the basis of a formula, revised following public consultation during summer 2007.
- 4.17 Bringing together Departmental capital funding for major local authority schemes, the block capital funding streams, and other support for transport produces the overall position in Figure 4e.

Figure 4e: Local transport capital funding by central Government

(figures are rounded to the nearest unit)

£ million

	2005-06 Outturn	2006-07 Outturn	2007-08 Estimate	2008-09 Plans	2009-10 Plans	2010-11 Plans
Local Transport Plans (LTPs)						
Road maintenance	660	672	738	703	753	807
Integrated transport block	553	547	571	578	592	605
Major schemes	315	395	323	465	558	529
LTP Total	1,528	1,614	1,632	1,746	1,903	1,941
Other						
Detrunking	45	45	48	36	32	34
Nexus			4	4	23	37
Congestion Performance Reward Fund			3	3	10	10
Community Infrastructure Fund (joint with CLG)		32	136			
Total	1,573	1,691	1,823	1,789	1,968	2,022

Notes:
Community Infrastructure Fund
Table contains rounded figures

Bus operators

- 4.18 In addition to funds made available to bus operators by local authorities, supported in turn by funding from central government the Department pays Bus Service Operators Grant (BSOG) to all local bus services in England that are open to the general public, and to a wide range of community transport providers.
- 4.19 BSOG reimburses 80 per cent of the fuel duty paid by bus operators on ultra-low sulphur diesel (100 per cent for new, cleaner fuels). This reduces operators' costs, making more services commercially available and helping to keep fares down. BSOG out-turn is forecast to be £413 million in England in 2007-08.
- 4.20 Following discussions with a working group of the Bus Partnership Forum, the Department published a consultation document, *Local Bus Service Support—Options for Reform*, in March 2008. This set out a package of proposals for reform particularly aimed at improving the contribution that BSOG makes to the delivery of our environmental objectives and to the modernisation of bus services to the benefit of passengers. The consultation also seeks views on more radical options for longer-term changes to bus subsidy arrangements.

Private Finance Initiative

- 4.21 Private Finance Initiative (PFI) has the ability to offer good value for money for transport projects and hence forms an important part of the delivery options available to the Department. There is a strong track record of transport projects being delivered through PFI. PFI is a useful way of helping authorities improve their service levels in highway and street lighting maintenance, since the long-term contracts involved encourage minimisation of whole-life costs.
- 4.22 There are 19 street lighting PFI contracts in operation, with one further project in procurement. These contracts prioritise the replacement of deteriorating street light columns, bringing lighting levels up to modern standards, as well as maintaining them for a period of 25 years.
- 4.23 As a result of a second street lighting bidding round in the summer of 2007, 14 authorities were invited to prepare an outline business case, including four joint schemes. Six of these schemes are now in procurement with £591 million PFI credits allocated. The outline business cases for three schemes are being processed. These have requested £193 million PFI credits. When approved, these schemes will be able to commence procurement.
- 4.24 The first highway management PFI contract is in operation in Portsmouth, and will provide the maintenance and operation of the city's road network for the next 25 years. It is valued at about £500 million, with £121 million government support in PFI credits.

- 4.25 A highway management PFI contract is being procured by Birmingham City Council. This is currently the largest local authority approved PFI. The scheme value is about £2 billion and is supported by £588 million Government PFI credits.
- 4.26 The outcome of a bidding round to identify 'pathfinder' projects for highway maintenance PFI was announced in March 2008. Sheffield, Hounslow and the Isle of Wight have been invited to submit outline business cases for a total value of £1.19 billion PFI credits.

Community Infrastructure Fund

- 4.27 The first round of the £200 million Community Infrastructure Fund (CIF) supported 25 transport projects, helping planned housing development in the growth areas of Thames Gateway, Milton Keynes-South Midlands, and London-Stansted-Cambridge-Peterborough.
- 4.28 A second round of CIF (£300 million covering the period 2008-09 to 2010-11) will be available to support transport schemes in these growth areas and, additionally, in designated and emerging new growth points and eco-towns.

Tackling road congestion in the biggest conurbations

Managing journey times and monitoring performance

- 4.29 As local economies grow, more people will be travelling to work in peak hours. With a largely fixed urban road network, the challenge for each local authority is to make best use of that capacity. For example, this might be through improved traffic management, careful design of parking policies, effective use of public transport or effective enforcement stopping abuse of bus lanes. This means that more people can travel, without significant increases in journey times.
- 4.30 This challenge is reflected in the Department's PSA target for the performance of key roads in London and nine other conurbations. The target, built from local targets set in each of those ten areas, is to limit the average increase in journey times to 3.6 per cent, despite an expected increase of 4.4 per cent in the amount of peak-hour travel. The targets for individual cities and conurbations are shown in Appendix D.
- 4.31 In May 2007, the Department made the first payments from a £60 million fund set aside to reward performance against these targets. At this early stage, against targets for 2010-11, the payments were made when a city had agreed a credible delivery plan with the Department. £5 million was spent this way in 2007-08, and plans are now in place in all ten areas. More details on the plans are included in Appendix D.

- 4.32 Appendix D includes the first data on progress against this target. Data for 2006-07 shows an improvement compared to the baseline², with person journey time on target routes falling by around 2.4 per cent. This is ahead of expectations but it is very early to make a judgement. Falling travel volumes (down 1.5 per cent on the baseline) is probably one reason why person journey times have fallen. But since journey times have fallen by a greater percentage (2.4 per cent) it is also likely that local authorities have improved the management of their road networks.

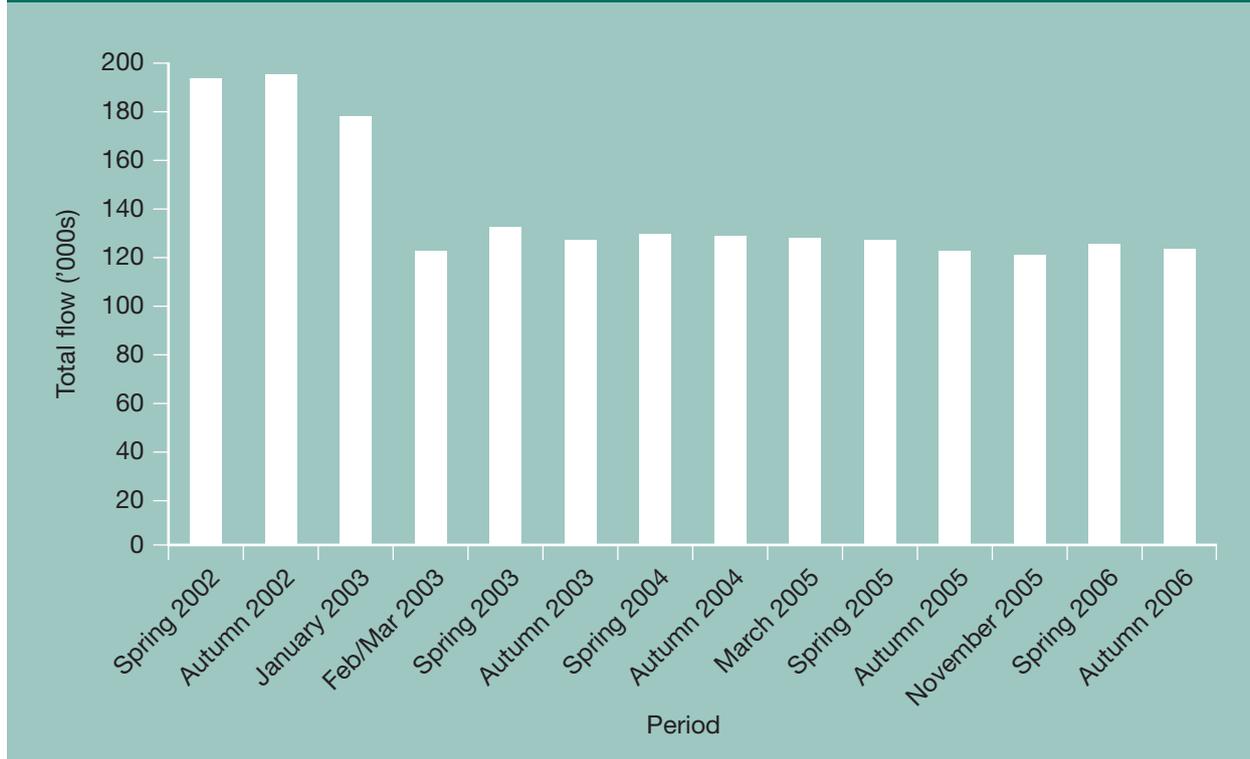
Transport Innovation Fund – congestion schemes

- 4.33 The Department has also been supporting 10 areas with pump priming funding to develop smarter, innovative strategies for tackling congestion on their roads. We are particularly looking for packages that combine road pricing with better public transport. However, we have been clear that we will support pricing schemes only if they are the right solution to the problem, and if they form part of a coherent package of measures to tackle congestion.
- 4.34 So far we have received proposals from Greater Manchester and Cambridge which we are currently considering against the criteria we published in February 2007. Decisions will be made on these proposals as soon as possible.
- 4.35 In March 2008 the Department announced that it is prepared to use its Transport Innovation Fund to make available up to £200 million a year up to 2018-19 to support successful schemes. More could be available if suitable schemes of a higher value emerge.
- 4.36 We have invited local authorities to bid for further pump priming in 2008 and 2009, and will announce the successful areas in June 2008, leading to further proposals to come forward over the coming year or so.
- 4.37 The Local Transport Bill, currently before Parliament, also contains provisions to support local charging schemes by giving authorities greater freedom to develop schemes, including removing the Secretary of State's approval role, while also ensuring that schemes are interoperable and consistent for the road user.
- 4.38 The first Transport for London Bill is now progressing through Parliament. It includes powers on congestion charging, London cabs and private hire vehicles, surface transport and street management. The second London Local Authorities and Transport for London Bill is also now before Parliament, and contains provisions aimed at improving road traffic in London.
- 4.39 Over the lifetime of the London congestion charge, the average volume of traffic entering the charging zone has fallen by 20 per cent. Following an extensive public consultation, the Mayor approved plans in September 2005 to extend the central London congestion charging zone westward to cover most of Westminster and parts of Kensington and Chelsea, and to

² The baseline used a mixture of data from 2004-05 and 2005-06.

amend charging hours to end earlier, at 6pm. The extended zone became operational in February 2007. The western extension achieved a 13 per cent reduction in congestion within the first two weeks of operation. From September 2006 drivers have been able to pay the charge the day after they travel in the charging zone. Revenues from the scheme continue to be spent on improvements to London's public transport network.

Figure 4f: **Cars entering the London congestion charge zone during charging hours**



Traffic Management Act 2004 and New Roads and Street Works Act 1991

4.40 During 2007-08 the Department has made substantial progress in implementing the Traffic Management Act 2004, and has now delivered to local authorities and their partners a range of new tools under the Act for tackling congestion and disruption on the road network, including:

- new powers to implement more flexible and fairer civil parking enforcement, which came into effect at the end of March 2008;
- enhanced powers to achieve better co-ordination and less disruption to all road users from street works, through notices, directions and restrictions, which came into force in April 2008;
- powers to enable street works offences to be dealt with using Fixed Penalty Notices, which come into force in May 2008; and

- new powers for local authorities to operate permit schemes for street and road works, enhancing financial incentives for co-operation and efficiency, available from April 2008 – subject to the Secretary of State's approval of individual schemes.
- 4.41 The Department intends to publish further proposals for implementing the Act during 2008-09. These include enabling local authorities outside London to enforce moving traffic contraventions, such as vehicle weight restrictions and banned right turns. Other proposals include improving the standard of street works by ensuring that trained operatives and supervisors are assessed on a five yearly basis, and a revision of the charges levied by local highway authorities when street works take longer than agreed.
- 4.42 The Department continues to work with local authorities and their traffic managers on the implementation of the Network Management Duty under the Traffic Management Act. The duty requires local authorities to manage their local road networks actively in the interests of all road users. DfT produced an encouraging initial assessment of progress in October 2007. Those findings will be the basis for further work in 2008-09, as we encourage the use of traffic management tools by local authorities to deliver congestion objectives.
- 4.43 Tackling road congestion in urban areas also requires effective policies to promote bus use, cycling and walking, each of which is covered in the following sections.

Improving local journeys for all

Buses

Strategy and responsibilities

- 4.44 Buses are the most commonly used form of public transport. They account for two-thirds of all public transport passenger journeys, currently over four billion journeys a year in England. They are essential for the delivery of the Department's objectives to manage traffic congestion, improve accessibility to schools, hospitals, shops and other essential services, and meet challenging air quality and climate change targets.
- 4.45 Buses in London operate on franchises let by Transport for London (TfL), supported by the Department, by both direct subsidy to bus operators and its annual grant to the Mayor.
- 4.46 Elsewhere in England, bus operators make commercial decisions on which services to run, and with which fares. These operations are also supported by the Department's direct subsidy to bus operators, as well as the very substantial payments via local authorities for concessionary fares, for socially necessary routes which are otherwise uncommercial, and for tailored programmes such as the Rural Bus Subsidy Grant.

- 4.47 Outside London, the evidence suggests that effective partnerships between bus operators and local authorities are the key to successful bus operations, and there are many such examples. But not enough.
- 4.48 So in November 2007, the Department introduced the Local Transport Bill to remove some of the difficulties which appear to hold back partnership schemes, and to clarify and simplify the process by which local authorities can introduce them.
- 4.49 The Bill aims to support the Government's strategy to tackle road congestion and improve public transport, by ensuring local authorities have the right powers to take local action to meet local transport needs. Specifically on buses, the Bill aims at:
- improving **punctuality** by increasing powers for the traffic commissioners to hold both operators and local authorities to account for the performance of local bus services;
 - strengthening **partnership** between local authorities and operators, making it easier for them to make arrangements covering bus frequency, timetables and fares;
 - making **quality contracts** (bus franchising) a realistic option for local authorities, allowing them to introduce schemes tailored to local needs;
 - giving local **community transport** providers a bigger role in providing services in areas poorly served by other transport; and
 - creating a formal **bus passenger champion**, giving passengers a much stronger public voice.

Progress and delivery of bus objectives

- 4.50 Bus patronage in 2006-07 grew by 4.2 per cent from the previous year, and light rail grew by 9.3 per cent. Patronage is at its highest levels since 2000 and now exceeds the 12 per cent PSA target for the country as a whole. Bus and light rail patronage over the last 10 years is shown in Figure 4g. For more on progress against the PSA target, and on improvements in reliability, punctuality and quality of service, see Appendix D.
- 4.51 Patronage in London and the introduction of free local concessionary fares in April 2006 are largely responsible for the overall rise in patronage. There are, however, some areas that have been delivering patronage increases for several years; for example, Brighton, Telford and York.

Figure 4g: English bus and light rail passenger journeys 1996-97 to 2006-07 million

	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
England total	3,922	3,943	3,897	3,902	3,966	4,013	4,105	4,233	4,299	4,360	4,550

- 4.52 London's bus network is one of the largest and most comprehensive in the world. Every weekday 7,000 scheduled buses carry over 6 million passengers on more than 700 different routes, amounting to nearly 2 billion bus passengers a year with a further 89 million on the two light rail systems (Docklands Light Railway (DLR) and Croydon Tramlink). Service reliability on London buses is at its best since records began in 1977. In central London, these figures have been helped by the introduction of congestion charging: buses continue to experience significant gains in reliability in and around the charging zone.

Concessionary bus travel

- 4.53 On 1 April 2008, extended concessionary bus travel came into operation. This provides for England-wide travel on off-peak local buses for older and eligible disabled people. In addition to continuing previous levels of funding through formula grant, the Government is making available special grant funding of £212 million, £217 million, and £223 million over the next three years. A Special Grant Report (Number 129) was approved by Parliament on 25 March 2008. Funding for concessionary fares is now some £1 billion a year.
- 4.54 In order to facilitate the new concession, every Travel Concession Authority in England is issuing new passes to eligible people. The Department paid a grant to authorities of £31 million in 2007-08 to cover the cost of this exercise, and put in place a framework agreement with suppliers that authorities could use. It has also specified a new design for the pass, including ensuring that all new passes must be Integrated Transport Smartcard Organisation (ITSO)-compliant smartcards. This will help to significantly encourage the roll-out of smart ticketing on buses across England.

Rural buses, Bus Challenge and Kickstart

- 4.55 Rural Bus Subsidy Grant (RBSG) was increased to £55.6 million in 2007-08, compared with £54.3 million in the previous year. This grant supports about 2,000 services on which some 38 million passenger journeys are made annually. From April 2008, RBSG allocations are included in the provision for local authority area based grants. Allocations totalling £57 million in 2008-09 have been announced, together with provisional allocations totalling £58.5 million for 2009-10 and £60 million for 2010-11.
- 4.56 In 2007-08 the Department paid some £11 million to local authorities as grants to meet commitments made from awards under the Bus Challenge and Kickstart schemes. Bus Challenge projects have been aimed at encouraging innovative bus services, including community transport demand responsive services (dial-a-rides) and other flexibly routed services using small vehicles. Many of the 450 projects supported under the Challenge schemes have been successful and are being continued after departmental funding ends. Kickstart encourages new and improved services that can clearly contribute to the growth in bus use, and become

self-supporting after an initial period. A total of 61 projects have been developed in partnership with bus operators, with £20 million allocated over the last three years to the most recent 43 projects. An evaluation, published on the Department's website, showed that Kickstart funding had been successful in pump-priming new or improved services that were achieving long-term viability through increased passenger numbers.

Other bus measures

- 4.57 Bus lanes are essential to improving bus services in many towns and cities and so is keeping them free of unauthorised users. In November 2005 we introduced regulations which, for the first time, allowed local authorities outside London to enforce bus lanes themselves using evidence from approved cameras. The regulations applied to any local authority that had decriminalised parking powers under the Road Traffic Act 1991, and civil parking powers under the Traffic Management Act, enabling it to enforce parking in its area. This option should encourage local authorities to provide more bus lanes, and use existing ones more effectively.
- 4.58 The Department chairs and supports the Safer Travel on Bus and Coach Panel (STOP). Crime and anti-social behaviour, and the negative perceptions that they generate, contribute to reduced bus use and staff retention problems for operators. STOP's task is to develop and spread best practice on tackling crime and anti-social behaviour. The Department continues to promote measures to improve the personal security of public transport passengers and staff. The number of buses with CCTV is increasing. Forty-five per cent of buses in Great Britain were equipped with CCTV in 2006-07, which is up from 37 per cent in 2005-06. In May, the Home Secretary and Secretary of State announced a joint review to ask passengers, staff and operators about their views on current measures to address anti-social behaviour on public transport and determine whether more can be done to stamp it out.

Taxis

- 4.59 Two changes to taxis and private hire vehicle (PHV) legislation, included in the Road Safety Act 2006, have been brought into force this year to improve the safety of passengers:
- the repeal of the exemption from PHV licensing (in England and Wales outside London) for vehicles which are used on contracts lasting not less than seven days came into force on 28 January 2008; and
 - a change in the definition of private hire vehicle in the Private Hire Vehicles (London) Act 1998, in order to bring within the licensing system vehicles engaged solely on contract work, came into force on 31 March 2008.
- 4.60 After obtaining the views of stakeholders, we have published a guidance note for local licensing authorities on these changes. A copy is on the Department's website.

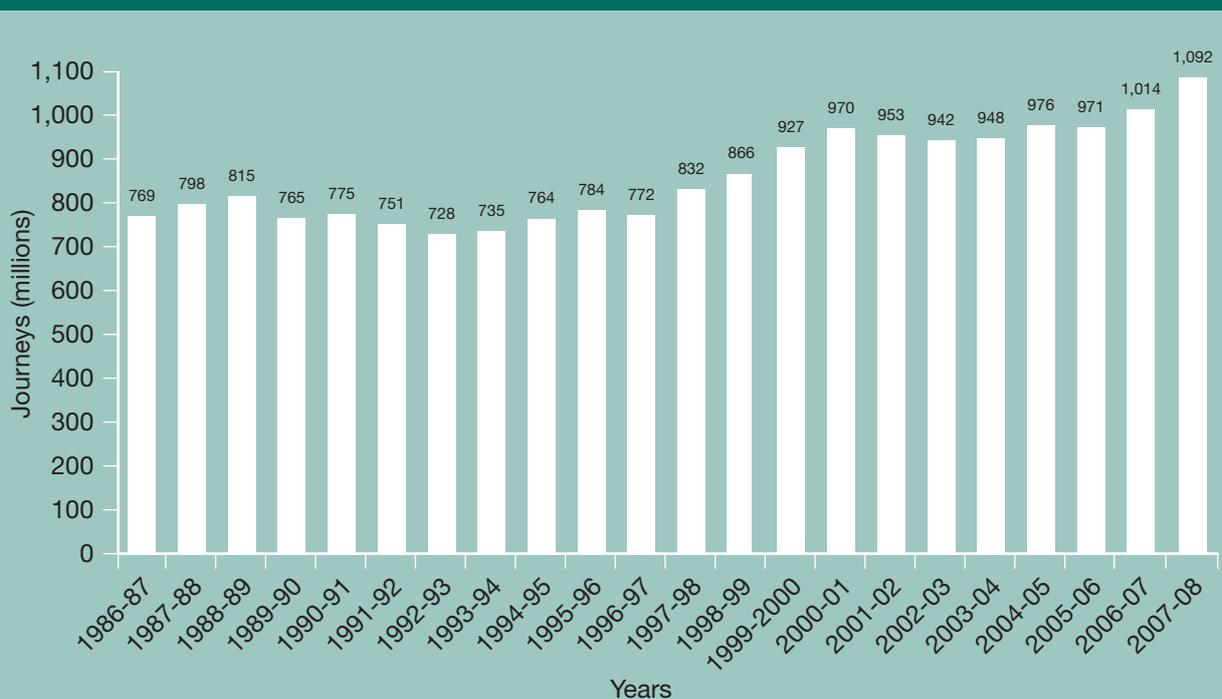
- 4.61 We are consulting stakeholders on possible revisions to the Department's best practice guidance to help local licensing authorities decide on a range of taxi and private hire vehicle licensing issues. The aim of the guidance is to ensure a good and safe service to the public, having taken account of all the factors involved, including, for example, the effect of unnecessary rules and restrictions on the supply of taxis and PHVs. Changes following consultation will be incorporated in the guidance on the DfT website.
- 4.62 We have announced continuation of financial support (£0.9 million over three years) for the work that GoSkills, the sector skills council for passenger transport, is undertaking to foster skills development in the taxi, PHV and community transport sectors.

Underground and light rail systems

London Underground Limited

- 4.63 London Underground Limited (LUL) is a vital part of London's transport system. There are over three million passenger journeys on the Underground every weekday (with over four million in December 2007). As Figure 4h shows, passenger numbers have grown significantly since the mid 1980s. In 2007-08, 1,073 million passenger journeys were made on the Underground. This is 59 million more than the previous record of 1,014 million journeys taken in 2005-06 and compares favourably with the 832 million journeys made in 1997-98, representing an increase of 241 million or 29 per cent.

Figure 4h: London Underground passenger journeys 1986-87 to 2007-08



- 4.64 Despite the problems with Metronet going into Public Private Partnership (PPP) administration (see below), we are seeing continued modernisation of the Underground during 2007-08. The last of the 75 District line trains has been refurbished and returned to service this year. Good progress continues with the upgrades on the Jubilee, Northern and Victoria lines. The Connect radio system is also now operating on the majority of lines and will be completed later this year.
- 4.65 The operational performance of the Underground during 2007-08 has been disappointing. Only two targets will be met this year, driver availability and the percentage of schedule operated. Two were narrowly missed (customer satisfaction and operated train kilometres), and the remaining two targets (excess total and train journey times) were missed.

Figure 4i: Performance of London Underground

Performance indicator	2007-08 Target	2007-08 Performance*
Reliability (minutes)		
Excess journey time	6.91	7.77
Excess train journey time	4.16	4.79
Capacity		
Operated train kilometres (millions)	70.8	70.5
Percentage schedule operated	94.7	94.8
Other measures		
Overall customer satisfaction	78	77
Percentage peak trains cancelled due to driver non-availability	0.6	0.1

*Figures are up to March 2008

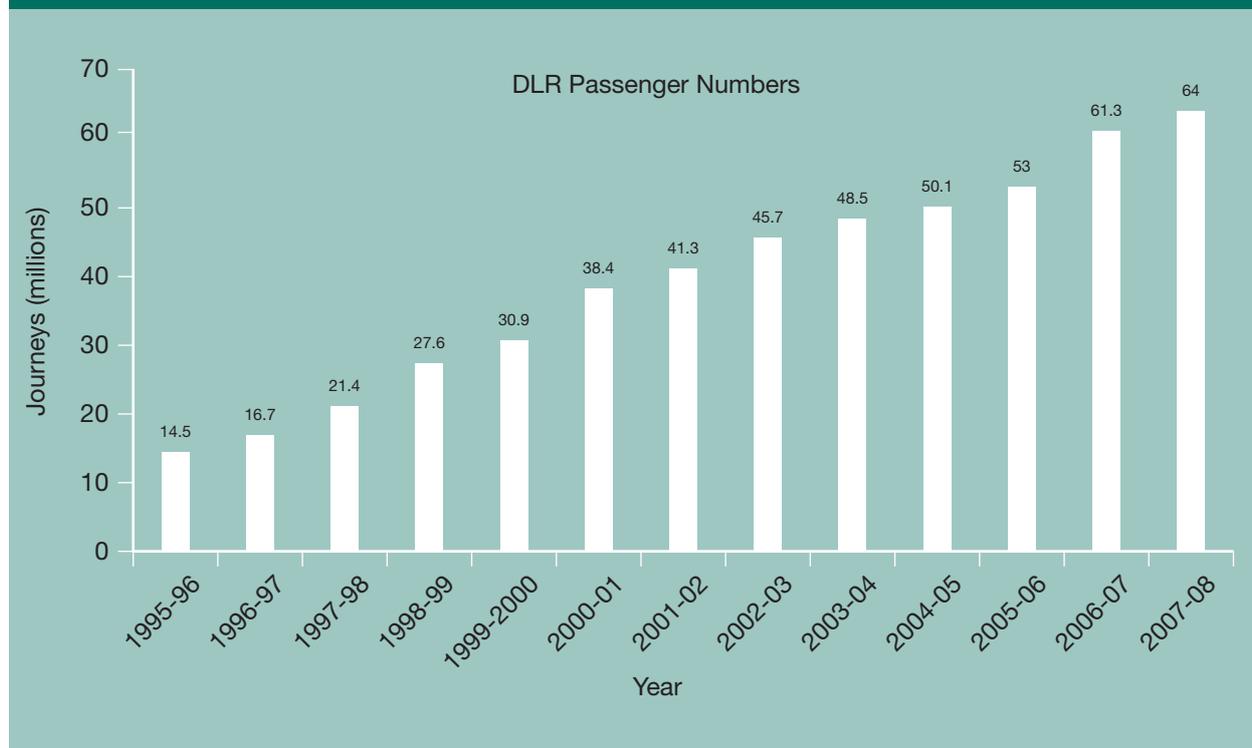
- 4.66 Contributory factors were the RMT strike with Metronet in September, equipment failures and engineering over-runs, as well as factors outside LUL's control, such as vandalism and passenger incidents. Continuing record numbers of passengers, which result in trains being held in stations longer for passengers to embark and disembark, have also played a significant part. Through the PPP and the replacement for Metronet, LUL will continue to work to raise performance levels.

Metronet

- 4.67 Under the public private partnership (PPP) three private sector infrastructure companies (PPP Companies), Tube Lines, Metronet BCV and Metronet SSL, are responsible for maintaining and improving the Underground's infrastructure – its trains, track, signals and stations. The PPP companies lease the Underground's assets and are required to upgrade and maintain them during the 30-year contracts. Tube Lines is responsible for the Jubilee, Northern and Piccadilly lines, while the two Metronet companies are responsible for the remaining lines.

- 4.68 With problems in delivery, particularly associated with escalating costs and the station programme, Metronet asked the PPP Arbiter in June 2007 to undertake an Extraordinary Review to assess liability for these additional costs under the BCV contract. Prior to completion of this review, however, both Metronet companies entered into PPP administration on 18 July 2008.
- 4.69 Metronet's corporate failure was a major disappointment. The Government is committed to ensuring that all parties learn the appropriate lessons for the future. It is now expected that TfL will take over the Metronet contracts for a short period of two to three years, while a long-term structure is determined. Discussions are already underway between the Department, LUL and HM Treasury to determine the best structure for delivering maintenance and improvements to the part of the LUL network formerly the responsibility of Metronet.
- 4.70 The PPP contracts included a Put Option Agreement, whereby LUL could be required to purchase Metronet's debt six months after any defined 'insolvency event'. In advance of the entry into the PPP contracts, Metronet's PPP administration constituted an 'insolvency event' for the purposes of the Put Option Agreement, and as part of the 2007 Comprehensive Spending Review, it was agreed that a grant under Section 31 of the Local Government Act 2003 of £1,700 million would be made available specifically for the use of LUL for the payment of the Put Option.
- 4.71 The Government announced to Parliament on 6 February the settlement for Transport for London under the Comprehensive Spending Review 2007. This recognised that Transport for London would need to manage the costs of Metronet in administration and the PPP contracts up to 2017-18, including the Put Option, and subject to certain conditions as outlined in the Settlement Letter and Memorandum of Understanding. This settlement underlines the Government's commitment to deliver the transport investment central to our continued growth and prosperity.
- 4.72 The impact on public finances of this payment is limited as Metronet's borrowings were already accounted for on the Government's balance sheet. If, as expected, London Underground takes control of Metronet, post administration they should be able to establish how far delivery had slipped behind spending. Only then will it be possible to understand the true impact of Metronet's future and the extent to which it has been offset by shareholder losses.
- 4.73 Tube Lines, with a business structure based on competitive tendering, has, to date, largely delivered its contractual requirements under the PPP on time and on schedule.
- Docklands Light Railway**
- 4.74 Every day approximately 170,000 people travel on the Docklands Light Railway (DLR). In 2007-08, it is estimated that the DLR will carry 64 million passengers a year, a 20 per cent increase from 2005-06. Patronage is expected to increase to more than 80 million journeys by 2009.

Figure 4j: DLR patronage 1996-97 to 2007-08 (estimated)



- 4.75 The extension from London City Airport to Woolwich Arsenal, with a major new interchange at Woolwich Arsenal is now under construction, and is due to open in 2009. Powers have been granted for the line extension from Canning Town to Stratford International station, as well as projects to increase capacity by 50 per cent on three key DLR routes. These projects are all due to open in 2010, ahead of the Olympic Games.
- 4.76 In the third quarter of 2007 service reliability exceeded its target and achieved 97.7 per cent. All aspects of passenger satisfaction exceeded their target of 90 per cent. Specific improvements to the service have included the refurbishment of DLR rail cars and stations, an enhanced train information system, as well as safety and security measures.

Cycling and walking

- 4.77 In January 2008, the Secretary of State announced a £110 million increase in funding over three years for Cycling England, the body which plans and delivers the Department's cycling schemes. This doubled its budget to £20 million for 2008-09 with a further increase to £60 million in both 2009-10 and 2010-11. All of this is in addition to the sums local authorities spend on cycling.

- 4.78 This increased investment includes a £15 million contribution from the Department of Health. This follows close working between both departments, and recognition of the contribution active travel can make in maintaining good health, which was evident in the January 2008 publication *Healthy Weight, Healthy Lives: A Cross Government Strategy For England*. Cycling England will target elements of their programmes to areas with particular health concerns.
- 4.79 The main focus of Cycling England's work plan is a substantial investment in young people. In 2007-08, this included a further £2.1 million for the Links to Schools programme, which provides safe walking and cycling routes from residential areas to schools via the National Cycle Network. Following the national launch of Bikeability (the new National Standard Cycle Training award scheme) in March 2007, Cycling England provided £1.6 million to train 46,000 Year 6 pupils by March 2008, to supplement the training already provided by local authorities. The increased funding, announced in January 2008, will enable 500,000 children to have the opportunity to receive cycle training by 2012.
- 4.80 Cycling England is continuing to invest in the six Cycling Demonstration Towns (Aylesbury, Brighton, Darlington, Derby, Exeter and Lancaster with Morecambe) with £3.15 million in 2007-08. Each is showcasing best practice in the design, planning and promotion of cycling. There have already been positive indications about the effects of the programme. For example, Darlington has seen the proportion of children cycling to school increase from 1 per cent to 4 per cent. On the basis of such progress, Cycling England continues to fund the current six (subject to satisfactory work programmes) and up to 11 more, including a large city, until March 2011.
- 4.81 While Cycling England is delivering a range of initiatives at national level, the principal responsibility for walking and cycling rests with local authorities. Local authorities have delivered a significant number of cycle facilities. Local authorities (outside London) have informed the Department that in 2006-07 they spent £34.9 million on cycle facilities from their local transport plan (LTP) allocation.
- 4.82 On walking we are aiming to deliver three projects during 2008-09:
- a one-stop website aimed at planners and architects as well as the public, with information on how to improve access and convenience for pedestrians;
 - best practice guidance on walking maps aimed at map producers, particularly within local authorities; and
 - an e-learning training package for professional staff within local highway authorities on improving the pedestrian environment and promoting walking.
- 4.83 Specific guidance on increasing cycling and walking as part of travel plans, aimed in particular at the work place were established in 'The Essential Guide to Travel Planning' in March 2008. Local authorities including some of the current Cycling Demonstration Towns are making significant use of travel planning as part of their sustainable travel programmes.

Road safety on city and regional networks

- 4.84 The overall strategy, and recent progress, on road safety is reported in Chapter 8. The number of people killed and seriously injured on roads continues to fall: 31,845 in 2006 against 47,656 average for the 1994-1998 baseline. But the numbers of casualties are still far too high, and we are working hard to reduce them further, with a particular emphasis on reducing the number of deaths on the roads.
- 4.85 Most of these accidents occur on local road networks, and it is interventions here by local authorities and their partners which have helped significantly; for example, through small-scale engineering improvements, introduction of 20 mph zones in residential areas, improved enforcement of speed limits, educational interventions and local publicity campaigns. The Department continues to support this activity by providing road safety grant funding of £110 million a year across England, on top of other funding in support of transport. The Department has, as a result, already met its target to reduce death and injury in disadvantaged neighbourhoods faster than the country as a whole.

Air quality on city and regional networks

- 4.86 The majority of places with poor air quality are in built-up areas. Local authorities play a key role in improving air quality, as they have a duty to check levels of air pollutants against the national objectives. Where air quality levels are likely to be exceeded at specific locations, local authorities are required to declare Air Quality Management Areas (AQMAs) and must then establish an Air Quality Action Plan to tackle the problem. Nearly 225 local authorities have so far designated AQMAs and around 180 have drawn up action plans. The Government's strategy, and recent progress, is reported in Chapter 7.
- 4.87 The Mayor launched the London Low Emission Zone (LEZ) on 4 February 2008. The scheme covers most of Greater London and means that heavy goods vehicles over 12 tonnes must comply with the particulate matter element of the Euro III emissions standard or pay a £200 daily charge to operate in London. From July 2008, lighter lorries, buses and coaches will also be subject to the emissions regulation, and from 2010 heavier diesel vans and minibuses will be included within the LEZ.
- 4.88 The Department's executive agencies are closely involved in supporting the LEZ. The Driving and Vehicle Licensing Agency (DVLA), Vehicle and Operator Services Agency (VOSA) and Vehicle Certification Agency (VCA) have been involved in developing the scheme. VCA helped to set lower emission standards. DVLA collects vehicle data in support of the scheme and VOSA issues certificates to vehicles which prove compliant with the standards set.

- 4.89 At the request of the Mayor, the former Secretary of State, Douglas Alexander, agreed to include within the LEZ the M1 south of London Gateway Services, the M4 east of junction 3 and the M4 Heathrow Spur. The Government is committed to improving air quality and supports the aims of the London LEZ.

Accessibility

Accessibility planning

- 4.90 Accessibility planning provides the framework for local authorities to work with their partners to identify and tackle the barriers that people, particularly those most in need, experience in accessing key services and jobs. Using guidance issued by the Department in December 2004, local transport authorities submitted accessibility strategies within their second local transport plan in July 2006.
- 4.91 In addition to the December 2004 guidance provided, DfT also commissioned and supports a series of tools to help local authorities develop and implement their accessibility strategies. These include the following.
- Accession – a software tool that identifies areas with poor transport access to services and can model the impacts of options to improve access.
 - Accessibility indicators – which focus on minimum journey times using public transport (mainly bus, tram and demand responsive transport), walking and cycling to:
 - jobs;
 - healthcare – hospitals and GP surgeries;
 - education – primary, secondary and higher education sites;
 - food shops; and
 - employment sites.
 - Data sets – data to support the DfT accessibility indicators have been calculated and will be published and sent to local authorities in the spring. The National Public Transport Data Repository, which provides a snapshot of public transport data and can be used to support Accession, has also been updated and will also be available to local authorities in the spring.
 - The Within Reach project – which provided initial training and support on accessibility planning to local authorities. This project has ended and the background information that supported it will be placed on the DfT website later this year.
- 4.92 The latest round of the Government award scheme for ‘Beacon’ councils is aimed at spreading examples of best practice in service delivery and includes an accessibility planning theme. Five councils (or sets of them) were awarded Beacon status on 4 March 2008, these being:

- Peterborough City Council;
- the London Borough of Greenwich;
- Lancashire County Council;
- Nottinghamshire County Council with Nottingham City Council; and
- Merseytravel with the five Merseyside metropolitan district councils plus Halton.

Blue Badge disabled persons' parking scheme

- 4.93 On 15 October 2007, new Blue Badge legislation¹ came into force, which amongst other things, extended the scheme to children under the age of two with specific medical conditions, and amended the badge design to prevent fraud and aid parking enforcement.
- 4.94 In October 2007, DfT also published a revised Blue Badge users' booklet, *The Blue Badge Scheme: rights and responsibilities* and a new advice leaflet, *Can I get a Blue Badge?*
- 4.95 In May 2007 an independent consultant was commissioned to conduct a strategic review of the Blue Badge scheme. The review, which reported to Ministers in September 2007, looked at the eligibility criteria for the scheme: the concessions available to badge holders; better ways of administering and enforcing the scheme in order to cut down on levels of abuse; together with choice and alternatives within the scheme. The review was published on 24 January 2008.
- 4.96 Also published on 24 January 2008 was a consultation document setting out DfT's initial response to the review. This reflected our preliminary thinking and was designed to help us to modernise the scheme within the context of current transport policy, making it more consistently administered, tougher on fraud and easier to understand.
- 4.97 DfT worked closely with stakeholders, including disabled groups, throughout the consultation period, which ended on 17 April 2008. The results of the consultation exercise will aid us in the publication of a comprehensive Blue Badge reform strategy in summer 2008.
- 4.98 Also on 24 January 2008, DfT published revised local authority guidance for England and launched a new £500,000 Blue Badge Centres of Excellence Fund, to promote best practice and improve consistency in the administration and enforcement of the scheme.

Automobility

- 4.99 Many disabled people still rely on the private car as their main mode of transport to access the services they require. There are, however, barriers to using the car, whether as drivers or passengers. DfT provides grant funding to support assessment, advice and information services for older and disabled drivers and passengers, enhancing their ability to access services. Demand for these mobility services is growing as the population

1 The Disabled Persons (Badges for Motor Vehicles)(England)(Amendment) Regulations 2007.

ages. During the year the accessibility and equalities unit (AEU) created the Automobility team to work with stakeholders to improve the quantity, quality and consistency of services uniformly across the UK. The team is dedicated to:

- working with more organisations to encourage them to provide information, advice and assessment services;
- working with service providers to develop and monitor standards; and
- commissioning research to underpin good practice.

4.100 As part of the commitment to expanding services through the voluntary sector, the additional funding that previously went solely to the Mobility Advice and Vehicle Information Service (MAVIS) was made available to the voluntary sector.

4.101 During the year the Department has:

- increased the grant funding available to mobility centres accredited by the Forum of Mobility Centres, enabling more elderly and disabled people to attend ability to drive assessments, and access advice on the adaptations they need to be able to drive or to travel safely as car passengers;
- awarded grant funding to enable the independent consumer research charity Ricability (RICA) to update information on vehicles and adaptation choice, and to create a comprehensive website enabling disabled people and their carers and advisers to access information on mobility issues;
- continued to provide grant funding to enable Mobility Choice to organise the annual Mobility Roadshow – an opportunity for disabled people to try out adapted vehicles, and to obtain advice on the equipment and services that will enable them to remain independent; and
- commissioned research to identify future need for mobility services and map this against service provision, preparing the ground for future policy.

Improving transport governance

4.102 Over the last 10 years, the Government has made significant improvements to the way local transport is provided and organised.

Local transport plans

4.103 Local transport authorities outside London have set out their policies and programmes in five-year local transport plans, finalised in spring 2006. The programmes include what can be delivered in partnership with other bodies, and both capital and revenue funding.

4.104 The Department has changed the progress reporting required from local authorities on transport plans. This has included reducing its frequency, and changing the focus of the government role from the assessment of progress using a uniform scoring system, to providing an external challenge to locally-shaped reviews. The Department published advice about mid-term reviews of plans for 2008 in late 2007, following consultation and extensive practitioner involvement.

Local area agreements

4.105 Local area agreements (LAAs) are a key development in driving local services, and streamlining the performance management framework for local authorities. A revised set of 198 performance indicators has been agreed to cover all local authority services, in place of some 1,200 indicators previously.

4.106 Each LAA will include targets for up to 35 of these indicators, to focus activity over the next three years on key areas for each local authority.

4.107 The Department has been working in partnership with the Department for Communities and Local Government, local authorities and other government departments to establish LAAs with each upper- and single-tier local authority and associated local strategic partnership.

4.108 Ten specific transport indicators are included in the new indicator set of 198, against which local authorities must report progress. The transport indicators reflect key priorities for local transport, including the Department's strategic objectives for congestion, road safety and accessibility, and the major local activities that contribute to them (local public transport and highways maintenance). The 10 indicators are as follows.

Number	Title
NI 47	Total number of people killed or seriously injured in road traffic accidents
NI 48	Children killed or seriously injured in road traffic accidents
NI 167	Congestion – journey time per mile during the morning peak
NI 168	Condition of principal classified roads
NI 169	Condition of non-principal classified roads
NI 175	Access to services and facilities by individuals by public transport
NI 176	Access to employment
NI 177	Bus and light rail patronage
NI 178	Bus punctuality
NI 198	Travel to school

4.109 The Department has been working closely with regional Government Offices (GOs) to ensure the targets selected include an appropriately strong level of coverage for transport, with a focus on what most needs improving quickly for particular localities, to enable the transport networks public service agreement to be delivered.

Multi-area agreements

- 4.110 In addition the *Sub-National Review of Economic Development and Regeneration* published in July 2007 recognised the importance of sub-regions, and set out a set of principles for multi-area agreements (MAAs). MAAs involve more than one upper- or single-tier authority, and are flexible and voluntary at the point of creation. They focus on activities where sub-regional working can add the most value. Transport features in most of the first round of proposals being developed by at least 14 sub-regions.
- 4.111 The Department has contributed to the government guidance on MAAs, and is considering which of the proposals from sub-regions for enabling measures are deliverable and right for the full range of stakeholders, both within and beyond the sub-regions.



Chapter 5

National networks

Chapter 5

National networks



Summary

Our motorways, trunk roads and main rail corridors connect our country together, and connect us to the gateways for international travel.

These networks are the backbone of distribution: moving imported containers to distribution centres and on to retailers in our towns; moving produce from farms and imported coal to power stations. They are essential to people travelling around the country, and also facilitate business trips to customers and to suppliers.

The Eddington study concluded that the country was well connected by its national networks, and benefited – relative to some European neighbours – from its compact size: many key cities are within a day trip of the capital, and each other.

But Eddington was also clear that the performance of these networks needed to improve, through a combination of making better use of what we have and targeted investment in new capacity.

Against this background, the Department aims to:

- make better use of our current networks;
- add targeted new capacity, especially at pinch-points; and
- improve the environmental and safety performance of national networks.

During 2007-08 the Department has:

- concluded successful trials of active traffic management (ATM) on the M42;
- opened the first dedicated high-occupancy vehicle lane on a UK motorway for people travelling from Bradford to Leeds;

- through the work of the Highways Agency, completed eight major schemes on the strategic road network;
- secured agreement on a funding package which enabled the go ahead for Crossrail;
- opened the high speed Channel Tunnel Rail Link (CTRL) and restored St Pancras International station, on time and on budget;
- let 4 major rail franchises and launched the procurement process for the Intercity Express Programme; and
- published the High Level Output Specification for the railway.

Looking ahead, the Department is:

- investigating sites on the motorway network, identified in the advanced motorway signalling and traffic management feasibility study, March 2008, where hard shoulder running could be used to increase capacity, and developing a programme to progress these specific schemes;
- investigating opportunities to give road users choice where capacity is being added through High Occupancy Vehicle lanes and lane tolling;
- continuing to progress the programme of major schemes which will see:
 - fifteen schemes completed including widening of the M1 between Junctions 6a and 10;
 - the award of a contract to extend the M42 active traffic management scheme to the M6 and M42 north of Birmingham; and
 - the award of a contract to create four lanes on additional sections of the M25 and maintain the M25 for 30 years.
- taking forward the range of rail capacity enhancement measures set out in the rail white paper, including the extra 1,300 carriages to be used on the most congested parts of the network, and the major infrastructure improvements promised for Birmingham New Street, Reading and elsewhere;
- seeing through to completion the £8.8 billion upgrade of the West Coast Main Line;
- progressing the Inter City Express project, which will provide a new generation of trains for use on a number of key inter-city routes, and lengthening of the Pendolino trains used on the West Coast Main Line to provide extra capacity;

- pursuing the Crossrail Bill through to Royal Assent; and
- working with Network Rail to investigate longer-term options for the network including the case for electrification and new lines.

We are also taking steps to meet increasing passenger expectations of the railway. We therefore intend in the coming year to:

- complete the introduction of a simplified fares structure based on just four types of ticket;
- modernise the ticketing system to pave the way for use of smartcards and tickets-to-mobile; and
- work with the industry on a price promise, so that, if passengers are pointed to one deal when there was a better one which meets their requirements, the difference will be refunded.

This chapter looks in turn at the strategic road network and the rail network, with each section covering each of the aims above. Domestic aviation is covered in Chapter 6.



Strategic roads

Responsibilities and strategy

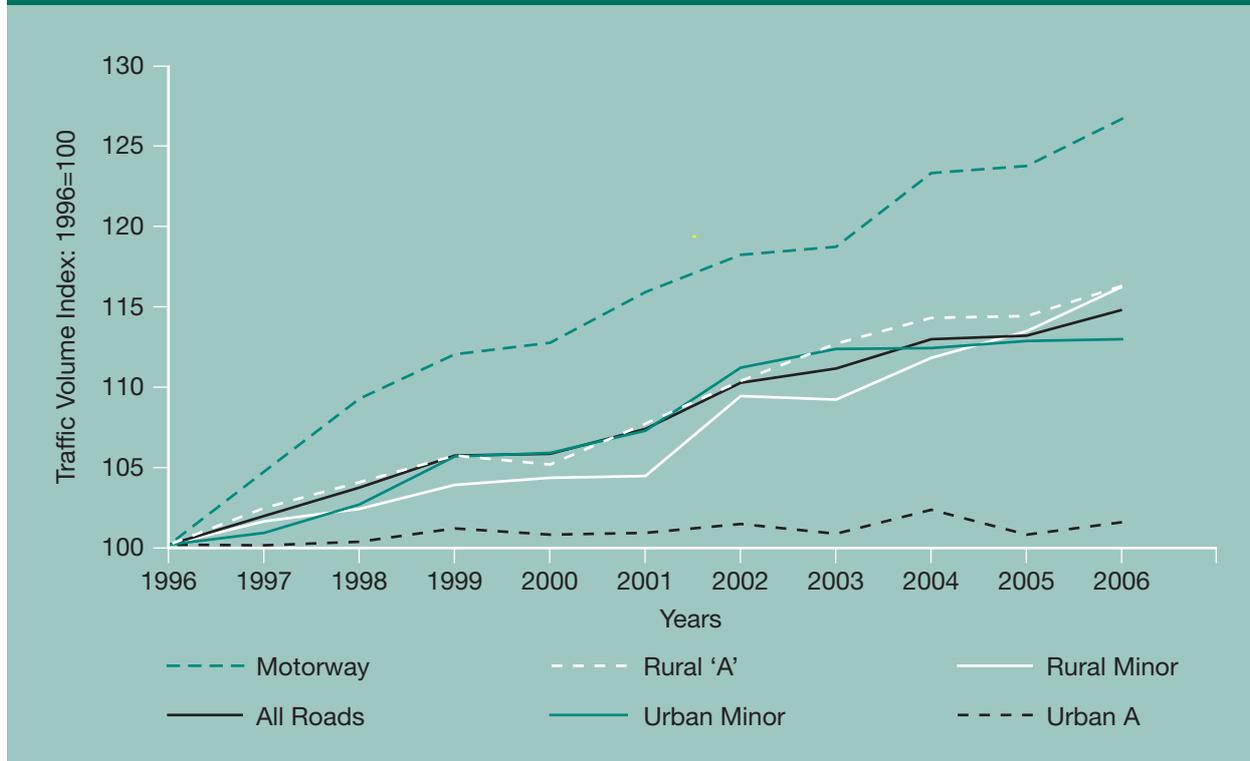
- 5.1 Responsibility for operational management and maintenance of the strategic network, and for managing major enhancement schemes such as road widening, lies with the Highways Agency, an executive agency of the Department. Chapter 12 describes the agency's overall roles and responsibilities.
- 5.2 The agency's aim is to improve the performance of the strategic road network in a sustainable way, which means:
 - improving the performance of the existing network, especially improving reliability;

- targeting improvements to capacity and locking in the benefits of additional capacity; and
 - minimising environmental impacts and, where possible, delivering environmental improvements.
- 5.3 During 2007-08 we have learned from the successful operation of active traffic management (ATM) and use of the hard shoulder as a running lane on the M42. We completed a feasibility study of the scope for wider application of these techniques on the motorway network. During 2008-09 we will be developing specific proposals for wider application. This important strategic development is described in more detail in paragraphs 5.30 – 5.34.
- 5.4 The Highways Agency currently operates 7,138 kilometres of roads, out of a total road length in England of 304,089 kilometres, but these roads carry 31 per cent of traffic (measured in vehicle/km). Since 2001 the Government has pursued a phased programme of transferring responsibility for non-core trunk roads from the Highways Agency to local highway authorities. During 2007-08, 110 kilometres of non-core roads were detrunked leaving about 250 kilometres of roads in the programme to be detrunked (having announced in July 2007 that approximately 115 kilometres of roads that were to be detrunked will now be retained by the agency for strategic and operational reasons).

Current performance and action to make better use of the strategic road network

Volume of traffic

- 5.5 The road network in England provides an essential service to commerce and industry, and to the lives of individuals and communities. England has over 300,000 kilometres of public road, over 75 per cent of the total for Great Britain. Most journeys in England are by road.
- 5.6 Car ownership and traffic levels continue to rise in the context of a growing economy. This puts growing pressures on the road network's capacity as people travel more, and more goods are transported, increasing congestion. Congestion causes delays and unpleasant driving conditions for all road users, lost time and additional costs for businesses, and adverse environmental impacts.
- 5.7 Figure 5a shows that traffic has grown on all classes of road over the last 10 years, increasing congestion on strategic and local roads. Annual road traffic in Great Britain now exceeds 500 billion vehicle kilometres. By far the fastest growth has been on motorways, which now carry a fifth of all traffic, yet account for 1 per cent of road length.

Figure 5a: **Motor vehicle traffic growth by road class: 1996-2006**

Reliability

- 5.8 Unpredictable journey times are one of the most important consequences of congestion. Many journeys have critical arrival times, such as trips to and from work, business trips, and leisure trips to events such as football matches. We have, therefore, used journey time reliability as the key performance measure for the strategic road network. Managing reliability is highly challenging given the volume of traffic carried by the strategic road network and the continuing growth of traffic.
- 5.9 Many roads perform reasonably well for much of the time. Even during weekday peak periods, around 8 out of 10 journeys on the motorway network can be made at an average speed of at least 50 mph. And the average speed in urban areas in weekday peak periods is 20 mph. Our challenge is to target our policies and delivery towards those roads and times that endure the worst congestion. This is captured by the way we measure reliability.
- 5.10 The present PSA target is to improve the reliability of the slowest 10 per cent of daytime journeys on each of the 91 routes (in both directions), which together cover the vast majority of the strategic road network. The target focuses on reliability because unpredictable journeys are one of the most important consequences of congestion, and one which it is most difficult to accommodate simply by adding more time to the journey.

- 5.11 Latest data on each route, and a longer commentary on reliability performance and the measures to tackle congestion, are included in Appendix D. In summary, the overall amount of time lost on the slowest 10 per cent of journeys is now (12 months ending 31 March 2008) estimated to be 3.95 minutes per 10 miles, compared with the baseline (12 months ending 31 July 2005) of 3.78 minutes per 10 miles. The overall position comprises:
- a reduction in time lost of at least one minute less delay per 10 vehicle miles on around a tenth of the routes;
 - little change (less than a one minute change in delay per 10 miles) on over two thirds of the routes; and
 - an increase of at least one minute more delay per 10 miles on the remaining fifth of routes.
- 5.12 Our research to date suggests the three most significant factors affecting performance between the baseline and measurement years on the strategic network are:
- growth in traffic levels – traffic grew by around 2 to 3 per cent;
 - major road works – the programme of major schemes in construction led to a 40 per cent increase in the number of routes affected by road works; and
 - extremely inclement weather conditions – there was greater and more intense rainfall in the measurement year. The flooding over just two days in July 2007 accounted for over a quarter of the change in reliability between the baseline and measurement years.
- 5.13 The Highways Agency programme to tackle congestion has made a difference, and without it reliability would have been worse. The rest of this section explains both the Highways Agency programme, and plans for future work announced during 2007-08, under the following headings:
- traffic officers;
 - incident prevention and management;
 - better management of road works;
 - better information;
 - travel plans and car sharing; and
 - active traffic management.

Traffic officers

- 5.14 The Highways Agency's Traffic Officer Service has been operational on the whole strategic motorway network since October 2006. The service has successfully taken over responsibility from the police for managing traffic on the motorways in England. Around 1,500 traffic officers, control room staff and team managers now work on the motorway network from seven regional control centres, providing a 24/7 service across England. Traffic officers are now routinely taking the lead at incidents on the motorways that do not involve injury or loss of life, at an average of 850 incidents a day across the motorway network.
- 5.15 Traffic officers are now clearing incidents more quickly, reducing the impact of incident related congestion, and reducing the risk of secondary incidents. There is increasing recognition of the service by road users, and their experience of the service is very positive. Traffic officers are frequently praised for their commitment and dedication to helping customers.
- 5.16 The agency measures the effectiveness of the service through a performance framework and will publish the results in the agency's 2007-08 annual report.
- 5.17 The agency continues to develop the service, for example, preparing a new contract to deal with the removal and disposal of abandoned and broken down vehicles from their network. The transfer of traffic management responsibilities from the police will be completed once the Agency is given the power to remove vehicles, and a national vehicle recovery manager is appointed to undertake this task on the agency's behalf. Discussions continue with three shortlisted bodies on how they would perform this role.

Incident prevention and management

- 5.18 As part of its annual winter service improvement cycle, the Highways Agency has reviewed and issued guidance to ensure that motorways and major trunk roads are free from ice and snow during the winter season. Regional severe weather desk exercises at the start of winter 2007-08 demonstrated the full preparedness of inter-service operatives and the Traffic Officer Service.
- 5.19 In January 2008, the Highways Agency awarded a £45 million framework contract for a new fleet of gritting vehicles. The first of the new fleet will be operational next winter, with the whole fleet delivered over the next four years. The agency is also introducing a new winter reporting system, capable of retrieving and processing real-time data transmitted from the new winter fleet. This will complement the Road Weather Information Service to provide customers with improved information regarding weather conditions on the network.

- 5.20 The agency continues to build and strengthen its emergency and contingency planning arrangements in line with the aims of the Civil Contingencies Act 2004. These plans were updated in September 2007 to include basic emergency welfare support to people, pets and livestock stranded on agency-managed roads.
- 5.21 Diversion routes between key junctions are being reviewed and improved in liaison with local authorities, and better collision investigation equipment is being deployed to police forces, to decrease the delays to customers following incidents.

Better management of road works

- 5.22 Speed limits have been increased at major road works where this can be achieved safely, and more road works have taken place outside peak hours. A process has been introduced to better manage the availability of lanes. This covers incidents, planned works and events on or off the network which may influence the free flow of traffic. Planned works are now mainly carried out overnight between 8pm to 6am. Better real time reporting of lane availability has started to improve the information available to road users.

Better information

- 5.23 The Highways Agency's National Traffic Control Centre (NTCC) provides 24/7 journey advice and real-time information about conditions for strategic roads. It helps customers plan their journeys better by collecting and disseminating data, both from a sophisticated system of traffic monitoring equipment – including road sensors and cameras – and from an extensive group of partners, including the police and local highways authorities.
- 5.24 As part of the migration of traffic management responsibilities from the police to the Highways Agency, the NTCC and the agency's seven regional control centres are now responsible for setting all the variable message signs and signals on the motorway network.
- 5.25 Since 2003, there has been a substantial increase in the use of travel information by people using the strategic road network, including an increased use of Highways Agency driver information services and Transport Direct. Details of the use of these services and the launch of new services can be found in Chapter 10.
- 5.26 The agency's 10-year, £490 million National Roads Telecommunications Services (NRTS) project, announced in September 2005, has upgraded the existing roadside systems to provide a national digital system linking more than 14,000 message signs, emergency telephones, CCTV cameras and traffic monitoring systems, to regional control centres. NRTS has enabled the delivery of new services including real-time camera images to approved websites.

Travel plans and car sharing

- 5.27 The Highways Agency has worked with employers and developers to develop travel plans for businesses and developments near the strategic road network. The travel plans reduce the overall traffic impact of existing or new business and residential areas by encouraging staff or residents to make 'smarter choices'.
- 5.28 During 2007-08 the Highways Agency implemented 11 travel plans, including two internal schemes. This has promoted sustainable travel to 42,000 staff across 355 companies as part of workplace schemes. The Highway Agency has also directed planning conditions requiring developers to implement travel plans at 34 proposed new developments.
- 5.29 Where possible, we are looking to bring together travel plans with operational measures that support more sustainable travel choices. The first dedicated high-occupancy vehicle (HOV) or 'car share' lane on a UK motorway opened in March 2008 at the junction of the M606 and M62 for vehicles travelling from Bradford to Leeds. We expect the £5.3 million pilot, delivered through Regional Development Agency funding, to reduce peak time journeys for those sharing their car at the site by around eight minutes, and to reduce the current 84 per cent of vehicles using the junction that have only one occupant. This new lane has influenced development plans for a major new employment site nearby and offers an enhanced opportunity to develop an area travel plan for existing businesses in this part of Bradford.

Active traffic management

- 5.30 In October 2007 results were published for the first six months of full operation of active traffic management (ATM), including use of the hard shoulder as an additional running lane, on the M42 between junctions 3a and 7 east of Birmingham. The ATM programme uses existing and new technology, including comprehensive CCTV monitoring, automatic queue detection, the latest variable message signs capable of displaying text and images, and emergency refuge areas positioned away from moving traffic.
- 5.31 Indications from these first six months of full operation are very promising. Use of the hard shoulder has reduced the occurrence of low speed levels and severe congestion, improving reliability and reducing journey times. Drivers are now able to better predict how long their journey will take:
- variability of journey time has reduced significantly, by an average of 27 per cent on weekdays;
 - evening peak average journey times on Tuesdays to Fridays have reduced by an average of 26 per cent northbound and 9 per cent southbound when compared to the period of three-lane variable speed limits;

- based on very limited data (the industry standard is usually three years), the initial six month trends showed that the accident rate on the ATM section has fallen from 5.2 per month before to 1.5 per month. There were no fatal or serious injury accidents attributable to hard shoulder running;
 - vehicle emissions have reduced for a range of pollutants by between 4 and 10 per cent, and fuel consumption has reduced by 4 per cent;
 - ninety-three per cent of drivers who had used the hard shoulder felt that the instructions for using it were clear and 84 per cent felt confident using the hard shoulder as a running lane; and
 - sixty-eight per cent of respondents felt more informed about traffic conditions and 60 per cent would like to see ATM used elsewhere on the network.
- 5.32 In the light of these results, the Secretary of State announced in October 2007 a scheme to extend the M42 ATM pilot to improve the M6 around Birmingham, for completion by summer 2011. A study was also announced to examine the feasibility, benefits and costs of extending advanced signalling and traffic management systems more widely across the motorway network.¹
- 5.33 That study has now been completed. Its high-level analysis found that there would be a strong economic case for implementing hard shoulder running schemes more widely across the motorway network, both in place of planned widening schemes, at significantly lower cost, and in other locations not previously identified for widening. This would create a more managed motorway network infrastructure that could also be deployed in other ways to enhance the management of traffic flows depending on local conditions, or to lock in the benefits of additional capacity.
- 5.34 As part of the Department's work looking at adding capacity to motorways, notably, by using the hard shoulder as an extra lane at peak hours, we are looking at the potential of single lane tolling and other ways of reserving lane space; for example, car share lanes, as a method of ensuring the benefits of additional capacity are sustained over time. The Government will set out the scope for introducing hard shoulder running and for locking in benefits of extra capacity such as lanes reserved for car-sharers or those willing to pay a toll.

Targeted new capacity

- 5.35 During 2007-08 the Highways Agency completed eight major schemes on the strategic road network, bringing to 53 the total of strategic road schemes completed since 2001. Twenty-one major schemes are currently under construction.
- 5.36 The Highways Agency has a programme of smaller road improvement schemes, the majority costing under £5 million per scheme. The agency completed over 200 of these during 2007-08.

¹ The advanced motorway signalling and traffic management feasibility study can be found at <http://www.dft.gov.uk/pgr/roads/network/policy/mtorsigntrafmanagement>

Figure 5b: Major road schemes completed during 2007-08

Scheme 2007-08	County	Completed
A428 Caxton Common to Hardwick Common	Cambridgeshire	May 2007
A30 Bodmin Indian Queens improvement	Cornwall	July 2007
A66 Carkin Moor to Scotch Corner improvement	Yorkshire	September 2007
A66 Greta Bridge to Stephen Bank improvement	Yorkshire	September 2007
A66 Temple Sowerby Bypass	Cumbria	October 2007
M1 J31-32 widening	Yorkshire	December 2007
A2/A282 Dartford improvement	Kent	December 2007
M25 J28/Brook Street junction improvement	Essex	March 2008

- 5.37 In July 2006 the then Secretary of State commissioned Mike Nichols, Chairman and Chief Executive of the Nichols Group, to review the Highways Agency's approach to cost estimating and project management, following a series of increases in cost estimates for the major roads programme. His *Review of Highways Agency's Major Roads Programme* was published in March 2007 making recommendations in three key areas: the nature of the roads programme, governance arrangements and the Highways Agency's capability. The National Audit Office also published a report, *Estimating and monitoring the costs of building roads in England* in March 2007 with similar findings.
- 5.38 Following this, the Department established a joint DfT/Highways Agency programme in April 2007, to implement the recommendations of both reviews. The programme team has made significant progress on the Nichols recommendations. The changes include the following:
- The targeted programme of improvements has been replaced by schemes grouped into three phases – options, development and construction. Budgets are only provided to move a scheme through a particular phase and there are regular defined points (stage gates) where schemes must be formally assessed before they progress to the next stage in their lifecycle.
 - A project control framework based on Network Rail's Guide to Rail Investment Projects has been introduced to improve the management and control of major projects.
 - There is a new approach to cost estimating, replacing point cost estimates with cost ranges, to represent the uncertainties within schemes, particularly those early on in their lifecycle.
- 5.39 Additionally, there have been organisational changes within the Highway Agency's Major Projects directorate to focus and improve the management of projects. This has included the creation of a Commercial Division responsible for producing and challenging estimates: a role previously undertaken by external consultants. In addition, staff have been assessed for their programme and project management skills and individual development programmes put in place to improve their skills where

necessary. The central Department has also taken on a stronger role in sponsoring Highway Agency's major roads schemes through a new Roads Projects Division. In 2008-09 these changes will be consolidated and built upon, both within the agency and DfT.

Maintenance

- 5.40 In December 2007 the agency began implementation of an asset management strategy to provide a more consistent and integrated approach to maintenance. This will enhance network performance and value for money. The new approach will be implemented over the next three years. For the first time it will bring all asset information together in a single management system with standardised measures for condition, degradation and location; for example, allowing better investment decisions for maintenance.

Safety and environment

- 5.41 The safety performance of the strategic road network has improved during 2007-08. The Highways Agency has developed a strategic safety action plan, setting out what will be done to achieve their contribution to the Government's 2010 casualty reduction targets. The plan brings together the agency's safety activity in one document, setting out roles and responsibilities, and providing a framework against which to monitor and demonstrate the progress made. The plan sets out a five-year programme of 23 key actions consisting of:
- local network management schemes delivering safety benefits;
 - driver information programmes to influence behaviour;
 - road star scores to identify sites where any accidents are more likely to be severe;
 - major schemes designed to include improved safety benefits as standard;
 - average speed measuring cameras at major roadworks, to ensure drivers keep to speed limits for their own and road workers' safety;
 - concrete barriers on major improvement schemes to reduce the likelihood of serious injuries and fatalities; and
 - road safety information on variable message signs.
- 5.42 More details of actions to reduce casualties can be found in Chapter 8.
- 5.43 VOSA now investigates collisions to enable a better understanding of both technical and operational factors that might contribute towards non-compliant behaviour and unsafe driving. VOSA investigates a small number of incidents that cause a disproportionate degree of disruption on the strategic road network involving lorries and buses. Over the last year, in response to police requests, investigations involving 927 lorries, 406 buses and 553 cars and motorcycles were carried out.

- 5.44 During 2007-08, the Highways Agency has delivered a range of targeted improvements to mitigate the environmental impact of the strategic road network, including air quality, landscaping and noise, and to assure water quality through pollution control systems. The agency is also improving the environmental performance of major capacity improvement schemes which are monitored against a target at key stages of scheme progression.
- 5.45 The agency published its sustainable development action plan in June 2007. Looking forward, this gathers together sustainability issues and sets out proposals to:
- adapt the network to cope with climate change;
 - minimise the impact of the agency's operations on climate change;
 - develop strategies for use of waste and recycling in construction; and
 - implement a sustainable procurement strategy.

Other initiatives

- 5.46 Other initiatives to influence use of the strategic road network include:
- working with tourism authorities to smooth peak traffic flows on motorways and major roads; the agency is currently developing two tourism schemes with major tourist attractions close to the strategic road network;
 - encouraging modal shift initiatives with freight and coach operators; and
 - changing the charging regime for Dartford-Thurrock. In December 2006, the Department consulted on changes to the charging regime at the Dartford Crossing, in response to congestion pressures. Following consultation, the Department announced that it accepted the case in principle for a discount scheme for local residents, and that it would consult. That consultation was announced to Parliament on 7 February and commenced on 15 February. Considerable design work has been undertaken to allow for differential charges. It is hoped that the new charging regime will be implemented around the end of 2008.

Rail

Responsibilities and strategy

- 5.47 Following the Railways Act 2005, the Department for Transport is responsible for establishing – once every five years – the High Level Output Specification (HLOS) for the railways, together with a Statement of Funds Available (SOFA) by way of public spending in support of the railway. Network Rail is then responsible for constructing a plan to deliver the specification, with the Office of Rail Regulation (ORR) determining the charges that Network Rail may set train operating companies. Train operating companies bid for franchises, typically of seven to ten years, to operate services on specified routes.

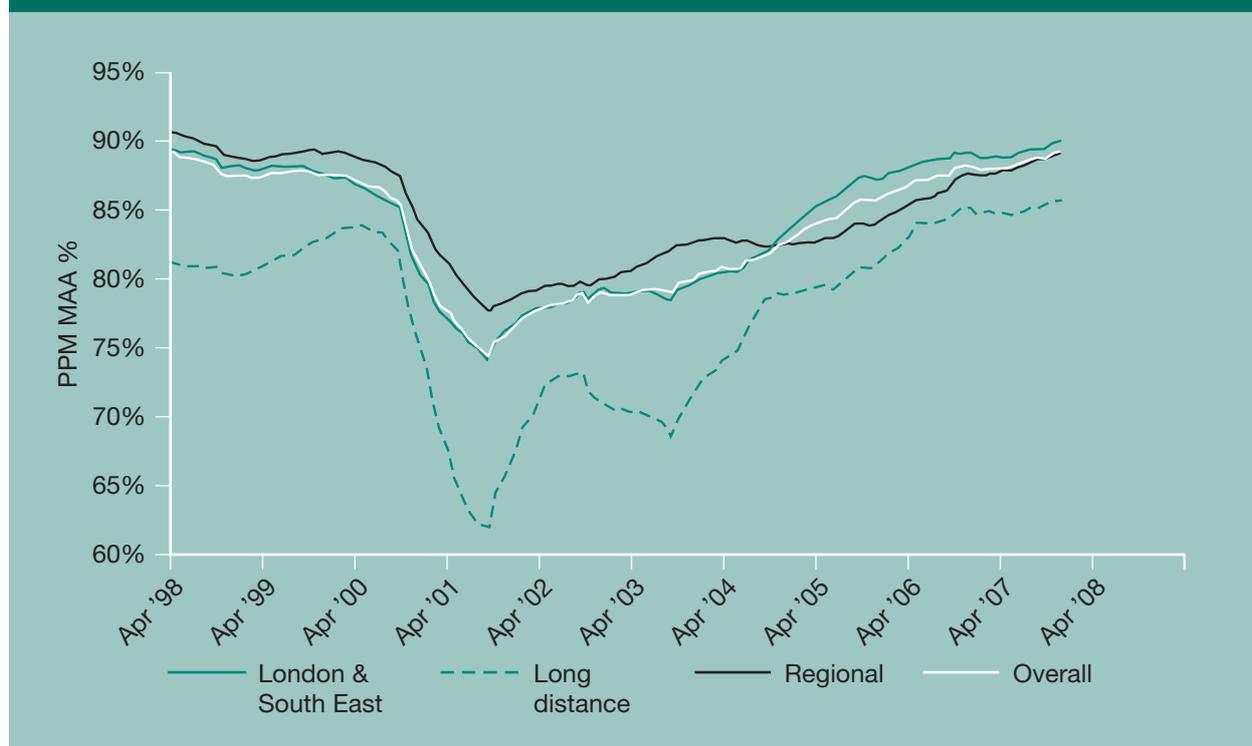
- 5.48 In July 2007, the Department published a white paper *Delivering a Sustainable Railway*, setting out a 30-year view of how the national railway could develop, together with its first HLOS stating what it wants the railway to deliver in terms of capacity, performance and safety, and a statement of the rail funding available for the five years from April 2009. Network Rail responded to this in November 2007, with the publication of its strategic business plan. This sets out Network Rail's plans for delivering the HLOS and its estimate of the cost of doing so. The Office of Rail Regulation scrutinised the strategic business plan and published its response in February 2008. The ORR's response indicates a very high degree of probability that the HLOS can be delivered within the Statement of Funds Available. Network Rail published the next iteration of its strategic business plan, incorporating the input from the ORR, in April 2008. In June 2008, ORR will publish their draft determination of the access charges for the five years (from April 2009), making their final determination in October 2008.
- 5.49 One of the most significant challenges which continues to face the Department and the industry is how to support the development of the railway in the longer term, so that it is central to economic prosperity, attracts more users and is more responsive to the needs of an ageing and more diverse population. This includes, for example, improving the way tickets are sold and ways in which passengers get information about rail services.
- 5.50 The rail white paper also covers a range of other issues, including:
- how to accommodate anticipated passenger growth; and
 - improving the environmental performance of the rail network, to ensure it maintains its advantage over other forms of transport.
- 5.51 The white paper complements Sir Rod Eddington's study on transport's role in sustaining the UK's productivity, and incorporates wider transport and spatial planning.
- 5.52 *The Rail Technical Strategy* was published alongside, and in support of, the white paper and HLOS. It considers how a combination of existing and future technology can help the railway meet the challenges set out in the white paper over a 30-year time horizon. The Department is now working with senior rail industry stakeholders through the Technical Strategy Advisory Group to take forward the development and implementation of the strategy.
- 5.53 A further supporting document, the *Rail Industry Research Strategy*, was published in December 2007. This was developed by the rail industry, research organisations and the Department, to ensure that rail research is given appropriate priority, that work is focused on areas to support the white paper and technical strategy, and that effective mechanisms are in place to support implementation.

Current performance and action to make better use of the network

Punctuality and reliability

- 5.54 The Department has a PSA target for rail punctuality and reliability of 89.4 per cent punctuality by March 2008. Throughout most of 2007-08, the rail industry was on track to meet this target.
- 5.55 Punctuality and reliability continue to improve. The moving annual average for punctuality at January 2008 was 89.6 per cent for England and Wales, up 1.5 percentage points on the previous year. In the year to the end of January 2008, performance has improved in all sectors compared with last year:
- punctuality on London and south east operators is now 90.3 per cent, which is an improvement of 1.4 percentage points;
 - punctuality for long-distance operators is now 86.0 per cent, which is an improvement of 1.3 percentage points; and
 - punctuality for regional operators is now 89.3 per cent, which is an improvement of 1.7 percentage points.

Figure 5c: **Public performance measure (PPM) moving annual average (MAA) percentage of trains arriving on time by business sector**

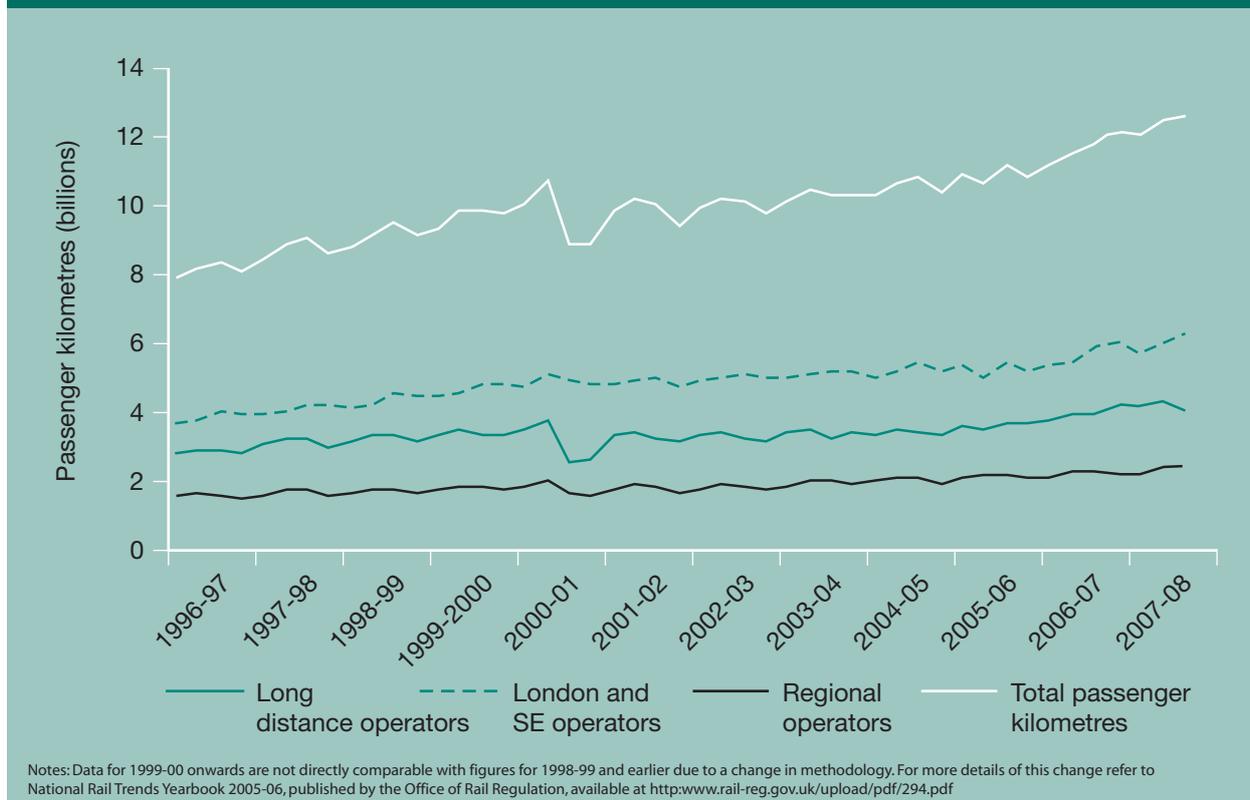


- 5.56 Network Rail is now responsible for punctuality across the whole rail network. It is accountable for reporting train performance and regularly publishes details of the public performance measure. It is forecasting an annual total for 2007-08 of 9.4 million delay minutes as against a regulatory target of 9.8 million minutes. This compares with almost 23.8 million delay minutes in 2000-01, the year of the Hatfield accident. ORR's November 2007 monitoring report concluded that Network Rail remains on course to exceed its regulatory targets.
- 5.57 The importance the Department attaches to performance is reflected in the fact that the High Level Output Specification incorporates a formal reliability metric. It comprises two elements: a requirement that, by the end of control period 4, punctuality should improve (to 92 per cent on long distance and regional services and to 93 per cent in London and the south east); and that the proportion of trains arriving more than thirty minutes late or cancelled should be reduced (by 36 per cent, 27 per cent and 21 per cent on long distance, regional and south east services respectively). This is a demanding target which requires the performance improvements of recent years to be maintained and built on. A range of measures is in place, both to ensure that day-to-day performance improves and to contribute towards achievement of the HLOS reliability metric.
- 5.58 All rail franchises incorporate performance requirements. These are tailored to the circumstances of each operation but typically cover punctuality, cancellations and capacity. Operators' adherence to the requirements of their franchise agreement is monitored by the Department. If requirements are not met, the Department has powers to require the operator to produce a remedial plan setting out measures to be taken to restore performance to an acceptable level. This was the procedure used during the course of the year to deal with unsatisfactory performance on First Great Western.
- 5.59 Each train operator also has a joint plan agreed with Network Rail designed to improve performance. These record the actions and projects which will be taken forward by Network Rail and the operator to raise and maintain reliability, and to give passengers a more reliable service into the future.
- 5.60 These joint plans come together in a national joint rail performance plan which ensures that overall improvement is maintained. Progress in achieving the plan is monitored and reviewed by the Department together with senior rail industry representatives. This process has seen year-on-year improvement for every year since 2003.
- 5.61 As well as the measures taken by train operators, reliability depends crucially on proper maintenance and renewal of rail infrastructure. Network Rail's Strategic Business Plan, published on 4 April 2008, shows a total projected expenditure on maintenance and renewals of £14.7 billion for England and Wales and £1.9 billion for Scotland over control period 4.

Passenger use

5.62 Between Q3 2006-07 and Q3 2007-08, total passenger journeys increased in all sectors except for long distance operators. In this same period total passenger kilometres had increased in all sectors. In passenger kilometres, long distance operators saw an increase of 3.1 per cent, regional operators an increase of 4.2 per cent, and London and south east operators an increase of 5.4 per cent. Figure 5d shows recent trends in passenger use of the railway.

Figure 5d: **Passenger kilometres (billions)**



Quality of service

- 5.63 Findings from the Passenger Focus autumn 2007 satisfaction survey showed that 81 per cent of rail passengers were fairly or very satisfied with the journey just completed. This figure is the same as in autumn 2006 following a slight drop in spring.
- 5.64 Nationally, the percentage of passengers satisfied with their journeys remains the highest level ever recorded. Satisfaction levels for punctuality and reliability remain at the same level. The proportion of passengers satisfied that their tickets represent value for money remains low but modest improvement has been seen compared with autumn 2006.

Figure 5e: Passenger satisfaction – percentage satisfied

	Autumn 2007	Spring 2007	Autumn 2006
Overall satisfaction	81	79	81
Punctuality/reliability	79	77	79
Frequency of trains	75	75	77
Value for money	45	40	43
Train information	77	67	78

Franchising

5.65 Significant franchising developments during the year include:

- the letting of the Midland three franchises (East Midlands, West Midlands and New Cross Country) in the summer of 2007. All three began operations in November 2007; and
- the letting of the InterCity East Coast franchise in the summer of 2007. The franchise commenced in December 2007.

New network capacity

Rolling stock

5.66 The average age of passenger rolling stock continues to mirror investment over the last 11 years. At the end of 2000 it stood at 20.67 years and by the end of 2007 it had reduced to 14.20 years. This reflects, in particular, the complete replacement of a number of train fleets. These include the Cross Country, West Coast and Transpennine Express fleets, and the elimination of slam door carriages on lines south of the Thames.

5.67 The number of new trains ordered in the last 11 years is 5,300 (including 216 vehicles ordered by Transport for London) Over 4,600 are already in passenger service and we expect the number to exceed 5,000 by the end of 2010. This equates to investment in the region of £5.3 billion in rolling stock. The numbers will be increased further as the 1,300 new carriages committed to in the white paper begin to be delivered. The Department's rolling stock plan, published in February 2008, sets out how the new carriages are expected to be deployed, by giving indicative numbers of new carriages for each of the English train operators. Between them, the new carriages will provide around 100,000 extra seats each day on the busiest parts of the network.

5.68 In March 2007 the Department launched the procurement process for the Intercity Express Programme, a new generation of trains to operate on the UK's busiest inter-city routes. They will form a key part of the Department's long-term inter-urban rail strategy and provide much needed passenger capacity, as well as improved environmental performance, deployment flexibility and value for money. Invitations to tender were issued to the market in November 2007, and contract award is planned for 2009. The first trains are likely to enter passenger service during the lifetime of the current East Coast franchise.

Freight

- 5.69 The Freight Route Utilisation Strategy was published by Network Rail in March 2007, and has informed funding and investment decisions for rail freight subsequently. In the rail white paper, funding of £200 million to develop a Strategic Freight Network (SFN) was announced. Network Rail is leading the detailed work to develop the SFN with the freight companies and their customers. Further investment in rail freight infrastructure has been provided with over £150 million from the Productivity element of the Transport Innovation Fund (for more on freight see Chapter 9).

Future capacity

- 5.70 The Department has strategic responsibility for the sponsorship of network capacity. Importantly, it secures delivery of the infrastructure, rolling stock and changes to operators' franchises needed to deliver enhanced passenger services.
- 5.71 A number of major projects have been completed during the year, including:
- the Channel Tunnel Rail Link (CTRL) and St Pancras International station; and
 - St Pancras International Thameslink Box Fit-Out.

There has also been significant progress on:

- West Coast Route modernisation;
- Crossrail;
- the Thameslink programme; and
- the King's Cross station redevelopment.

The following sections set out further details of each.

Channel Tunnel Rail Link (High Speed 1)

- 5.72 On 14 November 2007 section two of the Channel Tunnel Rail Link (CTRL), from North Kent to London, was opened to passenger traffic. This marked the completion of CTRL – Britain's first truly high-speed line – on time and on budget. As a result, journey times from London to Paris and Brussels have been reduced by a total of some 40 minutes, to 2 hours 15 minutes and 1 hour 51 minutes respectively. A new depot for Eurostar trains opened at Temple Mills, Stratford, on 2 October 2007, replacing the North Pole Depot in West London.

St Pancras International Station

- 5.73 The spectacular station at St Pancras International has been restored to its full nineteenth century glory, while at the same time being developed into a major twenty-first century gateway to Britain. It presents a dramatic first impression for those arriving there, whether from the continent or on domestic services from the Midlands. The station was formally opened by Her Majesty the Queen on 6 November 2007.

St Pancras International Thameslink Box Fit-Out

- 5.74 The new low-level St Pancras International station opened as planned on 9 December 2007. Situated on the Thameslink route used by First Capital Connect, this state-of-the-art station has replaced the small and inconveniently sited King's Cross Thameslink station in Pentonville Road. The station has been built ready to receive 12-car trains to be introduced by the Thameslink Programme.

West Coast route modernisation

- 5.75 The West Coast Main Line is the busiest and most important trunk route on Britain's railway system. Substantial progress continues to be made on renewing and upgrading it. This is an £8.8 billion project, led by the Department, and delivered through Network Rail and the various passenger and freight operators. This teamwork has already led to the successful implementation of many of the key stages of the project. Work on the remainder continues to progress. High standards of operating performance are being achieved and traffic is growing substantially.
- 5.76 As a result of the project, trains already run routinely at 125 miles per hour, enabling faster services between London, Manchester and the North West, and Glasgow. In addition, a fleet of 100 mph electric trains using the West Coast line has provided faster links on the London – Northampton – Birmingham corridor, as well as the line between Birmingham and Liverpool.
- 5.77 Since December 2005, work has concentrated on major infrastructure schemes, including widening part of the Trent Valley route to four tracks, and the enlargement of Rugby and Milton Keynes stations to increase capacity. Additional car parking is also being provided at key West Coast stations. These schemes represent the infrastructure work required to deliver new timetables in December 2008, when a further significant improvement to journey times and frequencies is planned. The new timetables offer a 30 per cent increase in capacity to meet the continued growth in business. The new services will include 'turn up and go' frequencies between London, Birmingham and Manchester, and an hourly service between London and Chester.
- 5.78 The engineering overruns at Rugby over Christmas and the New Year led to concerns about whether the remaining West Coast Main Line works could be delivered in time for the new timetable to be introduced in December 2008. Network Rail therefore consulted the industry on its plans for the project and submitted proposals to the Office of Rail Regulation. As sponsor and funder of the programme, the Department favoured the delivery of the December 2008 outputs on the route on schedule by December 2008, and set this out in its response to Network Rail's consultation. The Office of Rail Regulation subsequently found that Network Rail's plans were deliverable and the company is now taking forward its programme to finish the upgrade by December 2008.

5.79 The Department is also looking at the situation after 2008 and how best to accommodate continuing growth in traffic. An offer from the franchise operator to co-operate over lengthening the Pendolino trains used on the route in return for a franchise extension was rejected by the Department, on the grounds that there was no evidence that the proposal offered value for money for either taxpayers or passengers. The Department is, therefore, taking forward Pendolino lengthening by an alternative method which does not involve the train operator, but which is expected to deliver the new carriages equally quickly.

Crossrail

5.80 Crossrail is the major new cross-London rail link project. It includes construction of a twin-bore tunnel on an east-west alignment under central London between Whitechapel and Paddington, and the upgrading of existing lines to the east and west of London.

5.81 Crossrail will provide fast, efficient and direct rail access to the West End and the City from Shenfield and Abbey Wood in the east, and Maidenhead and Heathrow in the west.

5.82 Crossrail's key objectives are to:

- support the development of London as a world city, and its role as the financial centre of Europe and the UK;
- support the economic growth of London and its regeneration areas by tackling congestion and the lack of capacity on the existing rail network; and
- improve rail access into and within London.

5.83 The Government introduced a hybrid Bill into Parliament in February 2005 to provide the powers to implement the scheme. The Bill is expected to receive Royal Assent by July 2008.

5.84 On 5 October 2007 the Prime Minister confirmed that Crossrail had the necessary funding to enable the programme to go ahead. Construction work is set to begin in 2010 and the first trains are expected to run in 2017. The line will enable an estimated 200 million passenger journeys a year to be made.

5.85 The Department is now working with Transport for London to finalise construction arrangements.

Thameslink

5.86 The Thameslink programme involves extending and upgrading the existing Thameslink network to operate more frequent and longer trains. It includes the modernisation of London Bridge station and its approaches. In July 2007 formal approval for the scheme was granted as part of the High Level Output Specification.

5.87 The programme will be delivered in two phases. Key Output 1, delivered by December 2011, will see capacity increased to enable longer trains to run throughout the line, with more frequent trains through the core Central London section. Key Output 2, to be delivered for December 2015, will require major track, signalling and remodelling works at London Bridge, and a new link from north of London to the East Coast Main Line, opening up new destinations for the Thameslink route. The completed programme will allow 24 trains per hour in each direction to operate through the central hub. Network Rail has started to appoint designers and contractors.

King's Cross station

5.88 Major redevelopment and expansion is underway at both Underground and national rail stations at King's Cross. London Underground Ltd (LUL) works at King's Cross St Pancras will enable the Underground to cope with increased passenger numbers. These are already being generated by the opening of the neighbouring CTRL international station at St Pancras in November 2007, and there will be further demand once domestic high-speed services from Kent start to operate into St Pancras from December 2009. King's Cross St Pancras will also be a key passenger interchange for the Olympic Games Javelin services to Stratford in summer 2012.

5.89 Phase one of the project included expansion of the existing Underground ticket hall and construction of a new sub-surface western ticket hall above the Metropolitan and Circle Line platforms in front of St Pancras station. Both ticket halls opened in 2006.

5.90 Phase two will see the construction of a new Underground northern ticket hall. This is due to open in spring 2010.

5.91 Network Rail is building a new western concourse at King's Cross main line station. This will replace the southern concourse, for which planning consent has expired. The new 3,000m² concourse will be three times the size of the existing one and will be built on top of the new LUL northern ticket hall. It will give more circulation space as well as easier access to St Pancras, whose Kent domestic platforms will be opposite. The new concourse is due to open early in 2012.

5.92 There is a ministerial commitment to the International Olympic Committee that both the LUL northern ticket hall and the NR western concourse will be ready in time for the 2012 Olympics.

Other white paper commitments

5.93 The rail white paper incorporated commitments to a number of other specific projects. Chief among them are:

- Birmingham New Street – up to £128 million to help tackle crowding problems and improve the passenger environment. On 12 February 2008 DfT announced that it will be providing a further £160 million to improve the station, in addition to the £128 million already set aside

in last year's rail white paper. The Department for Business Enterprise and Regulatory Reform has agreed to fund £100 million, bringing the total Government spending on the scheme to £388 million. Network Rail and Birmingham City Council plan to start work in 2009. The project is expected to be complete by 2013-14;

- Reading – up to £425 million to deliver capacity improvements and reduce congestion by reducing conflicting train movements at this major junction; and
 - station modernisation – an extra £150 million to deliver improvements at 150 medium-sized stations.
- 5.94 For the longer term, the Department has asked Network Rail to look at some of the more complex rail options that might need to be considered for the future. As part of the Department's multi-modal approach to transport planning, the rail industry will provide a view on the ways in which the railway can contribute most effectively to the Department's wider transport objectives for the period from 2014. This may include new lines (conventional or high-speed) and electrification proposals.

Environment and safety

- 5.95 A formal safety metric is incorporated in the High Level Output Specification. It requires a 3 per cent reduction in the national level of risk to passengers and rail workers by 2013-14 compared with the position in 2008-09. The level of risk is defined with reference to the industry's standard measure of 'fatalities and weighted injuries' and the percentage improvement required reflects rail's consistently good safety record. Unlike most of the HLOS (including the reliability and capacity metrics) the safety metric applies across the whole of the Network Rail-managed network including Scotland, because rail safety is not a devolved matter.
- 5.96 Further information about rail safety can be found in Chapter 8, paragraphs 8.55 – 8.65.
- 5.97 Rail has traditionally been seen as an environmentally friendly form of transport, though recent improvements in the environmental performance of other modes means that rail's continuing advantage in this area cannot be taken for granted. A particular concern has been the tendency for new trains to be heavier than those they have replaced because of better crash resistance and improved passenger comfort (for example, air conditioning). This was one of the considerations which lay behind the 'tram-train' trial which was announced in March 2008. The proposal is for a vehicle that is lighter – and therefore uses less energy – than a conventional train and can operate on tram lines, but which is also capable of operating alongside conventional trains on heavy rail lines. The trial is due to begin in 2010 on the Penistone line between Huddersfield and Sheffield, and will last for two years, during which time the environmental and other benefits will be assessed.

- 5.98 In the case of heavy rail, significant progress has been made during the year with regenerative braking. This is a system in which, when they brake, the motors of suitably equipped electric trains generate electric power and return it to the overhead line, producing significant energy savings. Regenerative braking is now in operation on all AC-powered trains fitted with the required equipment, and attention is now turning to the DC-powered fleet.
- 5.99 A formal carbon reduction metric is expected to feature in the next HLOS which will cover control period 5 (2014-19).
- 5.100 Further information about environmental issues can be found in Chapter 7.

Other

London rail

- 5.101 The Railways Act 2005 gave Transport for London (TfL) the opportunity to play a wider role in relation to national rail services in London. The Department has also been working with stakeholders to take forward the rationalisation of fare structures. As a result, zonal fares for single and return journeys on national rail within London were introduced in January 2007, with further rationalisation for season tickets planned. The Department has also been working with TfL and the rail industry to expand electronic ticketing technology across public transport.
- 5.102 The Department transferred responsibility for specification and funding of passenger services on the Silverlink Metro network to TfL in November 2007, and TfL rebranded the service as London Overground. TfL has ensured that all stations are manned, and they are also undertaking a programme of cleaning and repair at all overground stations. New trains will be introduced during the next financial year. The East London line closed in December 2007 and work is underway on extending it for re-opening in 2010.

Community rail

- 5.103 The Department has continued to work with local authorities, the rail industry and the wider community on the implementation of the community rail development strategy. A key part of this work is taken forward by the Association of Community Rail Partnerships which receives much of its core funding from the Department.
- 5.104 Three further routes were designated as community rail lines or services during the year, and three more followed in April 2008. Within the Department the emphasis is moving from increasing the number of designations to enabling and encouraging change on routes already designated – though this does not preclude further designations where appropriate.

Accessibility

- 5.105 Since the introduction in 1998 of the Rail Vehicle Accessibility Regulations (RVAR), there has been a steady increase in the number of fully accessible carriages on the network. Over 4,600 compliant vehicles had been introduced by the end of 2007, with many hundreds more on order. Older fleets that predate the RVAR continue to receive access enhancements as they are refurbished. Recent examples include the rolling stock used on the new Grand Central and Wrexham, Shropshire and Marylebone open access services. The new franchises awarded this year have provided opportunities to make access improvements to their fleets, too.
- 5.106 The European Technical Specification for Interoperability – Persons with Reduced Mobility (PRM TSI) will come into force on 1 July 2008, and will significantly affect the requirements for accessibility of stations and rolling stock on the heavy rail network. The Department has completed the consultation period on proposals to reconcile the requirements of the PRM TSI with existing domestic access regulations, with a view to achieving a harmonious set of standards across the industry.
- 5.107 Accessible vehicles are only part of the solution, however. Stations and other parts of the infrastructure need to be accessible, too. On 23 March 2006, Ministers launched the Railways for All strategy, which sets out how the rail industry plans to improve access to rail services, particularly for disabled people. Central to the strategy was the announcement of £370 million Access for All funding up to 2015, together with details of how this investment would be allocated. Most of the funding (£35 million a year) is targeted at providing accessible routes at the busiest stations, delivered by Network Rail. In addition, up to £7 million a year is available as small schemes funding for train operating companies, local authorities, passenger transport executives (PTEs) and other bodies. They can bid for this on a match-funded basis to improve local stations.
- 5.108 So far the Department has announced that 132 stations in England and Wales, and eight in Scotland, would benefit from Network Rail's Access for All works up to 2015. These have been selected according to the criteria set out in the Railways for All strategy. Also in 2007, we held a further bidding round for the small schemes funding and allocated £6.28 million to 22 organisations to deliver works totalling £21.5 million at over 161 stations. For the financial year 2008-09 £6.51 million of small schemes funding has been allocated to deliver works totalling £16.73 million at 223 stations.

Railways expenditure

Figure 5f: Railways expenditure 2002-03 to 2009-10¹

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 ⁷ Plans	2009-10 ⁷ Plans
Net direct support for passenger rail services	930	1,225 ³	878	813	847	684	449	(250)
Grants to PTE's	245	294	277	199	313	310	323	329
Direct grants to Network Rail	792 ²	1,448	2,058	1,984	3,103 ⁶	3,154	3,224	3,066
CTRL grants	1,362	1,295	312	385	102	154	88	90
Freight grants ⁴	49	32	26	5	0	0	0	0
Other ⁵	390	394	296	104	84	72	74	76
Total	3,768	4,688	3,847	3,490	4,449	4,374	4,158	3,311

¹ Prior to 2004-05 expenditure relates to spending by the Strategic Rail Authority (SRA) and the Department for Transport. During 2005-06 the functions and spending of the Strategic Rail Authority (SRA) were progressively transferred to the Department for Transport in accordance with the Railways Act 2005. This table represents the combined spending of the SRA and its predecessor bodies, the DfT Rail Directorate prior to the relevant parts of the Railways Act being commenced and the new DfT Rail Group. From 2006-07 onwards figures show planned spending by DfT.

² Figure includes a grant payment of £300 million to Network Rail to facilitate the purchase of Railtrack.

³ Figure includes £700 million paid directly to Train Operating Companies that was subsequently deemed to be in respect of capital investment undertaken by Network Rail.

⁴ Responsibility for the payment of Freight Grants transferred from the SRA to Logistics Division in DfT on 26 June 2005. The figure in this table shows spending by the SRA prior to that transfer.

⁵ Figures include payments in respect of rail industry pensions, external costs in connection with specifying and procuring rail franchises and in managing rail projects and payments to the British Transport Police, the Rail Passengers Council, the Rail Heritage Committee and British Rail (Residuary) Ltd.

⁶ From 2006-07 onwards responsibility for paying grants to Network Rail for the rail network in Scotland has been transferred to Scottish Ministers. Spending plans in this table from 2006-07 onwards are in respect of the English and Welsh elements of the railway.

⁷ Total expenditure and the mix between support for passenger rail services and direct grants to Network Rail may be subject to revision as part of the regulatory review into Network Rail's income which is currently being conducted by the Office of Rail Regulation.

5.109 Network Rail's latest forecast for operations, maintenance and renewal expenditure in 2007-08 is £5.214 billion. Network Rail's forecasts for expenditure until 2008-09 in its 2007 Business Plan are above those assumed at the ORR's Access Charge Review 2003. The review set Network Rail's total expenditure allowances and output targets for the five year period from 1 April 2004 to 31 March 2009. The increased forecast expenditure is mainly attributable to the impact of traffic growth and potential investment to reduce the railway's longer-term costs and to enhance its capacity.

5.110 ORR set Network Rail a 31 per cent efficiency savings target over the five-year regulatory control period to 2008-09. The company is currently well on course to meet the target.

Office of Rail Regulation

5.111 During 2007, ORR has continued work on the Periodic Review 2008, including its assessment of Network Rail's strategic business plan and the framework for setting access charges, which incorporates the financial framework for Network Rail. Early indications are that the improvements for the network proposed by the Department for 2009-14 are likely to be affordable within the committed public funds. ORR also published its decision on a charging system for freight-only lines and its proposals for improvements to the compensation regime for disruption due to engineering works carried out by Network Rail.

- 5.112 Following publication of its corporate strategy 2006-09, ORR has further consulted on its detailed priorities for 2008-09. This included its proposals for completing the final stages of the periodic review, reviewing the health and safety framework, and looking to improve the Office's own efficiency and performance as the integrated safety and economic regulator of the railway industry.
- 5.113 In January 2008 ORR launched an investigation into Network Rail's planning and management of engineering works on the network. This followed the overrun of works at Rugby and Liverpool Street at the end of the Christmas holiday period. The works at Rugby are an important part of the preparation for a new timetable on the West Coast Main Line in December 2008. ORR published the results of this investigation on 28 February. It concluded that the problems experienced over the New Year were part of a continuing breach by Network Rail of its licence and announced that it proposed to fine Network Rail £14 million. It ordered Network Rail to remedy systemic weaknesses in its planning and management of engineering projects and in its communication with train operators about progress with such projects. ORR also ordered Network Rail to provide a clear plan of how it intends to complete the upgrade of the West Coast Main Line, currently due to be completed by December 2008.
- 5.114 In July 2007 ORR fined Network Rail £2.4 million for project planning and management failings following the overrun of signalling work in the Portsmouth area at Christmas 2006.

European Union (EU)

- 5.115 The Department continues to engage fully with the European institutions on developing legislation to create a single European rail area. Working closely with UK industry and customer stakeholders, the Department aims to align the objectives of EU and UK policy, and support the development of a better, more efficient railway. The principal EU measure under consideration in 2007-08 has been the Third Railway Package.
- 5.116 The package consists of three separate measures relating to international passenger service liberalisation, international rail passengers' rights and obligations and train driver licensing. The agreed package was published in the Official Journal in December 2007. The Department will work closely with all industry stakeholders to achieve a balanced and workable implementation in line with the principles of Better Regulation.
- 5.117 In December 2006 the European Commission brought forward proposals for three new directives on interoperability, rail safety and the remit of the European Railway Agency (ERA). These are amending measures to simplify and consolidate existing legislation. The main issue of substance is cross-acceptance of rolling stock placed into service within the EU. This will contribute to the smooth running of railways throughout the European rail area. Political agreement was reached on all three, and a first reading deal obtained with the European Parliament on the Interoperability Directive. The European Parliament has suggested a number of amendments to the Safety Directive and the ERA Regulation. If an agreement cannot be reached on these parts of the package, there is a possibility that the Interoperability Directive may come into force later in 2008, in advance of the others.

Chapter 6

International networks



Chapter 6

International networks



Summary

Our international transport networks are the routes through which passengers, goods and raw materials move in and out of our country. They comprise our ports, airports and the Channel Tunnel, together with the approaches to them.

The *Eddington Transport Study*¹ concluded that our survival in an increasingly competitive global market will turn on our success in exporting services and high-value manufactures to pay for imports of raw materials and lower-value goods.

The international gateways through which we import and export are therefore vital. This is less obvious for services than for manufactured goods, but just as true. Business travel by air (and by rail for nearer destinations in northern Europe) is the means by which many of our services are sold abroad. Poor international networks add to the cost of doing business, and are a powerful disincentive to inward investment.

Against this background, the Department aims to:

- establish and publish a clear picture of passenger and freight experience, from one end to the other of an international journey;
- improve operations to unlock capacity constraints, improve safety, and improve services to customers;
- deliver improvements to physical capacity where these meet established environmental and other planning conditions;
- ensure there is a planning and regulatory regime which supports users and facilitates timely responses to market demand; and

¹ <http://www.dft.gov.uk/162259/187604/206711/executivesummary>

- develop plans to cap aviation emissions to tackle the environmental impact of growth.

During 2007-08 the Department has:

- formally signed the Stage 1 EU-US Aviation Agreement, lifting all remaining restrictions on routes, schedules and fares between destinations in the EU and US;
- conducted a major public consultation on adding capacity at Heathrow airport;
- signed a new style of liberalising air services agreement with Singapore;
- given consent to the proposed London Gateway Port on the Thames Estuary, the first major port development on the River Thames for over half a century; and
- issued the interim report from the ports policy review, reinforcing the Government's commitment to facilitating a successful market-oriented ports sector.

Looking ahead, the Department will be:

- holding discussions on Stage 2 of the EU-US Aviation agreement;
- making an announcement on adding capacity at Heathrow airport;
- making a co-decision with the Secretary of State for Communities and Local Government on adding capacity at Stansted airport from the existing runway;
- conducting a review of economic regulation of the UK airport system, supported by a panel of experts;
- consulting, following passage of the Planning Bill, on a draft National Policy Statement for ports; and
- working closely with Defra on the proposed Marine Bill, introducing a framework for the seas based on marine spatial planning, that balances conservation, energy and resource needs; and establishing a new overseeing Marine Management Organisation.

6.1 Progress against each of our aims is reviewed below, in turn for:

- aviation (paragraphs 6.2 – 6.39)
- maritime (paragraphs 6.40 – 6.80)
- international rail (paragraphs 6.81 – 6.86)

Aviation

Strategy

- 6.2 Our aim is to promote safe and sustainable air transport services, domestically and internationally. We set out our long-term aviation strategy in the 2003 white paper, *The Future of Air Transport*. Our strategy balances people's growing aspirations to travel and the requirements of our economy with the need to protect the environment.
- 6.3 *The Future of Air Transport Progress Report* was published in December 2006. The report reaffirms the Government's commitment to the strategy set out in the white paper. It continues to support the sustainable development of the aviation sector across the UK, predominantly through making the best use of existing capacity. The progress report also confirmed the Government's conclusion that provision should be made for two new runways in the south east by 2030, first at Stansted and then at Heathrow (providing stringent environmental conditions are met). The progress report also continued to support the principle of the aviation industry paying for its environmental costs over time.
- 6.4 In seeking to deliver safe and sustainable operations and growth in the aviation sector, our key objectives are to:
- ensure effective safety regulation of the UK aviation sector and promote improved levels of safety internationally (see Chapter 8);
 - tackle the climate change impacts of aviation (see Chapter 7);
 - promote better use of existing UK airports and airspace capacity, and support delivery of sustainable industry expansion;
 - improve the regulatory regime for the aviation industry at national, EU and global levels; and
 - manage air services negotiations and international aviation relations to the benefit of passengers and industry.
- 6.5 In delivering our objectives, we depend on and work closely with a range of partners and stakeholders. These include the Civil Aviation Authority (CAA), NATS (formerly known as National Air Traffic Services), the aviation industry, other government departments, the European Commission, international organisations (including the International Civil Aviation Organisation (ICAO), the European Civil Aviation Conference (ECAC), the European Aviation Safety Agency (EASA) and Eurocontrol) and other countries both within the EU and around the world.

Clear picture of end-to-end journey and aviation demand

- 6.6 The volume of air travel has recovered from its period of slower growth at the turn of the century to resume its longer-term trend of strong growth. The number of passengers at UK airports rose from 32 million in 1970 to 241 million in 2007.² This reflects increasing economic prosperity and declining air fares as the industry has become more competitive.
- 6.7 The Department's 2006 survey on attitudes to air travel³ shows that almost half of all UK adults had flown at least once during the previous year, and that 15 per cent had flown at least three times during that period. The strong competitive position of the UK aviation industry in the global economy is illustrated by the fact that around 15 per cent of international scheduled air passengers are flying to or from a UK airport.⁴ Air freight has an important and growing role in supporting the UK's international trade, including many markets in which UK firms specialise. About a quarter of UK visible trade by value goes by air⁵ and in 2007 air freight transported 2.3 million tonnes of cargo.⁶

Figure 6a: **Passenger and freight movements at UK airports: 1970-2006**



2 CAA Airport Statistics, www.caa.co.uk

3 DfT, Public experiences of and attitudes to air travel (2006), www.dft.gov.uk

4 Calculated from ICAO and CAA data, 2004.

5 Department for Transport, Focus on Freight, December 2006, www.dft.gov.uk

6 CAA Airport Statistics, www.caa.co.uk

- 6.8 Our latest air travel forecasts for the UK, published in November 2007, show that demand for air travel would grow to 495 million passengers a year by 2030, if growth were not constrained by capacity. This represents more than a doubling of demand between 2003 and 2030, and would put further pressure on UK airports, some of which are already at, or are fast approaching, capacity. The provision of further airport capacity supported in the white paper would allow about 480 million passengers a year by 2030.
- 6.9 In November 2007, the Department published *Improving the Passenger Experience: An analysis of end-to-end journeys with a focus on Heathrow*⁷. This document provided, for Heathrow, the UK's largest and busiest airport, a clear picture of where pinch-points slow passengers down across all parts of the journey, including surface access. It identifies these, and highlights what is being done and what more can be done to enhance the passenger experience. Further end-to-end journey analysis for other key gateways (both airports and ports) is now underway to ensure that passengers/users are at the heart of what we do.

Improving operations

Liberalising services

- 6.10 We have continued our programme for liberalising the bilateral air services treaties that govern international flights beyond the EU. The aim is to enable airlines to provide freely international services on a commercial basis to the benefit of consumers, airports and the carriers themselves. This entails removing unnecessary restrictions whilst ensuring high standards of safety, security and fair competition. During 2007-08, we succeeded in negotiating improved bilateral agreements with a range of countries including Argentina, Singapore, Pakistan, Thailand, Israel, Mauritius, Trinidad and Tobago, Jamaica and Colombia.
- 6.11 In March 2008, we also signed a landmark agreement with Singapore; the first of its kind which removes all restrictions on air services between the two countries. It opens access to each country's aviation market for the other country's airlines, including flights to onward destinations in other countries, and applies state aid rules to ensure fair competition. This agreement leads the way for other countries to follow, which will deliver benefits for consumers.
- 6.12 We have also worked closely with other Member States and the European Commission in developing EU-level air services treaties with other countries. April 2007 saw the formal signature of the Stage 1 EU-US Aviation Agreement, which came into effect in March 2008. This landmark agreement lifted all remaining restrictions on routes, schedules and fares between destinations in Europe and the US. Discussions on Stage 2 of this agreement will commence in May 2008.

7 <http://www.dft.gov.uk/pgr/aviation/airports/improveairpassenger.pdf>

Air traffic management

- 6.13 NATS provides air traffic control services to aircraft flying in UK airspace and over the eastern part of the North Atlantic. In addition, NATS Ltd provides air traffic control services at 15 of the nation's major airports. NATS is a Public Private Partnership (PPP) and the shareholders are the Government, the Airline Group (a consortium of seven UK airlines and the controlling shareholder), BAA and NATS staff.
- 6.14 NATS handled almost 2.5 million flights in UK airspace in 2007, a record number and an increase of 3.6 per cent on 2006. The average delay per flight attributable to NATS in 2007 was 24.9 seconds, compared with 24 seconds in 2006 and 20.8 seconds in 2005. The number of flights that experienced no delays attributable to NATS in 2007 was 97.6 per cent, the same as in 2006, compared with 98 per cent in 2005.
- 6.15 In the international arena, we have been working closely with other Member States to give aviation stakeholders a greater say in the governance of Eurocontrol (the European organisation for the safety of air navigation). This has resulted in more transparent and effective governance arrangements.
- 6.16 We have continued to work closely with the European Commission and other Member States to develop the supporting legislation necessary to establish the Single European Sky (SES). So far a total of nine EU rules have been agreed and as a result, UK air traffic service providers will be better able to offer their services throughout Europe. These rules cover a number of areas:
- essential requirements for the certification of air navigation service providers;
 - principles for the shared use of airspace by civil and military authorities;
 - a harmonised classification for all airspace above 19,500 feet;
 - safety oversight in air traffic management;
 - interoperability rules for the handling of flight data messages; and
 - a common charging scheme for air navigation service which lays down the principles to be followed when calculating the charges to be levied on airspace users.
- 6.17 In addition to the above rules, a Directive on a Community Air Traffic Controller Licence came into force in May 2006. This is now in the process of being transposed into UK law. It introduces an EU-wide licence allowing air traffic controllers to offer their services anywhere within the EU.
- 6.18 We are working to ensure that the numerous other rules in the pipeline will not adversely impact on the UK aviation industry. We want to ensure that the new rules will add real value to the harmonisation of safety, interoperability and airspace-related standards across Europe.

- 6.19 We are also supporting the Single European Sky Air Traffic Management Research (SESAR) project to modernise air traffic management in Europe. This project, in three phases, is designed to provide a high-performance air traffic control infrastructure by 2020. The first phase, of project definition, is being led by a consortium involving UK industry. It produced an overall master plan in March of this year, which forms the basis for the future work. A regulation establishing a joint undertaking to oversee the management of the master plan was adopted in February 2007 with the undertaking itself being established in mid-2007.

Consumer protection

- 6.20 The Department and the CAA carried out a consultation with industry in April 2007 on how to reform ATOL bonding arrangements and replenish the Air Travel Trust Fund (ATTF), which is currently in deficit. ATOL and the ATTF form part of the protection arrangements for consumers in the event of tour operator insolvency. Following the consultation, a Ministerial announcement was made in October 2007 to replace ATOL bonds with an ATOL Protection Contribution (APC) of £1 per passenger, to be paid by the travel companies. This was effective from April 2008.
- 6.21 In January 2007, the UK's Airport Slot Allocation Regulations came into force. In January 2008, Airport Co-ordination Limited (ACL), the UK's airport slot co-ordinator, published a report on the first year of the new sanctions system to address slot misuse by airlines. This misuse can reduce the efficient use of airport capacity and cause delays. However, the new sanctions are proving effective as, for example, cases of airlines operating without slots at Heathrow, Gatwick, Stansted and Manchester have fallen by 87 per cent compared to 2006. ACL identified 90 cases of slot misuse and used their powers to fine airlines on eight occasions, for up to £20,000.
- 6.22 In July 2007, passengers with a disability or reduced mobility received new rights under European law to protect them from discrimination when travelling by air. The law now prohibits the refusal of booking or embarkation, except where there are legitimate safety or technical reasons why a disabled person cannot board an aircraft. In July 2008, these rights will be extended to include guaranteed levels of assistance at the airport and on board the aircraft. We have put in place an enforcement regime in the UK to back up these rights and have been working closely with the industry to provide guidance on how they can comply with their obligations and deliver a good service to disabled and reduced mobility passengers.

Improving capacity

Heathrow

- 6.23 Heathrow's runways are currently operating at 98.5 per cent capacity. This situation leads to delays and constrains the routes network that the airport can operate. We continue to support a third runway at Heathrow, provided

that environmental conditions on noise and air quality can be met, as well as improvements to surface access. The Department's noise and air quality modelling was completed in 2007. The outcome of this work formed the basis of the consultation on adding further capacity at Heathrow, which was launched in November 2007.

- 6.24 The consultation invited views on the proposals and the evidence presented on introducing mixed mode operation on the existing runways; opening a third runway; and also changing other operational practices including ending the Cranford agreement. As part of the consultation, public exhibitions were held in the local communities most affected by the airport, and also in central London. Over 4,700 people attended these events.⁸ The consultation closed in February 2008. We expect a Ministerial decision on the issues to be taken later in 2008. If approval is given, it would then be for BAA to take forward any development proposals through the planning system.

Stansted

- 6.25 The air transport white paper made clear that the first priority at Stansted should be to make best use of the existing runway. However, it also anticipated that a second runway (the first full-length new runway in the south east in 50 years) would also be needed during the next decade.
- 6.26 The timing and nature of development at Stansted remains a commercial decision for BAA, the airport operator. As the progress report indicated, the airport operator does not expect a new runway to be operational before 2015. In April 2006, BAA submitted a planning application to increase the use of the existing runway to around 35 million passengers a year, as a first step towards increasing capacity. Uttlesford District Council refused this application, and BAA's appeal against this has now been considered at a planning inquiry, which ended in October 2007. The Inspector's report is now with the Department, and a co-decision with the Secretary of State for Communities and Local Government, is expected later this year.
- 6.27 BAA announced its preferred second runway option for Stansted in January 2007 following earlier consultation. This formed the basis of its second runway planning application, which was submitted in March 2008. During the coming year the Department will be preparing its evidence to be presented at the second runway inquiry. This is likely to commence in early 2009 and to run for up to 18 months.
- 6.28 BAA has worked closely with the Highways Agency, Network Rail and the Department to identify improvements which would be needed to the road and rail networks to serve a new runway and to meet planned growth within the region. Consultations on BAA's surface access strategy and on the Highways Agency's plans to widen the M11 and improve junction access to the airport from the M11 and A120 are both now complete. In the autumn of 2007 the Department initiated a programme

⁸ Information on the consultation is available at www.dft.gov.uk/heathrowconsultation

of work to examine development options for the West Anglia Main Line (WAML). The work is now focusing on increasing the line to four tracks to support housing growth in the region as well as the airport.

Other airports and master plans

- 6.29 The white paper invited 30 major airports to prepare master plans. We published guidance for airport operators on how to prepare these plans in July 2004. Master plans set out comprehensive proposals for the development of airports to 2015, and in outline to 2030. They include detailed proposals for surface access, environmental controls and mitigation and, where appropriate, measures to address generalised blight. They inform the local and regional planning process and also provide a mechanism for local communities to engage with the airport on its future development proposals.
- 6.30 The majority of airports have now published draft consultative or substantive master plans. The progress report invited airport operators to publish an environmental statement alongside their master plans, setting targets for recycling, reducing carbon emissions and improving the energy efficiency of their business operations, with the aim of achieving carbon neutrality as quickly as possible.
- 6.31 The white paper also supported the growth of regional airports and regional air services. A key priority is to increase the choice of routes and services at airports outside the south east to promote regional development; relieve pressure on the more overcrowded airports; and cut down on the need for long-distance travel to and from airports, thereby reducing emissions. Much progress has been made, and regional airports now serve a wide range of domestic and international destinations, demonstrating strong local and regional economic growth.

Regulation

Designated status of Manchester and Stansted airports

- 6.32 In January 2007 the Secretary of State made decisions regarding the economic regulation of two of the UK's major airports. Manchester will be 'de-designated' so that it will be able to set its own charges. Stansted will continue to have the maximum level of its charges set by the CAA. The Government believes that this remains the best way of protecting passengers who use the airport.

Strategic review of the CAA

- 6.33 To fulfil a recommendation made by the House of Commons Transport Select Committee, the Secretary of State appointed Sir Joseph Pilling to conduct an independent strategic review of the Civil Aviation Authority. Sir Joseph began his review in October 2007 and is expected to report to the Secretary of State later in 2008.

Figure 6b: Major airports in the UK¹⁰



Review of economic regulation

- 6.34 In April 2008, the Secretary of State announced plans for a review of economic regulation of the UK airport system. The work will be taken forward to complement the independent inquiry of the Competition Commission on its market review of BAA and also the strategic review of the CAA. It will allow the Department to provide well-informed evidence to the Competition Commission for their inquiry, and for the Secretary of State to respond to any relevant recommendations. The Department will be supported by a panel of experts led by Professor Martin Cave. If legislation is required as a result, this would be taken forward in a future legislative session. The review will look at how best to provide incentives to improve the passenger experience, encourage appropriate and timely investment in additional capacity and address the wider environmental impacts of aviation on airport development.

Environment and safety

EU Emissions Trading Scheme

- 6.35 The Department's actions to tackle climate change are reported in Chapter 7. One key element has been the progress to ensure that carbon from emissions from aviation are effectively capped through the sector's in the EU Emissions Trading Scheme. The UK has taken the lead in Europe on the inclusion of aviation in the EU ETS. At the December 2007 Environment Council, Member States agreed to cap emissions from flights to, from and within the EU at the average of 2004-06 levels. This means that airlines which increase their emissions above this limit must contribute to reducing emissions by funding carbon savings made elsewhere. Throughout 2008, the Environment Council and the EU Parliament will be negotiating to agree the final design of the scheme.

Aviation health

- 6.36 The Minister for Aviation and the Minister for Public Health, together with departmental officials, attended the House of Lords inquiry into air travel and health in July 2007. The report of its Science and Technology Committee was published in December 2007 and the Government response followed in February 2008. The House of Lords report said that much had changed for the better in this area since its first inquiry in 2000.
- 6.37 Elsewhere, the Department continued its research into 'fume events' in cabin air. The Committee on Toxicity was commissioned to conduct a major evidence review in this area. It reported in September 2007 and the Department has put in hand action to implement its key recommendation that cabin air fume events need to be captured in real time and analysed. This has not been done before, and the UK is leading the world with this research. Cranfield University has, as a first step, conducted functionality tests on equipment capable of capturing substances released during transient oil and hydraulic fluid fume incidents. This took place in summer 2007 and their report has been peer reviewed and was published on the DfT website in February 2008. A further series of tests to try to capture fume events in flight is planned for 2008.

6.38 Other aspects of safety are covered in Chapter 8.

Air Transport Auxiliary Veterans Badge

6.39 On 20 February 2008, the Secretary of State announced that a Veterans Badge would be awarded to members of the Air Transport Auxiliary (ATA), in recognition of their important work during the Second World War. The ATA was a civilian organisation which carried out the job of ferrying over 300,000 aircraft between factories and front-line airfields, freeing RAF pilots for operational duty. The Department is working closely with the ATA association on the design of the Veterans Badge and it will be launched at a presentational ceremony in summer 2008.

Maritime

Strategy and objectives

6.40 Our aim for shipping and ports is to facilitate the efficient and sustainable movement of goods and people by sea, and onwards to their final destination, in a safe manner that also ensures the effective protection of the environment. Our strategy needs to balance the growth of shipping and imports, driven by an expanding economy, as well as the environmental benefits that moving goods by sea can offer compared with other transport modes, with the need to protect the environment both from emissions and from the risk of pollution from marine accidents.

6.41 In seeking to facilitate and support safe and sustainable growth in port operations and shipping our key objectives are to:

- encourage and facilitate investment in the sustainable expansion of port capacity to meet growing demand;
- address the climate change impact of shipping through international action;
- ensure the safe operation of ships and ports, both to protect individual mariners and passengers, and to ensure the protection of the environment from possible pollution;
- support an efficient UK shipping industry making a strong contribution to the UK economy;
- encourage UK ship registration to help ensure high quality, well operated ships around our coasts and at sea; and
- maintain the industry's skills base by promoting maritime employment and training.

6.42 To achieve these objectives, we depend on close co-operation with a broad range of partners and stakeholders, including shipping industry and port interests, other government departments, the European Commission, the International Maritime Organization and other countries, both within the EU and around the world.

Clear picture of end-to-end journeys and port traffic

- 6.43 Ports continue to play an essential role in international trade and supporting the UK economy. Around 95 per cent of our international trade by weight, and 75 per cent by value, passes through our ports.
- 6.44 Over the past 10 years total tonnage handled at UK ports has been around the 2006 level of 584 million tonnes (Mt). Inward traffic has, however, exhibited strong growth rising by 10.7 Mt to 365.1 Mt in 2006. Outward traffic declined by 11.9 Mt to 218.6 Mt reflecting a reduction in domestic traffic rather than in trade exports, which have remained fairly constant over the decade.
- 6.45 Fifty-two major ports account for around 97 per cent of UK port traffic. Grimsby and Immingham maintained its position as the UK's leading port in 2006, followed by Tees and Hartlepool, and then London.
- 6.46 The top 10 ports in 2006 in terms of tonnage were:

	Million Tonnes
Grimsby and Immingham	64.0
Tees and Hartlepool	53.3
London	51.9
Southampton	40.6
Milford Haven	34.3
Liverpool	33.6
Forth	31.6
Felixstowe	24.4
Dover	23.8
Sullom Voe	19.4

- 6.47 Following on from the assessment of international passenger journeys through Heathrow, the Department has begun four similar studies of different freight and raw material journeys through UK ports. We expect to publish this before the summer.

Improving operations

Navigational aids

- 6.48 Navigational aids are provided by the three general lighthouse authorities (GLAs): Trinity House; the Northern Lighthouse Board; and the Commissioners of Irish Lights. They are funded from light dues, a charge levied on commercial shipping calling at UK and Irish ports. Light dues rates are determined by the Secretary of State and reviewed annually.
- 6.49 As a result of continuing efficiency gains made by the GLAs through depot rationalisation and more efficient use of the fleet, we have been able to hold for a further year (2008-09) light dues rates at 2006 levels, some 50 per cent lower in real terms than a decade ago. Work is in hand to prepare changes to legislation that will support further efficiencies in the work of the GLAs.

6.450 In 2007 Trinity House and the Northern Lighthouse Board took delivery of new multi-function tender vessels to modernise and streamline their operations in providing aids to navigation around the coast of Great Britain.

Improving capacity

- 6.51 In May 2007 the Government gave consent for the proposed London Gateway container port on the Thames Estuary, the first major port development on the River Thames for over half a century. The intention is to start work on the project this year, allowing the first phase of the development to open in 2010-11. If developed to its full extent, London Gateway would have an annual container handling capacity of around 3.5 million twenty-foot equivalent container units (TEUs).
- 6.52 In February 2008 consent was given for development of the Northern Gateway container terminal at Teesport, with a potential annual container handling capacity of 1.5 million TEUs. In addition, a number of ports including Bristol and Dover have proposals for expansion of capacity, and applications are expected to be submitted later this year.
- 6.53 The Department will continue to assess proposals by port developers for the enhancement of national container handling and roll-on, roll-off (ro-ro) capacity in line with the principles of sustainable development. A number of ports, including Bristol and Dover, have proposals for expansion of capacity, and applications are expected to be submitted later this year.
- 6.54 In July 2007 the Department published an interim report on the ports policy review, accompanied by the Government's response to the Transport Select Committee's report on the ports industry in England and Wales. The interim report and response reinforced the Government's commitment to facilitating a successful market-oriented ports sector. Further work is in hand, following publication of *Towards a Sustainable Transport System* (TaSTS), on the principles which should govern developer contributions for infrastructure connecting to international gateways.
- 6.55 Following passage of the Planning Bill, which is currently before Parliament, we intend to publish a National Policy Statement (NPS) on ports. This will help to guide the proposed new Infrastructure Planning Commission in its consideration of applications for nationally significant port infrastructure projects. There will be a thorough process of consultation on the NPS and its supporting material before it is finalised.
- 6.56 A communication setting out the European Commission's proposals on ports policy was published in October 2007. We have welcomed this statement and the shift from legislative proposals towards a guidance based approach that is intended to maintain and stimulate competition and growth. Further detailed communications are expected from the Commission during 2008-09. The Department will consider any proposed measures on their individual merits, and where appropriate, in consultation with industry and stakeholders.

Environment and safety

6.57 This section describes our activity to improve safety and the prevention of pollution at sea, and promote safety in ports. Action to manage carbon emissions and air quality issues arising from shipping is covered in Chapter 7; and the work of the Maritime and Coastguard Agency (MCA) on shipping and coastal safety issues is covered in Chapter 8.

Safety at sea and preventing pollution

6.58 The Department believes that the needs of the global shipping industry in the development of safety and counter pollution measures are best served by international agreement within the International Maritime Organization (IMO) and the EU. We continue to play a leading role in discussions and are concerned to ensure that initiatives in the IMO, as well as within the EU, are subject to formal safety assessments and regulatory impact assessments, as appropriate, so that any consequential regulations are proportionate responses to identified risks.

6.59 We continue to be closely involved in developing EU legislation on maritime safety. Several proposals have been agreed within the Council of Ministers. These include the vessel traffic monitoring amending directive (which concerns the monitoring of ships which pass or enter the waters of EU Member States) and the recast of the port state control directive (which will improve the targeting of port state control inspections at ships which pose the greatest risk and will prohibit ships with poor safety records from calling at ports in the EU). The next step is for the Presidency to achieve agreement between the Council and the European Parliament.

6.60 Further progress has been made on proposals to recast directives relating to Classification Societies; provide a uniform approach to maritime accident reporting; and introduce the Athens Convention Protocol of 2002 into Community law. We aim to ensure that these measures should improve the way in which maritime activities are regulated across the EU.

6.61 We have participated in the work of the IMO to develop international regulations covering ship-to-ship transfers of oil carried out beyond the limits of a coastal state's territorial sea. Changes in the number, scale and geographical location of such transfers of oil, carried as cargo, from one tanker to another tanker, have prompted this initiative on the part of the IMO. The UK has played a prominent role in the negotiations, both as a member of the IMO Correspondence Group and at the IMO Sub-Committee on Bulk Liquids and Gases in February 2008.

6.62 The Department is contributing to work in the IMO to develop an international convention for the safe and environmentally sound recycling of ships. The convention aims to address concerns about safety, health, the environment and welfare in the ship recycling industry, whilst recognising that the recycling of ships contributes to the sustainable development of the countries that undertake it. The IMO is now approaching the final stages of the negotiations, which will conclude with a diplomatic conference

scheduled for May 2009. The UK, along with other key players, is working on the text of the draft convention for adoption at that conference.

- 6.63 The UK played a key role in the development of the International Convention on the Removal of Wrecks, the text of which was agreed at a diplomatic conference in May 2007. When in force, this convention will ensure that ships of 300 gross tonnage and above are insured against third party liabilities regarding the locating, marking and removal of wrecks and should ensure that costs incurred by the State for such locating, marking and removal are recoverable directly from the ship owner's insurer.
- 6.64 The MCA responds to threatened or actual pollution incidents from ships around the UK coast with a team of counter-pollution and salvage officers, scientists, mariners, and logistic support specialists. There are also four strategically located emergency tugs situated around the UK coast to help tow or escort any ship in difficulty.
- 6.65 The MCA works closely with the Secretary of State's representative for Maritime Intervention and Salvage (SOSREP), who takes direct control of emerging maritime salvage operations. A good example of this in action is the MSC Napoli incident in January 2007, where prompt action to beach the ship in Lyme Bay was seen internationally as the right decision to minimise environmental impact. One year on, all 2,300 containers have been removed from the MSC Napoli along with 3,500 tonnes of fuel oil. Only a relatively small amount of oil was released from the ship and the overall environmental impact was negligible.
- 6.66 There are always lessons to be learned, even from successful operations such as the MSC Napoli. The MCA will be looking at how aspects of the salvage and the ongoing disposal of the MSC Napoli have been handled and how improvements could be made.
- 6.67 The MCA is drafting legislation to implement revisions to annexes I (Regulations for the Prevention of Oil Pollution from Ships) and II (Regulations for the Control of Pollution by Noxious Liquid Substances) of the Marine Pollution Convention. The MCA has improved contingency planning and response to national hazardous and noxious substances (HNS) incidents in ports, harbours and at sea, by updating and enhancing the response capability of the National HNS Response Team.

Renewable energy

- 6.68 As a result of the EU renewable energy targets, offshore wind farms are expected to make a significant contribution to UK energy needs over the next few years. The Department has increased its efforts to ensure that the shipping and ports industries can successfully co-exist with offshore renewable energy industries. We maintain close relationships with developers and nautical stakeholders as well as the Department for Business, Enterprise and Regulatory Reform, the Ministry of Defence and the Department for the Environment, Food and Rural Affairs, to help shape policy on offshore wind farms.

Port marine safety

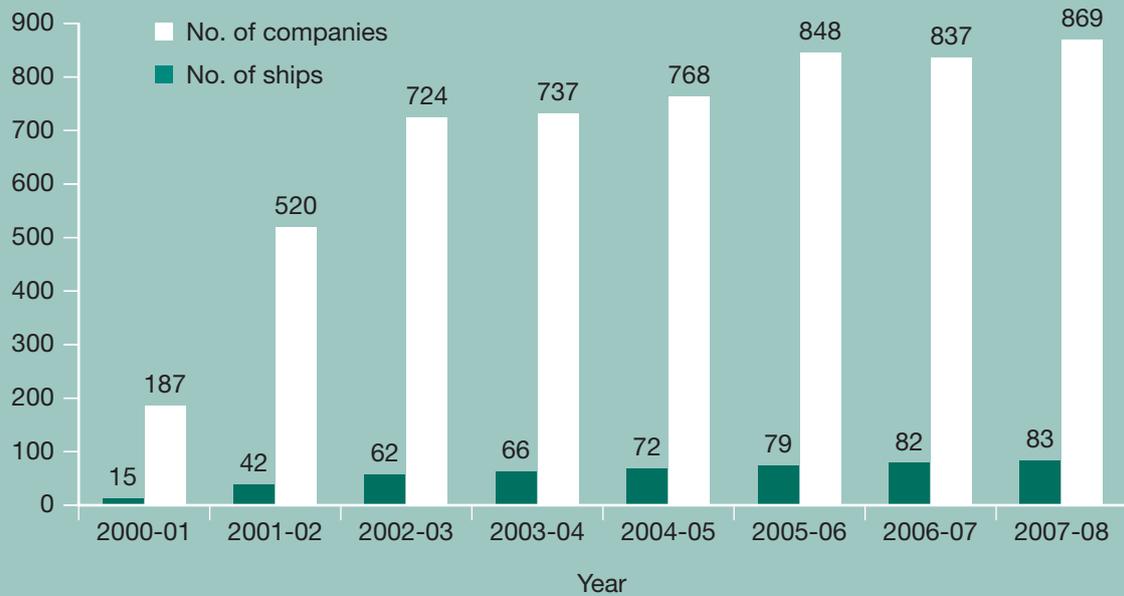
- 6.69 The Port Marine Safety Code (PMSC) is a framework to help harbour authorities meet their statutory safety obligations. Having completed its review of compliance with the code, the MCA has confirmed that all competent harbour authorities with significant marine activity have declared their compliance.
- 6.70 Support for the code includes initiating a new programme of PMSC verification visits to assess safety management systems established by harbour authorities. The first two visits were undertaken in 2007 at ports where concerns had been raised that safety management systems, and supporting risk assessments, were not operating to the national standard established by the code.
- 6.71 We have also revised the Guide to Good Practice that accompanies the PMSC, working with stakeholders to specify best practice for the issuing of Pilotage Exemption Certificates and to develop improved guidance on formal risk assessment.
- 6.72 The Department's ports policy review discussion document identified a number of gaps and anomalies in the legislation underpinning the operation of the code. Having considered the responses to the review, work is underway to prepare legislative changes to underpin and improve the capabilities of relevant authorities, including possible legislative changes to the Pilotage 1987 Act to modernise the provisions on pilotage powers and improve the control of PECs.
- 6.73 With encouragement from the Department, a new 'Ports and Shipping Partnership', which includes representatives of the ports and shipping industry, unions and government, has been established to co-ordinate the industry's safety and skills agenda. Progress will continue to require good leadership in the industry, sensible risk management, effective qualifications and training, and worker involvement. Work will be taken forward in conjunction with Skills for Logistics, which is the relevant sector skills council.

Effective regulation**Promotion of UK shipping**

- 6.74 A strong UK shipping industry is important to our economy, and the UK continues to offer a regulatory environment that is attractive to shipping companies and first class operational services for ships on the UK register, provided by the MCA.
- 6.75 Tonnage tax provides an alternative to the basic corporate tax regime. It brings certainty because it fixes the amount of corporation tax relative to the size and number of ships. Tonnage tax calculates profits chargeable to corporation tax by referring to tonnage instead of commercial profits. It is not affected by financial profitability or tax allowances. A company opting into tonnage tax does so for a minimum of 10 years.

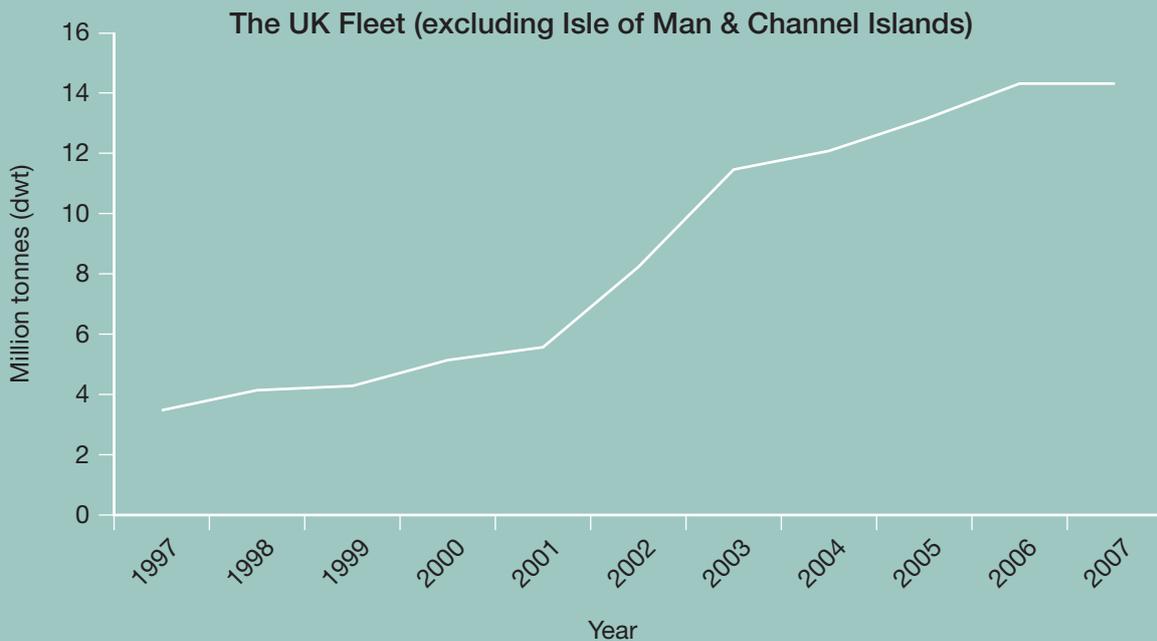
6.76 Seventy-nine company groups are currently active in the tonnage tax scheme, accounting for over 800 ships. Of these, about 47 per cent are UK flagged (see Figure 6c).

Figure 6c: **Company groups and ships in tonnage tax 2000-01 to 2007-08**



The statistics for the latter years are subject to revision. For instance, revisions take place when a company has a retrospective start date, start date of a company is changed, or the vessels in the fleet are revised.

Figure 6d: **The UK shipping fleet 1997 to 2007 – Deadweight Tonnes**



- 6.77 A key feature of the UK's tonnage tax scheme is the minimum training obligation. Each shipping company has to recruit and train one officer trainee each year for every 15 officer posts in its fleet. The cumulative training commitment for 2006-07, made up of the commitment for the previous two years, is for over 1,478 trainees.
- 6.78 The UK remains committed to international measures aimed at improving living and working conditions for seafarers worldwide, which will help make employment at sea more attractive. We continue to work towards ratification of the International Labour Organization Maritime Labour Convention adopted in February 2006, as soon as UK law and practice can be adapted to its provisions. We are working closely with trade unions and employers in this process.

UK ship registration

- 6.79 UK ship registration continues to grow strongly. Since 2000, deadweight tonnage (carrying capacity) has increased from 5.2 million tonnes to 14.4 million tonnes at the end of September 2007. The introduction of tonnage tax in 2000 has been a major factor in this revival, together with the introduction of registration reforms by the MCA. There has also been a healthy trend towards more registrations of larger, younger ships.
- 6.80 The UK register was re-launched as the UK Ship Register in February 2007, with a renewed emphasis on quality customer service for quality ships. The MCA introduced a customer satisfaction questionnaire in July 2007 for those who have joined the UK Ship Register in the previous six months. The questionnaire is carried out by telephone and results are taken every six months and give customers an opportunity to let the MCA know what they are doing well and which areas they can improve in. The latest results published in February 2008 showed an 83 per cent overall satisfaction with the UK Ship Register. For more details please go to: www.mcga.gov.uk

International rail

CTRL opening and plans for sale

- 6.81 Section 2 of the Channel Tunnel Rail Link (CTRL) from North Kent to St Pancras was opened to passenger traffic on 14 November 2007. This was the first major UK railway to be constructed in over 100 years and is Britain's first high-speed line with operating speeds up to 300kph (186 mph). Section 2 of the railway included the completion of the restored Grade 1 listed St Pancras International station.
- 6.82 The new railway has reduced journey times between London and the Channel Tunnel by some 40 minutes and current journey times from London to Brussels and Paris are 1 hour 51 minutes and 2 hours 15 minutes respectively.

- 6.83 The new railway has been delivered by London and Continental Railways (LCR), who won the concession to design, build and operate the railway in 1996. With the construction phase complete, the Department is now working with LCR to restructure its businesses, to secure best value for the taxpayer in the long term. In the next year, we anticipate separating LCR into three sustainable businesses: a railway infrastructure company; a UK interest in Eurostar; and a property company. Subject to market conditions, each of the businesses would then be sold.

Channel Tunnel

- 6.84 There was significant growth in revenues and traffic through the Channel Tunnel in 2007. Eurotunnel revenues reached €775 million, an increase of some 6 per cent, largely as a result of its passenger and truck shuttles, its core business, which grew by 8 per cent, reaching the symbolic threshold of €500 million.
- 6.85 In 2007 Eurotunnel's shuttles transported 1.4 million trucks (up 9 per cent) and 2.1 million cars (up 6 per cent) between Folkestone and Calais-Coquelles, and Eurostar carried 8.3 million passengers between London, Paris and Brussels (up 5 per cent).
- 6.86 As anticipated, rail freight traffic was the only activity to decline in 2007. In October, Eurotunnel announced a new pricing strategy in favour of open access, and in November it launched operations for its subsidiary Europorte 2.

Chapter 7

Protecting the environment



Chapter 7

Protecting the environment



Summary

A good transport system is central to a prosperous economy, providing access to goods and services and supporting people's desire for mobility. But measures to support increasing demand for travel must work in tandem with our goals of protecting the environment and improving the quality of life for everyone, whether or not they are travelling. This means seeking solutions that meet our long-term economic, social and environmental goals.

Our progress will be measured against the public service agreements for the natural environment and climate change, as well as the key headline indicators in the UK Sustainable Development Strategy.

This chapter reports on action to:

- tackle climate change;
- improve air quality;
- limit noise; and
- improve planning, to support better environmental outcomes.

During 2007-08, the Department has:

- published *Towards a Sustainable Transport System (TaSTS)*, which sets out how transport can support economic growth in a low carbon world;
- brought into force the *Renewable Transport Fuel Obligations Order 2007*, which requires that 2.5 per cent of transport fuel must come from renewable sources in 2008-09, rising to 5 per cent from 2010-11 onwards;

- worked with the European Commission and EU Member States to agree a cap on CO₂ emissions from flights to, from and within the EU, for use as the basis for future inclusion of air transport in the EU Emissions Trading Scheme (EU ETS);
- published the *Low Carbon Transport Innovation Strategy*, supported by around £100 million of funding, setting out our plans to encourage the development of new, lower carbon technologies for transport;
- supported the development of European Commission proposals for mandatory new car CO₂ standards;
- been instrumental in helping to produce the Government's new *Air Quality Strategy for England, Scotland, Wales and Northern Ireland*;
- developed the transport element of the *Act on CO₂* communications campaign to provide advice on smarter driving and new car purchasing;
- supported, and welcomed publication of, the King Review of low carbon cars alongside Budget 2008;
- published *A Sustainable Future for Cycling*, which sets out our approach and aspirations for cycling including background to our £140 million investment to 2011; and
- contributed to the Department of Health's obesity strategy with an emphasis on promoting physical activity through more walking and cycling as part of everyday trips, thus reducing car use for local trips.

Looking ahead, the Department will:

- work with other government departments and internationally, to deliver the joint PSA target to lead the global effort to tackle climate change, and take forward the Department's strategy on tackling the environmental impact of transport in line with the Stern Review;
- contribute to the Climate Change Bill;
- respond to the King Review of low carbon cars;
- confirm environmental goals for transport and set out carbon reduction pathways in a carbon reduction strategy;
- prepare regulatory and delivery arrangements in the UK for aviation's inclusion in EU ETS (the EU Directive on aviation and emissions trading is to be agreed later in 2008);
- publish a UK consultation on the EU Proposal on New Car CO₂; and
- launch the first phase of the low carbon van procurement programme on the market;
- launch new programmes of safe and efficient driving (SAFED) and freight best practice;

- decide with Cycling England 11 new cycle demonstration areas and the first large cycle city, supported by £47 million investment;
- review and deliver changes to Bus Service Operators' Grant (BSOG) following consultation focusing on environmental, accessibility and congestion based proposals. (See Chapter 4.); and
- expand the reach of the *Act on CO₂* campaign to business via the National Business Travel Network, encouraging greater implementation of Smarter Choices measures to reduce CO₂ emissions and congestion related to business travel and deliver wider benefits.

Tackling climate change

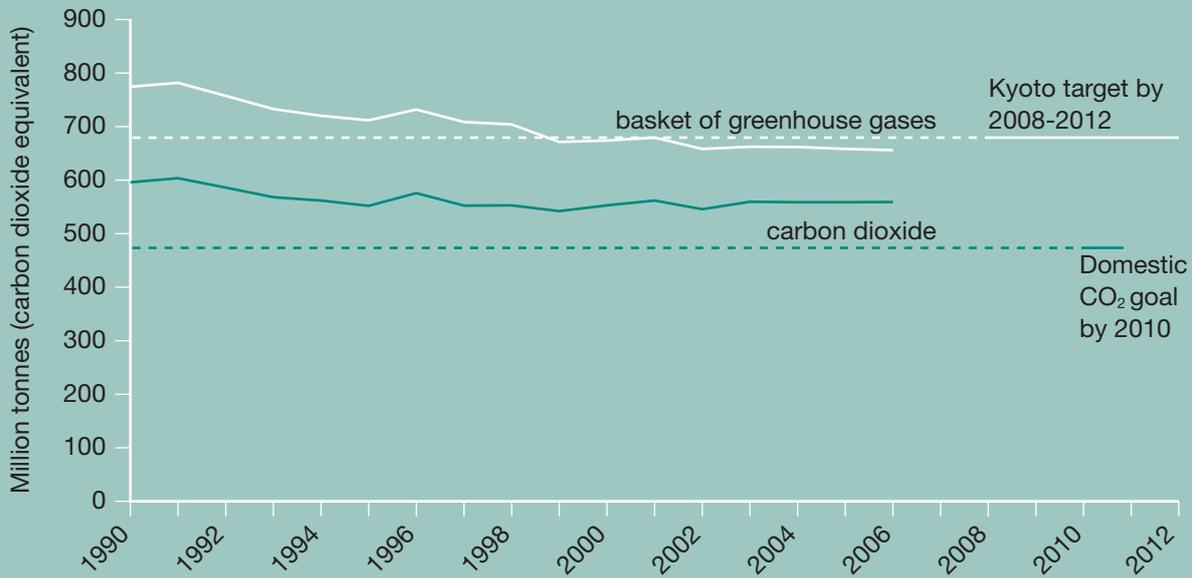
Strategy

- 7.1 Government policy must ensure that the transport sector plays its proper role in tackling climate change. The framework document published in October 2007, *Towards a Sustainable Transport System (TaSTS)*, demonstrated there is scope to make significant CO₂ reductions in the transport sector, while continuing to support economic growth and better quality of life. This requires inter-governmental action on international transport, partnership working on local transport, and changes in the behaviour of individuals and companies.
- 7.2 TaSTS is the first stage of a consultative process to deliver a transport system that meets the twin objectives of supporting economic competitiveness and helping to stop climate change. It also sets out the Department's plans for the period up to 2013-14 and beyond, within new and challenging limits that will arise from the Climate Change Bill and the EU 2020 climate and energy package.

Progress against targets

- 7.3 Since 1 April 2005, the Department for Transport has shared responsibility with Defra and BERR for the climate change PSA target. This target has two parts:
- in line with our Kyoto commitment, to reduce overall greenhouse gas emissions from all sectors to, on average, 12.5 per cent below 1990 levels over the period 2008-12; and
 - a more challenging domestic target to move towards a 20 per cent reduction in carbon dioxide (CO₂) emissions from all sectors to below 1990 levels by 2010.
- 7.4 We now estimate that in 2010, and including the effect of the EU ETS, carbon dioxide (CO₂) emissions will be about 16 per cent below 1990 levels, and emissions of all greenhouse gases will be about 24 per cent below Kyoto-base year levels.

Figure 7a: Emissions of greenhouse gases: 1990-2006, United Kingdom



Source: AEA Energy and Environment

- 7.5 The UK therefore remains on course to meet its Kyoto target. However, our domestic goal to reduce CO₂ emissions to 20 per cent below 1990 levels by 2010, which was always designed to be stretching, now looks increasingly difficult to achieve.
- 7.6 The Climate Change Bill will create a new legal framework for the UK to achieve, through domestic and international action, at least a 60 per cent reduction in CO₂ emissions by 2050, including at least a 26 per cent reduction by 2020, against a 1990 baseline. *Meeting the Energy Challenge* set out policies that, if fully implemented, should put us on track to achieve the 2020 target and make real progress towards our 2050 goal.
- 7.7 In March 2007, the European Council agreed to reduce EU domestic CO₂ emissions from all sources by 20 per cent by 2020 compared to a 1990 baseline – a reduction from 5.9 billion tonnes of CO₂ to 4.7 billion tonnes. The European Commission published its proposals for meeting these targets in January 2008. Whilst the detail of the proposals has yet to be agreed, it is clear that action in the transport sector will be an important part of achieving these European targets.
- 7.8 In the UK, transport accounts for around a quarter of domestic greenhouse gas emissions. Since 1990, emissions from the UK's transport sector have increased by 12 per cent, to 131 million tonnes of CO₂ in 2006. However, given our current set of policy measures, we anticipate that UK domestic transport emissions will level out to 2020, and possibly begin to fall despite continuing or rising demand. Much of the abatement will come from the road transport sector, where emissions are projected to be about 28 MtCO₂ (21 per cent) lower in 2020 than they would have

been in the absence of policy measures. This reduction will reflect further improvements in vehicle fuel efficiency and the adoption of policies encouraging the use of sustainable biofuels which, in combination, are expected to more than offset the CO₂ impacts of continued traffic growth.

- 7.9 Emissions from international aviation and shipping are not included in national inventories as set out under the Kyoto Protocol. This is because there is no current agreed method for allocating responsibility for these emissions to individual countries. We are working through the UN Framework Convention on Climate Change, the International Civil Aviation Organisation and the International Maritime Organization to address these issues. The independent and expert Committee on Climate Change, to be established under the Climate Change Bill, will consider the implications of including international aviation and shipping emissions as part of their review of the 2050 target of at least a 60 per cent reduction in CO₂ on 1990 levels.
- 7.10 Since its publication in October 2006, the Stern Review has moved on the international debate on climate change. TaSTS builds on evidence from both the Stern Review and the Eddington study, to look at options for putting transport on a less carbon-intensive path, and to examine potential cost-effective emissions reduction pathways for different types of journey and different transport modes. In this way, we hope to prioritise our efforts and achieve a clear understanding of the level and pace of emissions reductions that can be achieved by the transport sector. For domestic surface transport TaSTS is the first step towards a fully fledged carbon reduction strategy.
- 7.11 Stern identified three key elements of the strategy to reduce carbon: carbon pricing, technology development and behavioural change. Each of these is reported on below.

Carbon pricing

Fiscal instruments

- 7.12 The Government announced in the 2007 Pre-Budget Report that it would replace Air Passenger Duty with a per plane tax from 1 November 2009, in order to convey a clearer environmental message and to ensure that aviation makes a greater contribution to covering its environmental costs. A consultation on this new aviation duty was launched on 31 January 2008. An announcement on the details of the new duty will be made in the 2008 Pre-Budget Report.
- 7.13 Policies that help put a price on carbon in transport also include fuel duty. Fuel duty sends a clear environmental signal, incentivising the use of fuel-efficient vehicles. In addition, company car tax was reformed in 2002 to make it CO₂-based and, since March 2001, vehicle excise duty (VED) has been graduated by CO₂ emissions.

- 7.14 Budget 2008 announced reforms to further strengthen environmental incentives to purchase and develop cleaner cars, including increasing the number of VED bands to thirteen from 2009-10, tilting the balance of VED even more sharply in favour of low carbon cars, and introducing higher 'first year' rates of VED from 2010-11 for new cars in the higher VED bands. These measures are aimed at persuading people to think carefully about their car purchase decisions. In 2009-10, approximately one third of existing drivers will be better off than under the current VED regime, and approximately 55 per cent – a majority – no worse off. If everyone purchasing a brand new car chose the most fuel efficient vehicle within its class and price range, CO₂ emissions from new cars could be reduced by 24 per cent.

Regulation

- 7.15 In November 2005, we announced the introduction of the Renewable Transport Fuel Obligation (RTFO). Following a consultation on the detail of the scheme, an order was made in October 2007 to bring the obligation into effect in April 2008. This created the Renewable Fuels Agency (RFA) as administrator of the scheme. The RTFO will mean that 5 per cent of transport fuel sold in the UK will have to come from renewable sources by 2010-11. We estimate that this will cut carbon dioxide emissions by around 2.5 million tonnes a year.
- 7.16 The obligation level will rise in stages and has been set at 2.5 per cent in 2008-09 and at 3.75 per cent in 2009-10, rising to 5 per cent in 2010-11. The biofuels duty incentive will be maintained at 20 pence per litre (ppl) until 2010 to provide further certainty to industry. In addition, the RTFO buy-out price (the amount paid by fuel suppliers as an alternative way of meeting their obligation) for the first two years of the obligation will be set at 15 ppl. This means that the total support for biofuels until 2010 will equate to 35 ppl. Thereafter the support will be through a 30 ppl buy out price. This approach offers further certainty to encourage investment in the early years of the scheme.
- 7.17 Currently there is no internationally agreed definition of a sustainable biofuel, nor is there internationally agreed methodology for calculating the precise greenhouse gas savings from biofuels. The UK is negotiating to ensure that forthcoming European Union legislation on biofuels includes robust mandatory sustainability safeguards.
- 7.18 Until such time as mandatory standards are agreed at EU level, the RTFO has been designed to require transport fuel suppliers to report on the carbon savings and the wider environmental aspects of their biofuels. Any transport fuel supplier not completing such a report will not be eligible to receive certificates under the scheme. The details of these carbon and sustainability reporting requirements are available on the RFA's website at: www.dft.gov.uk/rfa

- 7.19 In February 2008 the Government asked the RFA to lead an urgent review of recent concerns about biofuels, focusing particularly on the complex issue of the indirect or displacement effects of producing biofuel crops in developing countries. This review will report by summer 2008. Beyond 2010-11, the level and design of the RTFO will depend on the outcome of ongoing negotiations on the European Commission's proposed Renewable Energy and Fuel Quality Directives. The Government has made it clear to the European Commission that we will not support any increase in the biofuel target above 5 per cent unless we are convinced that sustainability and CO₂ reduction concerns have been addressed comprehensively.
- 7.20 Another major development is the UK's involvement in the preparation of European Commission proposals for mandatory new car CO₂ standards. There have been welcome reductions in new car CO₂ emissions over the past 10 years, but the Government believes that more needs to be done. The Commission has proposed a demanding mandatory target of 130gCO₂/km by 2012 as the fleet average for each car manufacturer. The UK also wants to see a longer-term target of 100gCO₂/km by 2020. We have written to the Commission accordingly and have been seeking support for such a move from other Member States in the Environment Council.

Emissions trading

- 7.21 On emissions trading, the UK has taken the lead in Europe on the inclusion of aviation in the EU ETS. Following the publication of the Commission's proposal in December 2006, the UK has worked alongside our European partners to reach an agreement on the detail of a scheme for aviation. At the December 2007 Environment Council, Member States agreed to cap emissions from flights to, from and within the EU at the average of 2004-06 levels. This means that airlines which increase their emissions above this limit must contribute to reducing emissions by funding carbon savings made elsewhere. Throughout 2008, the Environment Council and the EU Parliament will be negotiating to agree the final design of the scheme.
- 7.22 On a global level, the UK continues to work on emissions trading through the International Civil Aviation Organisation (ICAO). The outcome of the ICAO Assembly in September 2007 was less ambitious than the UK would have wished, but it did include some positive signs: European states were forced to reserve their position against part of the Assembly resolution to safeguard the EU Emissions Trading Scheme; but a new ICAO high level group on International Aviation and Climate Change was created to develop an effective package of measures to address aviation's climate change impacts. That group met for the first time in February 2008.

7.23 We also continue to play an active role within the International Maritime Organization (IMO) to limit greenhouse gas emissions and other atmospheric emissions from ships. At the IMO's Marine Environment Protection Committee (MEPC) meeting held in July 2007, the UK argued strongly for the IMO to be both swift and bold in bringing forward measures. The MEPC in July 2007 considered control measures for greenhouse gas emissions from ships, and set up a correspondence group with a remit to examine possible technical, operational and market-based measures to address greenhouse gas emissions from ships. These were considered at the meeting of the MEPC from 31 March to 4 April 2008, and will be further examined and prioritised at an inter-sessional meeting of the MEPC in Oslo in June and at the next MEPC in October. The IMO's aim is to achieve agreement on recommendations to reduce greenhouse gas emissions from ships at the IMO Assembly in the autumn of 2009.

Technology development

7.24 The Low Carbon Transport Innovation Strategy (LCTIS) was published by the Department alongside *Meeting the Energy Challenge* in May 2007. It sets out in detail the policy approach and steps the Government is taking to encourage the development of new, lower carbon technologies for roads, aviation, rail and shipping.¹

7.25 At the time LCTIS was published the Department made a number of new announcements about additional support for lower carbon technology development in the road sector approaching £100 million. These included an initial £20 million of DfT funding to support a new programme of public procurement of lower carbon vehicles. In November 2007 we announced that the programme would focus initially on support for the procurement and operation of lower carbon vans, and that we would extend the scale of the programme to £50 million, subject to successful development of the initial phase. In March 2008 the Department appointed a programme manager for this initiative, and we aim to launch the first procurements under the programme in early autumn of 2008.

7.26 In addition the LCTIS also announced up to £30 million of funding (combining funds from the Department for Transport, the Technology Strategy Board and the Engineering and Physical Sciences Research Council) for a new 'innovation platform' supporting UK research and development into the technologies which will deliver the lower carbon vehicles of the future. The first call for proposals under this new initiative was launched in September 2007, and projects will commence from April 2008 onwards. We expect further calls under the innovation platform to be launched later in 2008.

1 The full document is at: www.dft.gov.uk/pgr/scienceresearch/technology/

- 7.27 DfT also plans to support low carbon transport technology research within the Energy Technologies Institute. The Institute is being set up for research and development of a wide range of lower carbon technologies, and work is continuing on the shape of transport relevant activities, to which DfT expects to contribute £5 million a year.
- 7.28 In March 2008 the Government welcomed publication of the final report of the King Review of low carbon cars. This report contains 40 detailed recommendations covering vehicle and fuel technologies, consumer choices and research and development. The Department is leading the Government's response to the King Review, which will be published in summer 2008.
- 7.29 Tackling greenhouse gas emissions from aviation is challenging, but the potential for improving aircraft fuel efficiency is significant and is aligned to future business opportunities. The Government is supporting greener aviation research in the UK through the National Aerospace Technology Strategy (NATS) and at an EU level a major new €1.6 billion public private Euro 'Clean Sky' initiative has recently been launched with participation from the Commission and all the major parts of the European aeronautics industry. There is significant participation of the major UK aeronautics companies to demonstrate technologies to reduce the impact of aviation on the environment.
- 7.30 In July 2007, the Government published a rail white paper *Delivering a Sustainable Railway*, supported by a technical strategy which emphasised that rail should build on its green credentials. In support of this, the rail industry, together with DfT, is actively exploring options for reducing emissions. This includes rolling out regenerative braking across the AC electrified network, trialing biofuelled and hybrid trains, and introducing lighter, more energy efficient trains, starting with the Intercity Express high speed train programme that the Department is leading.

Behavioural change and consumer choice

- 7.31 Building on our strategy to improve the overall environmental performance of transport, we are also keen to raise awareness among motorists of what they can do to help reduce emissions. For example, the Vehicle Certification Agency (VCA) is supporting and promoting the purchase and use of more fuel efficient vehicles by providing a new Fuel Consumption and Carbon Emission Database for all vehicles sold in the UK. The database is available on the VCA website.²
- 7.32 CO₂ emissions of a car are directly proportional to the quantity of fuel consumed. The fuel consumption of similar size cars can vary as much as 45 per cent. As noted earlier, if everyone purchasing a brand new car chose the most fuel efficient vehicle within its class and price range, CO₂ emissions from new cars could be reduced by 24 per cent. And if all drivers in the UK adopted smarter driving techniques, CO₂ emissions from the fleet could be reduced by around 8 per cent. In support of this DSA

² VCA Car Fuel Consumption and CO₂ Database can be accessed at the following link: <http://www.vcacarfueldata.org.uk/information/cars-and-carbon-dioxide.asp>

is planning to introduce eco driving as part of the driving test. VCA also provides information on the vehicle excise duty and/or the relevant company car tax percentage bracket, based on CO₂ levels.

- 7.33 In March 2007 the Department for Transport launched the Act on CO₂ communications initiative. This consumer-facing strategy provides advice on smarter driving and new car purchasing. The campaign has included television and radio advertising on smarter driving techniques, along with advertising in the national and motoring press, outdoor billboards and online activity. Act on CO₂ won the Greenfleet 2007 Green Marketing Campaign of the Year award and we are now working with Defra on a joint marketing strategy.
- 7.34 In July 2007 we launched the Best on CO₂ car rankings website, developed in association with *What Car?*. The website allows consumers to search for the top 10 most fuel efficient cars in each class.
- 7.35 The Government Car and Despatch Agency (GCDA) is playing an active role in tackling emission levels. In 2006 the agency adopted a policy to replace the the entire Ministerial and Government car fleet with hybrid and low emitting carbon emission vehicles. As a result, the agency has been able to reduce carbon emissions from their vehicles by around 20 per cent. The agency has also developed a 'Green Cars' service which gives Government officials and others an ecologically more sustainable alternative to more conventional taxis.
- 7.36 We also provide funding to the Energy Saving Trust (EST) for their work in reducing CO₂ emissions from transport. EST provides advice to consumers through their Energy Saving Trust advice centres, as well as fleet advice to businesses through green fleet reviews. In addition, EST manages grant programmes, on our behalf, for alternative vehicle refuelling infrastructure and low carbon vehicle research and development. Future calls for research and development programmes will be managed by the Technology Strategy Board from April 2008.
- 7.37 We have extended the information available to consumers about the carbon impacts of their journeys through our award-winning journey planner Transport Direct. In May 2007 Transport Direct launched a carbon calculator covering both car travel and public transport. This enables users to compare the estimated carbon costs of a range of journey options. Car users can specify the number of occupants and the time and route of their journey. The calculator then adjusts the CO₂ results per traveller.
- 7.38 In addition to giving better information to help motorists consider ways to reduce the CO₂ emissions from their travel choices, the Government is putting record amounts of investment into public transport to give people a real choice of ways to travel. We now have the fastest growing railway in Europe, and in 2007-08, the Government will have spent over £4 billion

on the railways. As noted in Chapter 4, we have also greatly increased funding for local authority expenditure on infrastructure schemes such as bus lanes, and have funded many new services through the rural bus grants and urban bus challenge. In 2007-08 the Government and local authorities have together spent around £2.5 billion on bus services.

- 7.39 For the business consumer, we are working to draw together our existing business-focused environmental advice programmes and services into a more user-friendly and accessible package, to help businesses identify how and where they can cut costs and emissions from their transport activities.
- 7.40 In February 2007, The National Business Travel Network (NBTN) was established with the aim of promoting sustainable travel and travel planning to businesses. Since being established, the network has grown to around 250 members covering around 100 businesses. At the end of 2007, NBTN became part of the Act on CO₂ campaign. Through the network, a programme of research has been commissioned to provide the evidence to underpin business cases for the introduction of workplace travel plans. This will include financial and economic cost/benefit analysis, recruitment and retention impacts, and CO₂ footprinting techniques for travel plans.
- 7.41 Every year, the UK throws away around two million tonnes of waste electrical and electronic equipment. It is one of the fastest growing waste streams in the UK and the EU. In January 2003, the EU adopted the Waste Electrical and Electronic Equipment (WEEE) Directive. The Vehicle Certification Agency (VCA) jointly with BERR and Defra is responsible for WEEE compliance in the UK. The Directive will improve the way WEEE is managed and reduce its environmental impact. More waste will be collected for treatment and recovery, and less will go to landfill. The WEEE Regulations, which implement the directive in the UK, came into force on 2 January 2007. The new regulations recognise that this is the responsibility of those who produce the goods, and supports broader Government initiatives for dealing with waste that focus on producer responsibility.

Improving air quality

Progress against targets

- 7.42 Air pollution can seriously affect people's health. Transport is responsible for a significant amount of air pollution, particularly in urban areas and next to busy roads.
- 7.43 Since 2002, the Department has shared a joint PSA target with Defra to improve air quality by meeting national objectives for benzene, 1,3-butadiene, carbon monoxide, lead, nitrogen dioxide (NO₂), particles (PM₁₀) and sulphur dioxide (SO₂). These objectives are set out in the new *Air Quality Strategy for England, Scotland, Wales and Northern Ireland*,

published in July 2007.³ The strategy confirms that air quality has improved substantially over the past decade, particularly as a result of action to reduce emissions from industrial sites and road vehicles.

- 7.44 Monitoring results for 2007 under the air quality indicator in the Government's Sustainable Development Strategy show that long-term reducing trends for NO₂ and PM₁₀ are flattening out or reversing at a number of locations, despite current mitigation measures.
- 7.45 Measured concentrations from the national monitoring networks show that the UK continued to meet its Air Quality Strategy objectives for 1,3-butadiene, benzene, carbon monoxide and lead. There were no breaches of the sulphur dioxide (SO₂) objectives recorded at our national monitoring sites, although 11 local authorities have declared Air Quality Management Areas for SO₂. Nitrogen dioxide and particulate matter objectives were not met at a number of locations.
- 7.46 Modelling shows that although the vast majority of the UK will meet the air quality objectives with present policies and technologies, there are some areas (mostly by busy roads and urban locations) where there has been or will be difficulty in meeting the objectives.

Next steps

- 7.47 In order to move us closer to our PSA target and the UK Air Quality Strategy objectives, the Department worked closely with Defra, other departments and key stakeholders on the review of the strategy. This recommended new measures for consideration, based on a detailed cost benefit analysis. It committed the Government to further consider three new transport measures:
- Offer incentives for the early uptake of new tighter European vehicle emissions standards (Euro standards)
 - We are extending the Reduced Pollution Certificate scheme to offer reduced road tax to heavy goods vehicles and buses meeting the Euro V standards early, ahead of their mandatory introduction on 1 October 2009. Budget 2008 also announced an incentive for the early uptake of Euro 5 diesel vans ahead of their mandatory introduction in 2011, with the incentive remaining for the lifetime of the vans.
 - Reduce emissions from ships
 - The UK, as part of the International Maritime Organization, is in the process of negotiating tighter air quality standards for ships via the MARPOL (Marine Pollution) convention – see paragraph 7.53.
 - Increase uptake of low emission vehicles
 - Further incentivisation could be related to the taxation regime.

³ <http://www.defra.gov.uk/environment/airquality/index.htm>

- 7.48 These potential new measures represent a significant step forward in tackling air pollution and working towards achievement of the strategy's targets.
- 7.49 We are also continuing to work with Defra on existing air quality measures and initiatives. These include working together with our European partners to create tighter standards for both vehicles and fuels, and encouraging local authorities to develop local air quality targets.
- 7.50 Local authorities have a key role to play in improving air quality. They have a duty to check levels of air pollutants against national objectives. To date, around 225 local authorities have designated Air Quality Management Areas. Around 180 action plans have been drawn up by local authorities with proposals to tackle the problems.
- 7.51 There is a close relationship between UK national air quality policy and our European obligations. The objectives in the PSA target and the UK Air Quality Strategy are equivalent to, or in some cases, tighter than the limit values set in European Directives. In September 2005, the European Commission published a thematic strategy on air pollution⁴ and a proposal for a new Air Quality Directive which would streamline the current legislation and introduce a new target for fine particles. The European Parliament agreed the second reading compromise text of the new Air Quality Directive in December 2007. Council agreed to this new Directive in April, and it is likely to come into force by June 2008. There are more details on DfT's PSA targets in Appendix D.
- 7.52 Vehicle testing continues to play a major role in regulating emission standards. Emission levels of over 25 million cars are tested each year as part of the annual MOT test. The Vehicle Certification Agency carries out an annual programme of in-service car testing to ensure that emission standards remain at the level specified when initial approval was given to allow the vehicle entry onto UK roads.

Shipping

- 7.53 Annex VI to the International Convention for the Prevention of Pollution from Ships (MARPOL) regulates the emissions of certain atmospheric pollutants from ships, including nitrogen oxides (NO_x) and sulphur oxides (SO_x) and volatile organic compounds. During the period of this report, the International Maritime Organization's sub-committee on Bulk Liquids and Gases has been engaged in revising Annex VI to further reduce SO_x emissions from vessels, improve NO_x performance from engines and regulate the emission of particulate matter. To aid this review the IMO's Secretary General set up a study group of independent experts on how SO_x levels should be reduced through the revision of Annex VI. This group was chaired by the UK's Permanent Representative to the IMO, and an expert from the UK contributed research data and other information to the group. At the IMO's Marine Environment Protection Committee (MEPC)

4 <http://europa.eu/scadplus/leg/en/lvb/l28159.htm>

meeting from 31 March-4 April 2008, the UK played an important role in the initial agreement of amendments to Annex VI. These amendments will significantly reduce emissions from ships of sulphur oxides, nitrogen oxides and particulate matter, and improve air quality in our coastal regions.

Aviation

- 7.54 TaSTS states that the Department would consider the practicalities and effectiveness of using the airport slot allocation process to incentivise the use of greener aircraft when slots created by new airport capacity are allocated for the first time. The Department will continue to engage with stakeholders in 2008 to discuss how best to take this forward.

Rail

- 7.55 The rail industry has carried out an extensive investigation into the impact of running low sulphur fuels in Britain's rail network in readiness for a likely switch to zero sulphur diesel at the end of 2009, driven by EU fuel quality legislation. This work has included three in-service trials using different train operators (Arriva Trains Wales, South West Trains and First Great Western Link). The Department is now working closely with train operators to develop a plan for migrating to this cleaner fuel.

Strategic roads

- 7.56 The active traffic management scheme on the M42 won the Environment Award from *Business Car* magazine in January for its reduction in vehicle emissions of between 4 and 10 per cent in its first six months of operation. Sensors in the road feed information on traffic conditions to the Highways Agency's West Midlands Regional Control Centre. A mix of measures can then control the traffic flow, including automated signalling, variable speed limits and real time information for drivers. The system uses the hard shoulder as an extra running lane in busy periods.

Noise

Roads

- 7.57 As a matter of course, the Highways Agency uses quieter surfacing when resurfacing a road as part of its planned maintenance programme. Quieter surfacing is also used in new road construction projects carried out by the agency.
- 7.58 All of the agency's major schemes include environmental mitigation, to minimise the impact of noise, as far as is consistent with best value for money. There is also a ring-fenced programme of £5 million a year to carry out noise mitigation at 79 specific sites where noise has been identified as a problem. The Highways Agency expects to have addressed noise issues at 64 of the 79 sites by the end of 2007-08. Responsibility for a further five of the 79 sites has transferred to Transport for London.

Aviation

- 7.59 The white paper *The Future of Air Transport* provides a clear approach to the local environmental challenges of airport operation in terms of noise and the impact on the area in which airports operate. In particular, it sets out our key aim to limit and, where possible, reduce the number of people in the UK significantly affected by aircraft noise.
- 7.60 Night flights at Heathrow, Gatwick and Stansted are subject to restrictions that cap flight numbers at current levels and provide incentives for introducing quieter aircraft. Elsewhere airport operators are encouraged to take noise mitigation action. Through the Civil Aviation Act 2006 (which came into force on 1 March 2007), we strengthened and clarified the powers available to control noise at airports. Airport operators have been given powers to set noise controls in consultation with airlines and to enforce them with financial penalties. This should encourage airports to set up noise control schemes where they do not already exist.
- 7.61 During 2007, the first stage of implementation of the European Environmental Noise Directive was achieved, with all airports with over 50,000 aircraft movements per annum being noise mapped. 2008 will see the second stage of implementation with airports developing strategic noise action plans.
- 7.62 In November 2007, the Department published an independent study prepared by MVA Consulting on *Attitudes to Noise from Aviation Sources in England (ANASE)*. The study indicates that whilst it is highly probable that annoyance with a particular level of aircraft noise is higher than was found in the 1985 Aircraft Noise Index Study, there is no evidence of a threshold at which people become very much more annoyed. The study does not provide evidence for increasing or reducing the figure of 57 dBA Leq (16 hours) as the approximate onset of significant community annoyance. We believe it is right that we retain this threshold as a safeguard for those who are most affected by aircraft noise.
- 7.63 In the *Future of Air Transport* white paper the Government gave a commitment that further development of Heathrow could only be considered if it resulted in no net increase in the total area of the 57 dBA noise contour compared with summer 2002, a contour area of 127 sq km. That commitment stands and the ability to meet it is a key consideration in the consultation on adding capacity at Heathrow.

Rail

- 7.64 Although the railway industry generally maintains a good relationship with line side residents, the last few years have seen a considerable increase in the number of complaints to the Department, Network Rail and train operators about excessively loud train horns. In response, the rail industry has now implemented a range of measures to reduce train horn nuisance,

in consultation with stakeholders including members of the public, MPs and pressure groups.

- 7.65 These include the introduction of a night time quiet period between 11pm and 7am, the use of the 'low' horn tone at whistle boards and quieter standards for new or replacement horns. In parallel, Network Rail has removed whistle boards where it can, for example, by cutting back vegetation to improve sight lines near footpath crossings. This is reducing the number of locations at which train drivers are obliged to sound their horns.
- 7.66 The outcome of this work has been very positive. In particular, the Department and the rail industry have recently seen a significant drop in train horn complaints.
- 7.67 As with airports and major roads, a specific challenge facing the rail industry over the next year will be to develop strategic action plans in response to the noise maps produced under the Environmental Noise Directive. The Department will work closely with Defra and the rail industry in developing plans to reduce and better manage rail-related noise.

Planning

Integrating planning and transport

- 7.68 Integrating spatial and land-use planning with transport is key to promoting sustainable patterns of development and economic growth. By influencing the location of new development, efficient land-use can reduce the need to travel, particularly by car, and minimise its impact on the environment. The planning system can be used to ensure a realistic choice of access by walking, cycling and public transport, and to promote more sustainable travel choices, for instance through travel plans, which aim to reduce reliance on single occupancy car use. This, in turn, helps to secure greater accessibility to jobs, health, housing, education, shops, leisure and community facilities.
- 7.69 At the same time, the planning system needs to be able to respond to the need for new transport infrastructure to accommodate demand from new development. The Department works with a range of stakeholders and partners at the national, regional and local level to achieve these objectives and shape the future pattern of transport demand.

The planning white paper and the Planning Bill

- 7.70 The Department played a key role in helping to develop the proposals for the reform of the planning system for nationally significant infrastructure projects (NSIPs) in the transport, energy, water and waste sectors. These were set out in the white paper *Planning for a Sustainable Future*, published in May 2007.

- 7.71 The proposals are based on the recommendations made by Sir Rod Eddington in his report on the links between transport and the UK's economic productivity⁵, and Kate Barker in her report on land-use planning.⁶
- 7.72 The proposals are designed to improve efficiency and predictability of decision-making in the planning system for NSIPs while ensuring all those with an interest can have their say. They are based on a three-stage process consisting of: (a) a strategic phase in which Ministers would produce National Policy Statements (NPS), setting out the case for infrastructure; (b) a scheme development phase in which promoters of NSIPs would be required to thoroughly consult on and prepare applications for development consent; and (c) a decision phase, for which an independent Infrastructure Planning Commission (IPC) would be set up to make decisions on applications for development consent, taking into account the policy set out in the relevant NPS.
- 7.73 NPSs will establish the case for nationally significant infrastructure development and set the policy framework for IPC decisions. They will explain how they integrate strategic economic, social and environmental policy objectives, including the Government's climate change commitments, to deliver sustainable development. Each NPS will be subject to an appraisal of the sustainability of the policy it sets out; the Planning Bill (see paragraph 7.76) would make this a legal requirement.
- 7.74 The Department is exploring the possibility of devolving decision-making on non-nationally significant transport projects to bodies at a more local level and is planning to formally consult on this issue in 2008.
- 7.75 The planning white paper also set out proposals to improve the Town and Country Planning system, including a commitment by CLG to review the suite of Planning Policy Guidance Notes and Statements (PPGs/PPSs) to produce a more strategic and clearly focused national planning policy. As part of the review process, the Department has worked closely with CLG on the development of a new PPS on Climate Change, published in December 2007; a draft new PPS on Economic Development (PPS4), published for consultation in December 2007; and a draft revised PPS6 (Town Centres), on which CLG expects to consult in summer 2008, and which includes a proposed new approach to how new developments outside town centres should be assessed. The Department will continue to work closely with CLG to ensure that, as appropriate, transport interests are taken into account in the review process.

5 The Eddington Transport Study – Transport's Role in Sustaining the UK's Productivity and Competitiveness, Eddington, R., HMT/DfT, 2006 <http://www.dft.gov.uk/about/strategy/transportstrategy/eddingtonstudy/reportbychapters>

6 Barker Review of Land Use Planning, Barker, K., HMT/CLG 2006 http://www.hm-treasury.gov.uk/media/3/A/barker_finalreport051206.pdf

- 7.76 The Planning Bill, which is intended to implement the planning white paper proposals, was introduced in Parliament in November 2007. The Department has worked closely with CLG and other government departments, and will continue to do so, to help secure the successful passage of the Bill and to ensure the effective implementation of the reforms, if approved by Parliament.
- 7.77 The Planning Bill also includes provision for the introduction of a new Community Infrastructure Levy (CIL). This would provide a more effective means of generating funds from development to pay for the additional infrastructure – including transport infrastructure – needed to support that development. The CIL will build on the existing arrangements for negotiating developer contributions to cover the cost of site-specific changes. Details of the CIL provisions will be a matter for regulations, on which CLG expects to consult in autumn 2008.

Eco-towns

- 7.78 In July 2007, CLG announced plans for the building of 10 new eco-towns. These will be new, free-standing towns of 5,000-20,000 homes. On 3 April 2008, CLG launched a three-month public consultation on a shortlist of 15 locations considered to have the most overall potential to become eco-towns. DfT has been playing a key part in the decision-making process for eco-towns and will continue to work with CLG, developers, and local authorities to make sure that sustainable transport is properly planned and incorporated in all eco-towns. As part of our advice to developers, we have launched new DfT guidance *Building sustainable transport into new developments: A menu of options for New Growth Points and Eco-towns* (www.dft.gov.uk/pgr/sustainable).



Chapter 8

Safety and security



Chapter 8

Safety and security



Summary

People should be safe and secure when they travel. Although the risk of serious incidents on any form of transport is low, the Department is constantly working to improve safety and security across all forms of transport.

The 10 year road safety strategy *Tomorrow's roads – safer for everyone* was published in 2000, and reviewed in 2004 and 2007. It sets out the Government's approach to road safety, covering enforcement, engineering and education. The strategy focuses on the key factors involved in road casualties, from offences such as drinking and driving, speeding and failure to wear a seat belt, and on affected groups such as motorcyclists, cyclists and pedestrians. We have begun reviewing our strategy for post-2010, and will be consulting later in the year.

Lord West reviewed measures to counter terrorism against transport targets last autumn. He acknowledged the scope and nature of our security programmes, and concluded that there was no need for any fundamental change in how we regulate counter-terrorism security. Nonetheless, we keep all security measures under review, with the aim of balancing the necessary response to the ongoing level of threat with the need for people to travel.

The Department aims to strengthen the safety and security of transport by:

- improving road safety, including the delivery of the PSA target to reduce the number of people killed or seriously injured in Great Britain;
- maintaining and improving safety in the rail, maritime and aviation sectors; and
- maintaining and improving transport security and resilience.

During 2007-08 the Department has:

- made good progress against our 2010 targets to reduce the number of people (including children) killed or seriously injured in road accidents;
- through the DSA, provided more than two million practical driving tests, 1.6 million theory tests, and registered and quality assured over 40,000 instructors;
- published a new edition of the *Highway Code*;
- introduced new measures to reduce car tax evasion and crime;
- introduced the lifting of the one bag restriction whilst maintaining security standards;
- accredited a further 304 stations under the Secure Stations Scheme; and
- made significant investment in the maritime search and rescue infrastructure, with a total of seven new helicopters in Shetland, Stornoway, Portland and the Solent.

Looking ahead, the Department is:

- consulting on the future of the MOT testing regime;
- preparing to consult on a new road safety strategy for the period post 2010;
- looking at ways to achieve better compliance with road traffic law with a view to consulting on proposals later in 2008;
- consulting in 2008-09 on proposals for fundamental reform of driver training and testing;
- developing the THINK! road safety campaign to focus on speed, drink drive, and motorbikes;
- continuing to work to accredit 700 stations under the Secure Stations Scheme by March 2009;
- increasing the number of annual safety inspections of foreign aircraft in the UK to 600 from April 2008, and to 1,000 from April 2009 onwards; and
- legislating to establish new arrangements for airport security and implement the UK's international obligations to combat terrorist acts at sea.

8.1 This chapter summarises the varied work undertaken by the Department for Transport and our many partners to improve safety and security for transport users in relation to:

- road safety (paragraphs 8.2 – 8.54);
- rail safety (paragraphs 8.55 – 8.65);

- aviation safety (paragraphs 8.66 – 8.75);
- maritime safety (paragraphs 8.76 – 8.88); and
- transport security (paragraphs 8.89 – 8.116).

Road safety

Progress against targets

8.2 The road safety section covers:

- progress against 2010 targets, and preparation of the overall strategy beyond 2010;
- action focused on individuals:
 - children;
 - drivers;
 - motorcyclists;
 - those driving for work;
 - roadside workers; and
 - the THINK! marketing campaign and the *Highway Code*
- action focused on vehicles and technology; and
- action to promote compliance, including enforcement.

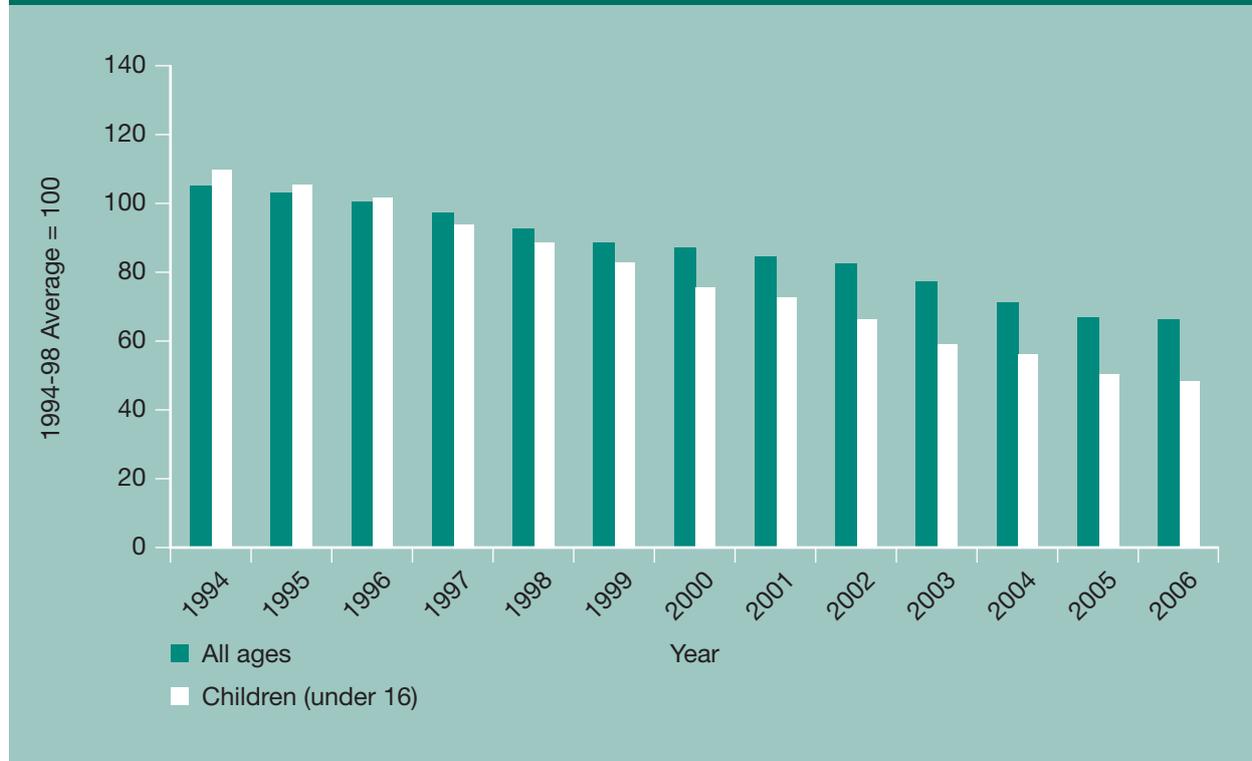
8.3 The Government's road safety strategy *Tomorrow's roads – safer for everyone* (2000) set three casualty reduction targets for 2010 against a baseline of the average for 1994-98:

- a 40 per cent reduction in the number of people killed or seriously injured in road accidents;
- a 50 per cent reduction in the number of children killed or seriously injured; and
- a 10 per cent reduction in the slight casualty rate, expressed as the number of people slightly injured per 100 million vehicle kilometres.

8.4 We are well on course to meet these targets, with provisional estimates (up to September 2007) showing:

- a 35 per cent reduction in the number of people killed or seriously injured in road accidents;
- a 53 per cent reduction in the number of children killed or seriously injured; and
- a 28 per cent reduction in the slight casualty rate per 100 million vehicle kilometres.

Figure 8a: Road deaths and serious injuries 1994-2006 as a percentage of baseline averages for 1994-98 (Great Britain)



- 8.5 However, progress in reducing the number of people killed, as opposed to seriously injured, has been slower. The number of child deaths has fallen by 48 per cent, but the total number of deaths has fallen by only 15 per cent (provisional figures for year ending September 2007).
- 8.6 A more detailed account of progress towards the target is at Appendix D. The latest annual data are in the full report, *Road Casualties Great Britain 2006*, available on the Department's website.
- 8.7 Good progress is being made towards the targets, but there has always been a significant proportion of non-fatal accidents which are not reported to the police. It has been suggested that this proportion may have increased in recent years. The Department is researching whether this is the case. The latest analysis is reported in *Road Casualties Great Britain 2006*. However, work done so far does not give the full picture. The Department, working with the Office for National Statistics (ONS), is undertaking a project to match individual police and hospital admissions records to give further insight into trends in road casualties.
- 8.8 As the 2010 target draws closer, we have begun to consider our road safety strategy for the period after 2010.

- 8.9 It is clear from the figures above that a key challenge for our new strategy will be to improve the record of performance on the most serious crashes, leading to deaths. This will mean identifying and tackling those behaviours which are most likely to lead to fatalities. We shall want particularly to focus on deaths associated with drink-driving, which have increased since 1998; on fatalities associated with not wearing seat belts; on inappropriate and excessive speed; and on how to encourage improved driving standards whilst dealing effectively with those whose behaviour is unacceptable. We are also keen to investigate the extent to which dangerous driving traits, and unlicensed and uninsured driving, are associated with the same individuals or groups.
- 8.10 The strategy will need to include effective penalties for those who endanger others, but also to support strong road skills and responsible decision-making. A key issue for our review is how we can strengthen motorists' incentives to drive in a safe and responsible way.
- 8.11 We intend, with the Scottish Executive and Welsh Assembly Government, to consult extensively on a road safety strategy for the period from 2010.

Road safety action focused on individuals

Children

- 8.12 The Department has taken forward the child road safety strategy published in February 2007. Since then:
- two new child safety publicity campaigns have been launched, Ad Idol, with MTV, where groups of teenagers produced their own road safety adverts on pedestrians, cycling and in-car safety, and Copy Cat, aimed at parents of younger children;
 - we have announced a substantial increase in funding for cycling (see paragraphs 4.77 – 4.83), some of which will be used to provide bikeability cycle training to Year 6 children and also for additional safe routes to schools;
 - we have appointed educational consultants to help us provide a comprehensive suite of road safety educational materials for all age groups up to 16 and beyond;
 - the final evaluation report on the Kerbcraft child pedestrian training scheme was published in March 2008 and we have now appointed MVA Consulting to put in place a dissemination programme to encourage and support local authorities to implement the training; and
 - we are working with the Department for Children, Schools and Families and other government departments to look at child road casualties in the context of wider government efforts on child safety, as road casualties are one of the biggest causes of accidental death and injury amongst children.

Drivers

- 8.13 During 2007-08, the Driving Standards Agency delivered more than two million practical tests, 1.6 million theory tests and registered and quality assured over 40,000 instructors.
- 8.14 While delivering on this core business, DSA also implemented other road safety initiatives. These include:
- delivery of 6,000 Arrive Alive presentations with emphasis in 2007-08 on 'at risk' groups. These include young offenders, older drivers and people with disabilities. The 'at risk' category accounted for 20 per cent (1,200) of the total presentations. In 2008-09, DSA plans to deliver more presentations to the 'at risk' groups as well as adapt its presentations for motorcycle riders.
 - accrediting 45 training courses suitable for lorry, coach and bus drivers' periodic training in readiness for the introduction of the Drivers Certificate of Professional Competence. In 2008-09 DSA will continue accreditation and introduce the new test for bus and coach drivers in September 2008.
 - DSA's development of a network of national multi-purpose test centres to enable off road tests for motorcyclists, as required by the second EU Driving Licence Directive. DSA will introduce the new motorcycle test in September 2008. The centres will also be used to provide tests for other vehicles.
- 8.15 The Department is committed to fundamental reform of driver training and testing. It has been developing a strategy for raising driving standards across all driver types and ages, due for wide-ranging consultation in 2008-09.

Motorcyclists

- 8.16 The Department continues to implement the actions in the 2005 Motorcycling Strategy, working with motorcycle user groups and the manufacturing, retail and training industries, through the National Motorcycle Council (NMC).
- The Department continues to sponsor the British Superbikes Championship, as an effective way of communicating safety messages to leisure motorcyclists.
 - The Institute of Highway Incorporated Engineers guidelines on motorcycle-friendly infrastructure have been made available online so that it will be easier for local highway authorities to access them.
 - We have been working with the NMC on revising the action plan in the 2005 strategy, following the Transport Select Committee's inquiry which reported in March 2007. A revised action plan will be issued in spring 2008. We will then start work on a complete revision of the strategy by 2010, as requested by the Committee.

- The Department launched in November 2007 the Safety Helmet Assessment and Ratings Programme (SHARP), an information scheme to aid motorcyclists when choosing a safety helmet. Using a simple one- to five-star award, the scheme will indicate the level of protection a helmet provides. The first batch of ratings for specific helmets will be available in spring 2008.
- In February 2007, DSA launched a new register of post-test motorcycle trainers, enabling the public to make an informed choice of trainer or instructor.
- DSA also announced the enhanced rider scheme, developed with the Motorcycle Industry Association, through which motorcycle trainees who achieve the standard on approved post-test training courses will be eligible for insurance discounts.

People driving for work

- 8.17 The Department has identified work-related road safety as a major area for casualty reduction. We launched a new programme on work-related road safety in March 2007, including a publicity campaign aimed at van drivers. An outreach programme, supported by a grant to Roadsafe, aims to engage business and spread good practice. In the first quarter of 2008 the Department ran campaigns for speed, mobile phones and a new fatigue campaign. These are all behaviours to which drivers for work are particularly vulnerable.

Roadside workers

- 8.18 There are also between 3,000-4,000 people working on the high-speed network at any one time. Those on live carriageways are vulnerable to being hit by traffic and the fatality rate for this employment sector is one of the highest reported by the Health and Safety Executive. The Department is committed to reducing this risk.
- 8.19 The Highways Agency continues to improve in this area by:
- bringing automated cone laying technology into regular use, thereby removing workers from the road;
 - developing an innovative cone taper layout which reduces the time taken to place cones and hence the risk of injury;
 - investigating the use of temporary gantries which can avoid the need to place signs on the carriageway; and
 - trialing quick movable barriers.

THINK! and the Highway Code

- 8.20 The THINK! campaign continues to be a strong and trusted vehicle for road safety messages to a variety of audiences. It has been widely recognised within both the marketing industry and the road safety community for being innovative and influential, as witnessed by the range of awards it wins, for example:

- a Gold Award for Collaboration from *Media Week* for the MTV Ad Idol teens competition to create new road safety ads;
- The Prince Michael International Road Safety Awards special 20th anniversary award; and
- the Winner of Winners 2007 Awards for National Newspaper Advertising for the new parents campaign.

8.21 In 2007 the Department launched a new drink drive campaign targeted at young male drivers who have a propensity to drive when slightly over the limit. The campaign aims to encourage them to think twice before drinking, even moderately, before driving as the consequences can ruin their lives.

8.22 Over the next three years the THINK! campaign will be concentrating on publicising the three areas that account for a high proportion of those killed or seriously injured (KSIs): speed, drink drive and motorbikes. In addition, a further risk behaviour will be publicised each year: seat belts in 2008, drug driving in 2009 and fatigue in 2010. This will be supplemented by smaller, tactical campaigns on each of the other risk behaviours that contribute to crashes.

Highway Code

8.23 A new edition of the *Highway Code* was published on 28 September 2007, the first major revision since 1999. This followed public consultation on proposed changes during 2006. It updates current safety advice to road users to reflect the demands of today's roads and introduces new advice for novice drivers in the first year after their test, when they are most vulnerable. The new edition also includes a section for users of powered wheelchairs and powered scooters, and there is more emphasis placed throughout the Code on courtesy, attitude, awareness and consideration of other road users, particularly those who are more vulnerable. It went to the top of the paperback bestsellers list within eight days of its launch, and sales increased by over 400 per cent (October to December 2007) compared to the same period in 2006.

Action focused on vehicles and technology

8.24 The Department continues to encourage and facilitate the use of intelligent transport systems (ITS). Our work in this area over the last year has included:

- continuing to engage with both internal and external stakeholders in the intelligent transport systems community, through close liaison with the ITS national body and taking part in the international forum at the 2007 European and World Congresses. This has ensured that the Department remains informed of developments taking place in the ITS arena and can identify ways that new technologies can play a part in addressing our goals; and

- working in partnership with colleagues across government and in academia to sponsor innovative projects that will address environmental and congestion issues, support the development of new technologies and improve consumer information. For example, VCA is undertaking testing on child restraints and motorcycle helmets.
- 8.25 On ticketing, the Department has provided key input to the successful publication of European and international public transport ticketing standards aligned to the UK ITSO specifications. In addition, the Department has conducted research into developments of new ticketing schemes, the links with e-money and emerging smart-based technologies.
- 8.26 DfT-funded research suggested that cars equipped with electronic stability control (ESC) are 25 per cent less likely to be involved in a fatal accident than non-equipped cars. The Department has worked to increase fitting of ESC through consumer guidance on the DfT website, membership of the international eSafety Aware organisation and the development of technical regulations for both cars and large vehicles. The Department also published research that investigated the costs and benefits of implementing eCall across the UK.
- 8.27 During 2007 the Department negotiated a new directive to require existing HGVs to be retro-fitted with enhanced mirrors, which offer the same level of performance as those required on new HGVs. The Department also completed an evidence review of car-to-car side impact accidents to inform the development of enhanced regulatory side impact protection requirements, and began research to assess the potential to improve the crash protection available to female and elderly car occupants.
- 8.28 The recast framework directive for EC Whole Vehicle Type Approval was agreed, with specific provisions for wheelchair accessible vehicles, and amendments to the implementation dates for large passenger vehicles to reflect the needs of British industry. The process of implementing the Directive is already underway. In light of concerns about the safety of stretched limousines, the Department has developed a stringent pre-registration inspection for all new vehicles with more than eight passenger seats, to take effect from 1 June 2008.
- 8.29 As a result of growing interest in and concern about longer and heavier goods vehicles, research has been commissioned by DfT's Transport Technology and Standards (TTS) division to look at their potential effects on safety, the atmospheric and built environment, and the efficiency of freight transport. Research on the future safety priorities for large passenger, goods and agricultural vehicle safety has also been undertaken to inform the road safety strategy beyond 2010.

Consumer information

- 8.30 The Department continues to support safety assessment and consumer information provided by the European New Car Assessment Programme (Euro NCAP). Further to earlier work by the Department on security ratings schemes and car security awards, there has been a significant increase in the number of cars meeting the demanding criteria. This year, these criteria were used for the first time in the *What Car?* Car of the Year Awards.

Action to promote compliance, including enforcement**Compliance**

- 8.31 The Department is currently looking at ways to achieve better compliance with road traffic law, focusing on the three biggest killers: drink-driving, speeding, and failure to wear seat belts, with a view to consulting later in 2008.

Causing death by driving

- 8.32 The Road Safety Act 2006 creates two major new offences:

- causing death by careless driving; and
- causing death by driving while uninsured, unlicensed or disqualified.

They will be implemented following guidance from the Sentencing Guidelines Council, currently being consulted on.

Drink driving

- 8.33 With the help of the Association of Chief Police Officers (ACPO), the Department and the police continued to raise the level of campaigning against drink-driving during 2007. ACPO and the Department's publicity team collaborated again in the summer and at Christmas 2007 to produce month long multi-media publicity and enforcement efforts. The Christmas campaign in 2007 saw a further increase in breath-testing, but a 20 per cent fall in the number of drivers found positive. This is evidence that our campaigning is having an impact, but it needs to be replicated throughout the year.

Speed

- 8.34 Traffic authorities continue to review the speed limits on their A and B roads in accordance with the Department's new guidance on setting local speed limits in *DfT Circular 01/2006*. The guidance reiterated support for the introduction of 20 mph limits and 20 mph zones where children and other vulnerable road users are most at risk. The Department is further supporting local authorities in their implementation by updating its best practice advice on 20 mph limits and zones.
- 8.35 The Department has indicated that it is prepared to work with Transport for London on a pilot scheme aimed at achieving appropriate vehicle speeds in 20 mph zones through the use of time-over-distance camera technology as an alternative to traffic calming.

Driving and mobile phones

- 8.36 On 27 February 2006, the Department implemented new penalties for using a mobile phone while driving. This is now an endorsable offence with a fixed penalty fine of £60. We have supported this with a major publicity campaign. Surveys conducted during 2007 found that observed use of mobile phones by drivers had fallen by 40 per cent since the penalties were changed.

Changes to the MOT test

- 8.37 The Department will be issuing a major consultation document later in the year on the future of the MOT testing scheme. This fulfils a government commitment to review the frequency of MOT testing following a recommendation in the Davidson Report on the implementation of EU legislation.
- 8.38 The consultation document will present a substantial evidence base compiled by the Department, including information arising from the results of some 23 million MOT tests. The consultation will reflect primarily on the current pattern of testing for cars in Great Britain (first test three years after registration and annually thereafter), and on several possible options for reducing the frequency of testing. The key issue for consultation is whether consultees agree that any potential financial savings arising from a reduction in the frequency of testing are more than outweighed by the benefits of testing at the current frequency.
- 8.39 Following on from the introduction of MOT computerisation, VOSA has been developing a new system of enforcement for MOT garages. The new approach is aimed at improving the quality and consistency of the private vehicle testing service to the public. It follows a successful pilot with 100 garages in 2006-07. In order to form a basis for the system during the year, almost all of the 19,000 MOT garages around the country are being visited. By December 2007 more than 16,500 of these checks had already been carried out. Data from these visits will be used alongside information on the garages' disciplinary history and their performance against set criteria (for example, average test times) to rate a garage as red, amber or green. This information will allow future activity to be targeted at those garages which present the greatest risk. These will face mystery shopper exercises, using vehicles with and without defects, to test standards and processes, and re-inspections of recently tested vehicles.

International commercial traffic on UK roads

- 8.40 Evidence from random fleet compliance checks confirms that there is a significantly higher risk of non-compliance with drivers' hours rules by non-UK vehicles and drivers. For instance:
- during two days in July 2007, VOSA's vehicle examiners checked a total of 57 vehicles and issued 22 immediate and 11 delayed prohibitions; and

- traffic examiners checked 49 vehicles and issued a total of 16 prohibitions, and two drivers were prohibited from driving for 45 hours as they had taken no weekly rest in the preceding two weeks.
- 8.41 Following a joint pilot in the south east between VOSA and the Highways Agency, targeting of vehicles on international journeys was incorporated into part of their normal enforcement work. The success of the joint pilot was officially recognised in November 2007 when VOSA and the Highways Agency were awarded the Prince Michael International Road Safety award for the South East International Pilot.
- 8.42 During 2007-08 the Department provided extra funding to VOSA to enable a stepped increase in the level of roadside compliance checks carried out on vehicles and drivers engaged on international journeys. Non-compliant vehicles and drivers are prohibited from continuing their journey until vehicle defects have been rectified and, where they have exceeded permitted time at the wheel, drivers have taken adequate rest. VOSA will be maintaining these higher levels of enforcement. Indeed, in April 2008, it was announced that VOSA will be provided with an extra £24 million over three years to target unsafe and overloaded HGVs on international journeys.
- 8.43 In 2006 there were more than 400 side-swiping accidents caused by left-hand drive lorries not easily being able to see a car overtaking them on the right, such as on a motorway. The introduction of Fresnel (window-mounted) lenses in 2007-08 helped to tackle side-swiping incidents involving left-hand drive trucks by offering affected drivers a wider field of vision through the passenger window. The distribution of 40,000 of these lenses to left-hand drive trucks entering the UK across the Dover Straits was shown to reduce side-swiping incidents by 59 per cent. In December 2007, it was announced that the Highways Agency and VOSA will now distribute a further 90,000 lenses, targeting major ports in both England and France.

Reducing car tax evasion and crime

- 8.44 DVLA collects around £5 billion in vehicle excise duty (VED) on behalf of the Chancellor. VED enforcement activities during 2007-08 directly led to an additional £30 million being collected. Some of the measures which DVLA has taken to tackle VED evasion during 2007-08 include:
- doubling the capacity of its national wheel-clamping scheme to clamp 100,000 vehicles a year;
 - a continued increase in the number of enforcement partners in local authorities and police forces able to clamp and impound unlicensed vehicles, who seize 36,000 unlicensed vehicle a year between them; and
 - deployment of debt collection as a further weapon against those who fail to pay late licensing penalties. From February 2008, debt collection agents will pursue 40,000 such cases a month.

- 8.45 Reports from the police indicate that a high proportion of vehicles stopped for road traffic offences, such as no VED, MOT or insurance, are also found to be involved in serious crimes. In targeting those individuals who fail to comply with road traffic requirements, the Department also contributes to efforts to tackle those engaged in wider criminality.
- 8.46 Another significant legislative change, which was announced by the Chancellor in his October 2007 Pre-Budget Report, will further enhance enforcement against VED evasion. At present, enforcement is restricted to the public road. With effect from September 2008, the new legislation will allow for seizure of untaxed vehicles which are parked off the public road but still in public places.

Tackling identity fraud

- 8.47 By virtue of provisions in the Road Safety Act 2006, effective from April 2007, candidates for driving/theory tests are required to surrender their licence immediately to DSA's driving test examiners where there are suspicions about the validity of that licence.
- 8.48 The success of DSA's fraud and identity team in uncovering impersonation and identity fraud at driving tests continues and in 2007-08 DSA concluded over 600 cases. Its profile is increasing with organisations such as the police, and there is recognition that identity fraud is often linked to other crime, adding further weight to the importance of DSA's work. The plan is to increase efforts in 2008-09 with a target of concluding 750 cases.

Working with local highway authorities

- 8.49 Local highway authorities and their partners play a key role in the delivery of road safety and casualty reduction targets locally.
- 8.50 The Department's enhanced Specific Road Safety Grant funding (£110 million a year over the period 2007-08 to 2010-11) is giving local partnerships greater flexibility to implement the mix of road safety measures that will best tackle local road safety problems. This grant replaces previous funding for safety cameras via the National Safety Camera Programme 'netting off' arrangement.
- 8.51 The Department launched an £8 million Rural Road Safety Demonstration Project in partnership with the four rural road safety Beacon local highway authorities. The project is intended to establish best practice in the collection and analysis of data, and the use of this information to develop area-wide comprehensive road strategies to address road safety issues in rural areas. The project also aims to demonstrate innovative solutions to road safety issues.
- 8.52 The Department has received a good response from local highway authorities to an invitation to bid for Road Safety Partnership Grant in 2008-09. The scheme is intended to promote the establishment and sharing of sustainable good practice in road safety delivery. It does this

by highlighting partnership working amongst local authorities and others. Details of the 25 successful bids from 2007-08 are published on the Department's website.¹

Road safety research

8.53 We have continued our programme of road safety research which underpins policy and publicity. Our priorities include:

- developing evidence base for post-2010 targets and strategies;
- work related road safety;
- speed management;
- impairment through drink, drugs and fatigue;
- motorcycle safety; and
- assessing the impact of local authority interventions.

8.54 We have identified the need to improve how we share our research findings with practitioners in a form that enables them to act on the results. We have commissioned a series of workshops and action learning sets to improve dissemination to practitioners. To date, two events have been held and more are planned for 2008. For all new research reports, we are also preparing summary findings to make the research more accessible. A summary of our research programme and priorities is available in the latest *Unit Evidence and Research Strategy*.²

Railway safety

8.55 The past year has been a period of consolidation following the organisational and legislative changes made in respect of railway safety in 2006. The key changes include:

- the introduction of the Railways and Other Guided Transport Systems (Safety) Regulations 2006; the Railways (Interoperability) Regulations 2006; and the Railways (Access to Training Services) Regulations 2006, which implement the European Railway Safety and Interoperability Directives;
- the Office of Rail Regulation (ORR) taking over as the health and safety regulator for the rail industry since April 2006; and
- the first full calendar year of operation of the Rail Accident Investigation Branch.

8.56 The ORR's report on railway safety for 2006 (its most recent published report) reflects that rail safety in Britain continues to improve. The introduction of the train protection and warning system (TPWS) has reduced the risk from signals passed at danger (SPADs). At the end of 2007, SPAD risk had reduced by 86 per cent from the benchmark set at the end of March 2001. Nobody has been killed or injured in a SPAD-related incident since October 1999.

1 www.dft.gov.uk/pgr/roadsafety/rspg/summary_of_awards

2 www.dft.gov.uk/pgr/roads/unitlevevidenceandresearch4543

- 8.57 Level crossing statistics have shown an improvement, with the number of deaths falling to 10 in 2006 compared with 16 in 2005. The number of fatal injuries to railway employees fell to four in 2006, compared with six during 2005. Sadly, and despite continuing efforts by many sections of the rail industry, 289 members of the public died during 2006 as a result of trespass and suicide on the railways. Industry initiatives to tackle trespassing include the ‘No Messin’ campaign (a website for young people), together with better fencing and the use of mobile CCTV at trespass hotspots.
- 8.58 Level crossings continue to present the largest element of train accident risk following the reduction or removal of other risks. Ninety-five per cent of incidents at level crossings are due to misuse by motorists and pedestrians. There are around 7,700 level crossings on the mainline network. The rail industry is making progress in addressing level crossing risks through various initiatives, including the high profile media campaign, ‘Don’t run the risk’ that features television and radio broadcasts.

High Level Output Specification (HLOS) safety metric

- 8.59 The High Level Output Specification (HLOS) published in July 2007 included a safety metric specifying a three per cent reduction in risk of death or injuries to rail passengers and workers during the period between 2009 and 2014. The rail industry is taking forward actions through its safety planning processes to deliver the HLOS safety metrics. DfT will monitor progress.

Europe

- 8.60 The Department and ORR continue to represent the UK in the development of the measures specified in the European Railway Safety and Interoperability Directives, including Common Safety Methods and Technical Specification for Interoperability. These measures are intended to support the establishment of a single market in the rail sector, by removing the barriers to the supply of equipment and the through-running of trains. We expect cost savings in the medium to longer term as products are standardised and safety verification processes harmonised.
- 8.61 The Department and ORR have also played a significant role in the negotiation of European Commission amendments to the existing railway safety and interoperability Directives. The amendments proposed are aimed at refining the existing Directives in light of practical experience of their application to date.

Potters Bar: potential public enquiry

- 8.62 Mr Justice Sullivan, the High Court judge appointed as assistant deputy coroner to hear the Potters Bar inquest, formally adjourned the inquest following the Grayrigg derailment. The Secretary of State is to consider whether there is case for holding a joint public inquiry into both accidents once the RAIB’s final report into the Grayrigg accident is published.

Rail Accident Investigation Branch

- 8.63 The purpose of RAIB is to improve the safety of UK railways. It does this by investigating the causes of accidents and incidents by making recommendations to prevent similar occurrences in the future. Its investigations are solely to improve safety. It does not apportion blame or liability. While RAIB is administratively part of the Department, it is functionally independent. The Chief Inspector is responsible to the Secretary of State for the investigation of rail accidents and incidents.
- 8.64 RAIB conducted 37 full investigations in 2007 and published a total of 47 reports on its website.³ Of those, one was for an investigation started in 2005, 35 for investigations started in 2006 and 11 for investigations started in 2007, including Grayrigg. Currently the acceptance rate of the recommendations from reports made in 2007 is 91 per cent. For more information refer to the RAIB Annual Report.
- 8.65 The total number of investigations is not an indicator of safety on the UK's railways. The regulations require RAIB to report on both accidents resulting in serious injury and damage, as well as certain types of incident that have minor or no consequences but which could have been serious under slightly different circumstances. In this way RAIB is proactive in its role and maximises the potential to improve safety through the learning of safety lessons.

Aviation safety

- 8.66 The Government aims to ensure the effective safety regulation of the UK aviation industry, and to promote better aviation safety internationally.
- 8.67 This requires co-ordinated action at a number of levels. Domestically, the Civil Aviation Authority (CAA) has statutory responsibility for the day-to-day safety regulation of UK airlines, airports and air traffic control. It monitors and approves aircraft manufacturers and maintenance facilities, and on the Department's behalf, it inspects foreign registered aircraft visiting the UK.
- 8.68 Increasingly, aviation safety rules are co-ordinated at the European level, with the European Aviation Safety Agency (EASA) playing a leading role. And the International Civil Aviation Organisation (ICAO) sets the underpinning regulations for civil aviation safety.
- 8.69 The Department is working to achieve its objectives by:
- regularly reviewing domestic air safety policy to ensure that better regulation principles are applied consistent with the need to protect airline passengers and the public;
 - increasing the number of safety inspections of foreign aircraft performed annually in the UK from around 250 to 600 from April 2008, rising to 1,000 from April 2009 onwards, thus ensuring that the UK makes a contribution to European air safety commensurate with the size and significance of its aviation market;

3 www.raib.gov.uk

- taking a leading role in the work of the European Air Safety Committee, which has substantially strengthened the control of third country airlines flying to and from Europe, in particular through the introduction of a European blacklist of unsafe airlines on the lines of a model pioneered in the UK;
- working, through our seat on the management board of EASA, to ensure that the agency delivers an efficient, high quality safety regime, and promoting institutional reform of EASA itself;
- influencing the development of new European safety rules to reflect the interests of UK industry, passengers and citizens;
- driving reform in ICAO to improve the focus and effectiveness of the international aviation safety regime; and
- funding CAA's safety work.

Aviation safety in the UK's overseas territories

- 8.70 The Department is responsible for ensuring that the UK's overseas territories meet international requirements for aviation safety regulation.
- 8.71 We aim to ensure that, as far as possible, the overseas territories regulate their own aviation safety affairs effectively and responsibly, and consistent with the UK's international obligations.
- 8.72 Air Safety Support International (ASSI), a CAA subsidiary company established under direction from the Department, provides technical assistance to the overseas territories. It also acts directly as the safety regulator in the most fragile overseas territories. The Department funds ASSI to carry out this work.

Air Accidents Investigation Branch

- 8.73 The role of the Air Accidents Investigation Branch (AAIB) is to improve aviation safety by determining the causes of air accidents and serious incidents, and making recommendations intended to stop them happening again.
- 8.74 In 2007 AAIB investigated 270 accidents and incidents. This figure includes 75 field deployments. In addition AAIB has assisted in six military investigations and taken part in 75 overseas investigations. The number of aircraft accident fatalities in the UK doubled to 44 during 2007 relative to 2006.
- 8.75 AAIB publishes all its reports and they are available on its website.⁴

Maritime safety

Safer lives

- 8.76 The Maritime and Coastguard Agency (MCA) runs a number of education initiatives, including the Sea Smart campaign, which provides help and advice on beach and coastal safety to children under 14 and their parents. For more details please go to www.mcga.gov.uk/seasmart. Another prevention initiative is the primetime TV programme *Seaside Rescue*, which had its fifth series commissioned this year. The agency gives the BBC full access to its facilities and works closely with the programme makers to highlight the dangers of the sea and the importance of being properly prepared. MCA supports the hundreds of multi-agency Crucial Crew workshops all over the UK for schoolchildren aged 8 to 11. The agency also supports the Risk Factory which is modelled on Crucial Crew. It enables visitors to experience real life 'risky' situations and learn how to deal with them in a safe and supervised environment. The agency is aiming to reach around 13,000 children in 2008.
- 8.77 MCA is supported by around 3,500 volunteer coastguard rescue officers (CROs) operating in more than 380 teams strategically located around the UK coast. These dedicated individuals give up their time and energy to help rescue people from cliffs or mud, and search for anyone missing around the UK coast. As part of MCA's obligations under the Civil Contingencies Act 2004, the agency deployed CROs to Gloucestershire in response to the exceptional circumstances during the severe flooding in summer 2007. CROs made an outstanding contribution and Parliamentary Under Secretary Jim Fitzpatrick commented that, "This has been a truly successful operation, underlining the value and quality of the service and the ability you clearly all have in adapting to the most changeable and arduous of situations".
- 8.78 Safety at sea has been further improved by the use of automatic identification systems (AIS) for ships. MCA is the UK's National Competent Authority for AIS. AIS provides information about ships and their voyage to other ships and to shore-based authorities, with coverage out to a minimum of 30 nautical miles around the UK coastline. AIS helps to increase the safety for ships at sea through enhancing our capabilities for the co-ordination of both search and rescue (SAR) and marine pollution control, as well as supporting our enforcement, hydrographic, security, environmental and regulatory activities.
- 8.79 The agency manages a contract for UK SAR helicopters operating from our bases at Stornoway, Sumburgh (Shetland), Portland and Lee-on-Solent. In July 2007 the agency unveiled the new MCA SAR helicopter, the Sikorsky S92 at Stornoway and Shetland. Four new helicopters were delivered – two each to Shetland and Stornoway. They have been in operation since October 2007. By the end of 2008 the agency plans to phase in three Augusta Westland AW139s, with two at Lee-on-Solent and one at Portland. The contract runs until 2012, when the agency will establish a longer-term harmonised helicopter provision with the Ministry of Defence.

Safer ships

- 8.80 The UK Ship Register is internationally recognised as one of the highest quality and safest shipping registers in the world. Regular surveys are carried out on ships on the UK Ship Register focusing on ship management, and operating systems. Inspections are also carried out checking safety standards and living conditions on UK ships and fishing vessels, as well as Port State Control inspections for foreign ships visiting UK ports.
- 8.81 MCA approves ship security plans and issues International Ship Security Certificates for cargo ships on the UK Ship Register, whilst the security arrangements of passenger ships and UK ports are subject to approval by DfT's Transport Security and Contingencies directorate (TRANSEC).
- 8.82 MCA continues to develop the Consolidated European Reporting System (CERS)/Single Vessel Database (SVD) for the UK, which will report to the EU-wide system, SafeSeaNet. This follows the EU Directive requirement for Member States to work with the European Commission to co-operate on data exchange by implementing a system to capture data on ship movements, dangerous cargoes, vessel safety and security information, and the disposal of waste within European waters. The CERS/SVD is planned to be fully functional with SafeSeaNet by 2008.

Marine Accident Investigation Branch

- 8.83 The Marine Accident Investigation Branch (MAIB) improves safety at sea by determining the causes and circumstances of marine accidents and by working with others to reduce the chances of them happening again. It investigates accidents involving UK-registered vessels anywhere in the world, and vessels of any nationality within UK territorial waters.
- 8.84 In 2007, MAIB received 1,660 accident and incident reports, and carried out 58⁵ preliminary examinations (PEs), collecting and analysing key evidence. Eighteen of these led on to full investigations resulting in recommendations being made in published reports. The Branch pursued another 1,530 as administrative enquiries.
- 8.85 The accident involving the structural failure of the UK-flagged container ship MSC Napoli, in January 2007, has seen the most technically demanding investigation the branch has undertaken, and required substantial MAIB resources. Prior to the publication of the MSC Napoli report, MAIB recommended in another investigation report that the industry develop a code of best practice for the operation of container vessels. This is currently being developed by an industry working group.
- 8.86 Complacency was a recurring factor identified during the investigations carried out by MAIB during 2007. It was evident not only in the commercial world, both on-board ships and in shore management, but also in the fishing and leisure sectors. At the behest of MAIB, the UK Chamber of Shipping is forming a working group with unions, professional bodies and academics to address this difficult issue.

⁵ The total number of PEs is less than the sum of the three sectors, as some PEs covered more than one sector.

- 8.87 MAIB is working to involve appropriate areas of the industry in the formulation of its recommendations. The acceptance rate of recommendations made in 2007 is likely to be similar to the 96 per cent achieved in 2006.

Board of Transport accident investigators

- 8.88 The Board comprises the Chief Inspectors of DfT's three accident investigation branches. It meets quarterly to discuss issues of common interest, to ensure efficient use of resources, and to share best practice. 2007 saw further development in training and operational practices that benefited all three accident investigation branches.

Transport security

- 8.89 The Department for Transport plays a key role within the Government's counter-terrorism strategy, led by its Transport Security and Contingencies directorate (TRANSEC). The directorate aims to protect the travelling public, transport facilities and those working in transport from terrorist acts, and to retain public confidence in transport security. It is also involved in contingency planning in response to a range of major events both terrorist and non-terrorist.

Government counter terrorist programme

- 8.90 Transport security continues to feature as a work stream in its own right within the protective security element of the Government's counter-terrorist programme (CONTEST). This provides a framework to deliver the Government's security programmes and involves close working between key government stakeholders, the police and the security service, as set out in the National Security Strategy. High levels of threat continue to apply to a significant proportion of the UK transport network. The events of July 2005 and August 2006 demonstrated terrorists' intent to target transport networks, with last summer's central London car bomb plot and the attack on Glasgow Airport underlining that threat levels have shown no sign of declining. For this reason, TRANSEC keeps all transport security measures, including those planned for the 2012 London Olympics, under constant review.

Security reviews

- 8.91 In July 2007, the Prime Minister asked Lord West to conduct a review of how crowded places, transport infrastructure and critical national infrastructure could best be protected from terrorist attack. Statements by the Prime Minister and the Home Secretary on 14 November outlined the findings of Lord West's review, though the report itself was not published in full since to do so could prejudice national security.

- 8.92 With regard to transport infrastructure, Lord West's work recognised the scope and nature of our security programmes, and concluded that there was no requirement for a fundamental change in the way that we regulate counter-terrorism security in transport.
- 8.93 The report also noted the significance of TRANSEC's ongoing work with the aviation industry, on measures to provide an appropriate level of protective security at entry points to airports and terminals, and of its programme to deliver better measures to protect railway stations from the risk of a vehicle attack.
- 8.94 In addition, on 17 December, the Secretary of State for Transport commissioned an independent review into the current arrangements for personnel security in the transport industry. This review is being led by Stephen Boys Smith, who undertook the 2006 Independent Review of Airport Policing, and complements Lord West's examination of infrastructure security. The review is examining all modes including aviation, rail networks, heavy goods vehicles and the maritime industry.

Contingency planning

- 8.95 The main response to disruptive events in the UK continues to rest at the local level and with transport operators. However, if the scale of the crisis demands it, national and even international arrangements may be called on.
- 8.96 2007 proved to be one of the most active in terms of implementing the Department's crisis response mechanism, on account of both terrorist as well as non-terrorist events. These included the London and Glasgow bombs, the major flooding in Gloucestershire and other counties, the foot and mouth outbreak, and the tidal surge down the east coast. There was also engagement in a range of major cross-Whitehall exercises, including those on pandemic flu and total loss of electricity across the UK.
- 8.97 DfT's crisis mechanism worked well and provided the Department and Ministers with the appropriate levels of support and response. This positive outcome is due to the programme of work undertaken in 2007 to continue to develop and improve the DfT concept of operations and its capability to respond.

Compliance

- 8.98 TRANSEC inspectors and compliance partners (MCA and VOSA) carry out a range of activities including monitoring and assessing compliance against the mandatory requirements and pursuing higher security standards. The *TRANSEC Compliance Policy Framework* has been published on the DfT website.

Land transport

- 8.99 The security threat to the domestic rail industry has remained high throughout the year. Accordingly, security measures have remained at a high level. This represents a real challenge to the industry, but one to

which it has continued to rise. As a result of the screening trials carried out in 2006, work is in hand to increase the British Transport Police's capability for screening passengers and bags on the railway and London Underground networks.

- 8.100 The incidents in London and at Glasgow Airport led to an acceleration of the work already under way to improve the control of vehicular access to stations. This work will continue throughout 2008-09 when we expect to see permanent new vehicle control measures in place at certain domestic stations.
- 8.101 The new St Pancras International station and Ebbsfleet station opened in November 2007, together with a new maintenance depot at Temple Mills, East London. Security was built into the station designs and, where appropriate, improved on what had been in place at Waterloo International terminal. Improvements included the installation of permanent vehicle control measures at St Pancras and Ebbsfleet stations.
- 8.102 TRANSEC has maintained its close working relationship with the British Transport Police.
- 8.103 The Department has continued to be fully involved in developing formal international co-operation in the area of land transport security. During the year we have contributed to three meetings of the International Working Group on Land Transport Security and the United Nations Economic Commission for Europe working group on Inland Transport Security. At these meetings we have been sharing our experiences and learning from the experiences and practices of other states, in order to improve land transport security worldwide.

Reducing crime on public transport

- 8.104 The Department is continuing to promote measures to improve personal security for public transport passengers and staff.
- 8.105 HRH The Princess Royal was guest of honour at a Secure Stations Scheme awards ceremony in December, to celebrate over 500 stations being accredited. The scheme is designed to improve personal security at rail stations. The Department has a target to have 700 stations accredited under the scheme by March 2009 and we are on track to meet it.
- 8.106 The British Transport Police (BTP) plays a key role in keeping Britain's railways safe, secure and pleasant to use. BTP works closely in partnership with those who manage the railway, staff, and local police forces. In 2007-08, the BTP's budget for resource expenditure was increased by around 10 per cent to £243 million, funded by the rail industry, and the Government provided £7.5 million for its capital funding for items such as vehicles, computers and accommodation.

Aviation

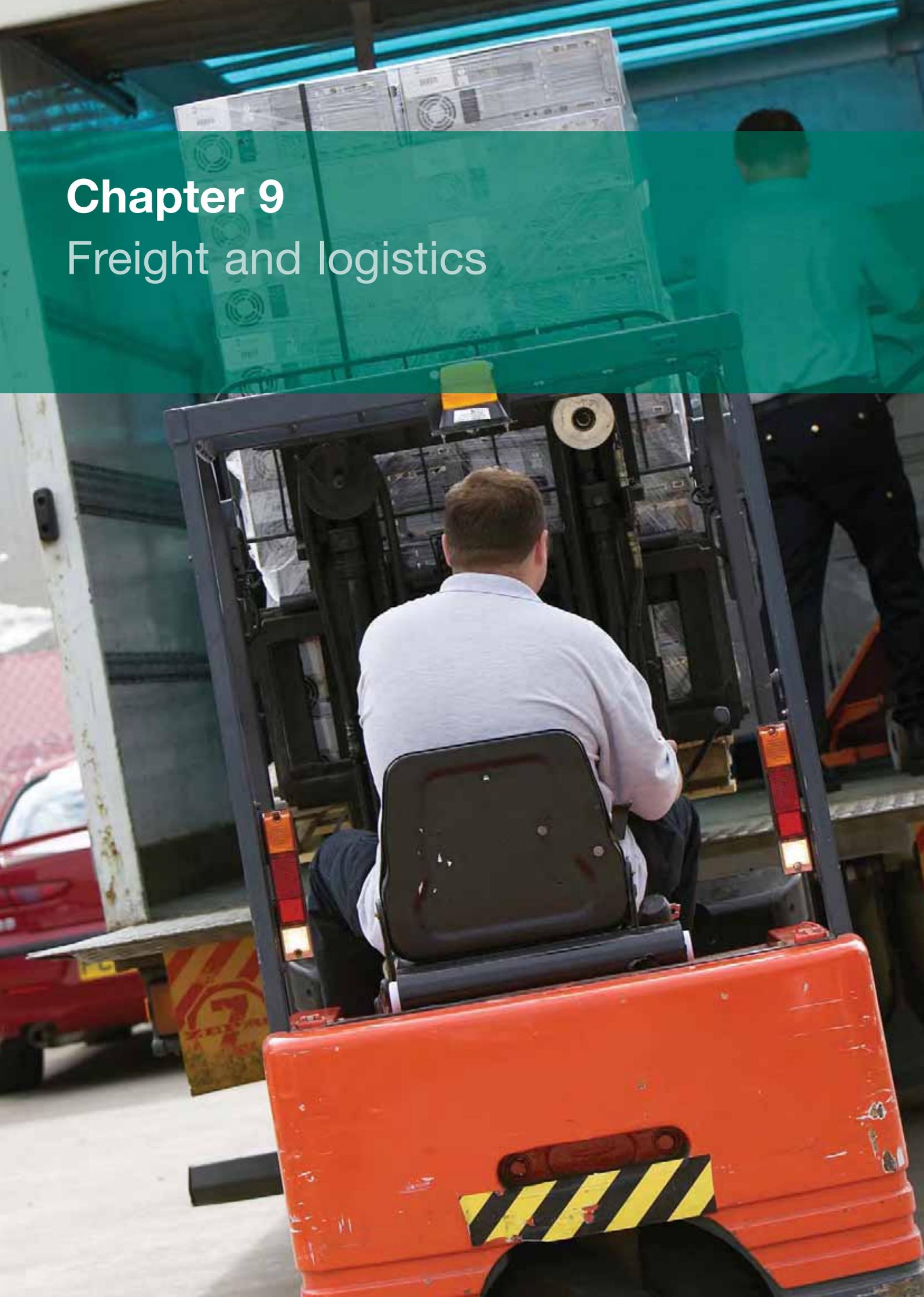
- 8.107 Following the incident at Glasgow airport on 30 June, all UK airport operators were advised to take steps appropriate to their local circumstances to prevent such an incident at their own airport. UK experts are providing on-site landside security surveys at our airports and we have issued new guidance for airports on the security of landside areas.
- 8.108 In November 2007, the Secretary of State announced that following work with the industry, the restriction on the number of cabin bags air passengers may carry was to be lifted from 7 January 2008. The restriction can be lifted where airports are able to demonstrate that the necessary screening capacity is in place to handle the additional cabin bags, whether by the use of new technology and procedures, or by deploying extra staff or other resources.
- 8.109 The menu of contingency response options which supports heightened security measures was reviewed during the year, in close consultation with the industry. This was part of ongoing work to ensure that industry is as prepared as it can be to respond quickly and effectively to a heightened general or specific threat. A revised and updated menu was issued to the industry in January.
- 8.110 The National Aviation Security Committee (NASC), formed in 1971, is the formal high-level consultative mechanism tasked with co-ordinating activities between those responsible for the National Aviation Security Programme. A formal consultation on the future role and structure of the NASC is currently underway. The consultation is considering any constraints and challenges facing the NASC through its current structure, membership and representation. It is anticipated that the review will be concluded by the middle of 2008.
- 8.111 Following the Independent Review of Policing at Airports, work is underway to strengthen further the overall security regime at airports, especially the co-operation and co-ordination between security stakeholders. This aims to ensure, in particular, that any policing requirements are understood as part of a wider package of security measures, and can be determined by a clear and transparent process. This should then form the basis for agreeing the amount that airport operators will pay for such policing.
- 8.112 TRANSEC's international work focused in particular on work to finalise a new and improved EU Framework Regulation on aviation security, and on developing further its bilateral engagement with key international partners.

Maritime transport

- 8.113 The regulatory regime for port security, as set out by the International Ship and Port Facility Security Code and European regulations, has been extended by a European directive and we are consulting on the transposing regulations. The directive calls for a multi-agency approach to the protection of ports and we will be offering guidance to port operators to help them assess security at their ports.
- 8.114 TRANSEC continued its regular programme of inspections of UK ports and of UK-flagged cruise ships, both in UK and overseas ports, to ensure the continued protection of the ships and those travelling on them. MCA undertakes inspections of commercial ships on TRANSEC's behalf.
- 8.115 The Department has continued to promote higher maritime security standards overseas, through the International Maritime Organization and as a member of G8. This year we have been working with Oman using funds controlled by the Foreign and Commonwealth Office to help strengthen maritime security capabilities.
- 8.116 Last June's incidents in London and at Glasgow Airport focused attention on the vulnerability of public areas in transport, and since then we have been examining how we might reduce the vulnerability of terminal areas to attacks by vehicles. This work will continue in 2008-09.

Chapter 9

Freight and logistics



Chapter 9

Freight and logistics



Summary

The UK logistics sector is central to the UK's economic prosperity. It delivers the country's core needs from fuel to power stations to food and hospital supplies. It is vital to the effective operation of UK manufacturing industry, ensures the service sector can thrive and contributes to the UK economy through the employment of 2.3 million people across 190,000 companies.

Although freight growth has been decoupled from GDP increases in recent years, there remains a major challenge to ensure that the sector contributes actively to the Department's goals and objectives for climate change, quality of life, journey reliability and safety and security, given forecasts of sustained growth (albeit at a relatively modest rate) in the sector.

The Department's strategic approach to freight has five main elements, which are:

- regulating proportionately (both domestically and internationally) to minimise the administrative and other burdens placed on industry;
- investing in network and IT infrastructure required to support effective freight services where it is affordable and can be delivered in accordance with the Department's value for money policy;
- increasing compliance with regulations, adopting a more targeted approach to minimise the administration burden on those operating within the law;
- ensuring a long-term planning framework which recognises the needs and aspirations of industry and the overall public interest; and
- promoting, incentivising and or funding behavioural change where benefits are affordable and can be delivered in accordance with the Department's value for money policy.

During 2007-08 the Department has:

- consulted on both the traffic commissioner proposals in the Local Transport Bill and *Strengthening Local Delivery – Modernising the Traffic Commissioner system*, to clarify and strengthen the way traffic commissioners fulfil their statutory obligations;
- introduced an application procedure enabling lorry and bus operators to make a single application for all licences required;
- consulted industry and other stakeholders on further legislative changes to reflect the introduction of digital tachographs throughout the EU;
- completed a review of UK regulations implementing the EU working time directive for mobile workers;
- continued with a programme of research and promotion of efficiencies in the freight sector; and
- announced that VOSA will be provided with an extra £24 million over three years to target unsafe and overloaded HGVs on international journeys (see Chapter 8).

Looking ahead, the Department is:

- continuing to identify and understand the challenges to the freight sector in consultation with stakeholders, and aims to hold ‘listening to industry’ events during the course of the year;
- simplifying the operator licensing fee structure in 2009;
- aiming to abolish HGV windscreen discs as soon as the Department is satisfied that access to new technology at the roadside is sufficiently advanced to ensure that existing levels of enforcement can be maintained;
- aiming to provide a regulatory framework that minimises the risk and facilitates the safe transport of all dangerous goods;
- ensuring UK policies are promoted during the EU negotiations, to simplify the existing EU rules governing admission to the occupation of road transport operators and access to the road haulage and passenger transport markets;
- aiming to support further behavioural change in the logistics sector to deliver less congestion, greater safety and lower the environmental impact; and
- developing a comprehensive logistics evidence base to underpin and monitor interactions across the DfT family.

Responsibilities and strategy

- 9.1 The Department recognises that the lead responsibility for the provision of freight services and the management of supply chains in the UK rests with the private sector. Government intervention is normally only considered appropriate in one of three circumstances. These are where:
- the Government has responsibilities for the provision or funding of network infrastructure;
 - there is a demonstrable need for a long-term, strategic planning framework; or
 - the market fails to capture its own externalities – such as adverse impacts on environment, safety and congestion – and Government action can contribute to the achievement of the Department's strategic objectives.
- 9.2 The Department is engaged in EU level activities in respect of road and multi-modal freight. In May 2007 the European Commission published a package of three legislative proposals on road haulage and passenger transport. These aim to clarify and simplify the existing EU rules governing admission to the occupation of road transport operator and access to the road haulage and passenger transport markets. The Department has undertaken a consultation of national stakeholders and will continue to be engaged in EU level negotiations on the proposals during 2008.
- 9.3 In October 2007 the Commission also published its Freight Transport Logistics Action Plan, which identified 35 areas for action to improve the EU logistics chain and co-modality, which means better integration of different forms of freight transport by road, rail and water, and using each where they offer the greatest strengths. Most of the actions proposed require further development and specific proposals will be brought forward in the period 2008-13 for consideration by Member States and industry.
- 9.4 The Department has also played an active part in the Marco Polo II and Motorways of the Sea funding programmes which are designed to encourage the shift of international freight from road to rail or waterways.
- 9.5 Much of the Department's most important activity for the freight and logistics sector – such as investment in infrastructure – is part of its wider work discussed elsewhere in the report. This chapter therefore focuses on the two areas of activity that are specific to the sector; proportionate regulation (and associated work to increase compliance) and interventions to support behavioural change. It also covers the Department's work to enhance the long-term planning framework and evidence base underpinning its actions in this area.

Regulating proportionately

Traffic commissioners – Local Transport Bill proposals

- 9.6 In May 2007, the draft Local Transport Bill was published for consultation and contained a number of proposals to improve the operator licensing system. This was supplemented by a further consultation exercise in July 2007, *Strengthening Local Delivery – Modernising the traffic commissioner system*, on proposals to clarify and strengthen the way in which the traffic commissioners fulfil their statutory obligations.
- 9.7 After consultation on both initiatives, the draft Local Transport Bill was introduced in Parliament on 7 November 2007. This included provisions to:
- abolish the requirement that a single traffic commissioner is appointed to each traffic area, creating a ‘pool’ of commissioners able to act in all traffic areas – to improve efficiency and flexibility;
 - create a statutory Senior Traffic Commissioner with power to deploy the other commissioners (and their deputies) anywhere in Great Britain (subject to different arrangements in Scotland). This power also allows the Senior Traffic Commissioner to determine what functions each commissioner carries out – for example, particular commissioners could work only on bus registration matters, or goods vehicle cases;
 - allow the Senior Traffic Commissioner, following consultation, to issue guidance and general directions to the other commissioners about the exercise of any of their functions – to improve consistency of administration and decision-making. The Bill also abolishes the existing power for the Secretary of State to issue general directions to the commissioners, and replaces it with a power only to issue guidance to the senior commissioner – further increasing the independence of the commissioners;
 - clarify and extend the circumstances in which existing and future traffic commissioners that are systematically underperforming can be dismissed; and
 - extend the uncommenced power in the Transport Act 2000 to abolish the existing one month ‘margin concession’ – the period before goods operators are required to specify registration details of new vehicles on their operator’s licence. A new provision would also allow a margin of **up to** one month to be specified in regulations.

Other operator licensing reform

- 9.8 Following consultation in 2005, the traffic commissioners implemented, in August 2007, the proposal that lorry and bus operators with sites in different parts of the country would be able to make a single application for all the licences they needed. The Department will also simplify the operator licensing fee structure in 2009, and abolish HGV windscreen

discs as soon as we are satisfied that access to new technology at the roadside is sufficiently advanced to ensure existing levels of enforcement can be maintained.

Drivers' hours and working time issues

- 9.9 The Department consulted industry and other stakeholders on further legislative changes to reflect the introduction of digital tachographs throughout the EU. In particular these specify the circumstances in which transport undertakings must download data from digital tachograph vehicle units and driver cards. In September 2007, in preparation for the introduction of digital tachographs, DVLA linked UK enforcement authorities to the European Hub to allow them access to digital tachograph records. The regulations were laid before Parliament in December 2007 and came into force on 5 February 2008.
- 9.10 The Department completed a review of the UK regulations implementing the EU Working Time Directive for mobile workers. The outcomes were based on evidence collated through a fully consultative process (involving devolved administrations, enforcement agencies, industry and trade unions). The evidence did not identify any need to change the regulations, but improvements will be made to the existing guidance and the approach to enforcement.

Dangerous goods

- 9.11 Dangerous goods are vital in many sectors of the economy, such as construction, manufacturing, agriculture, energy supply, food production and the health service. The Department aims to provide a regulatory framework that minimises the risk and facilitates the safe transport of all dangerous goods. We aim to ensure that they are packaged and carried in a way that prevents leakage and protects the population, environment and economy. At the same time, we seek to minimise the burden on industry.
- 9.12 During the year, the Department has:
- negotiated international regulations which apply safety criteria systematically to the transport of all dangerous goods in all countries. In particular, this year we have led successful negotiations to lift administrative burdens on operators;
 - worked closely with other national and international regulators to harmonise requirements across all forms of transport to enable UK industry to transport its goods without incurring increased regulatory burden;
 - engaged with stakeholders to assess priorities for our international negotiations;
 - contributed to finding sustainable international solutions to prevent shipments of radioactive material being denied, and played a full role in the International Atomic Energy Authority International Steering Committee on Denial of Shipment;

- worked with our French counterparts to extend the scope of the agreement between our competent authorities to further minimise the burden on industry in obtaining certificates of compliance for packages to carry radioactive material. Since the agreement, industry has had to submit 10 fewer applications, and significant lessons have been learned by both competent authorities which have further enhanced safety. We have also developed an agreement to form an ‘association’ of other competent authorities to extend the concept of mutual working and recognition further, both within Europe and elsewhere;
- worked with stakeholders across the public sector and industry to find sustainable solutions to deal with the problems caused to the national transport infrastructure by acetylene in fires;
- continued our compliance assurance programme to ensure industry has effective systems for the safe transport of dangerous goods;
- worked with the Ministry of Defence to transfer skills to enable them to assess packages as being suitable to carry radioactive material for civil or defence purposes, and undertake their own compliance programme. We aim to complete the programme to transfer skills in 2009;
- worked closely with the Nuclear Decommissioning Authority and other regulatory bodies to ensure the nuclear decommissioning programme is fit for purpose and the safety requirements of the transport regulations are properly taken into account in planning;
- transferred from contractors to the Vehicle Certification Agency the assessments of compliance and issue of certificates for packages carrying non-radioactive dangerous goods to strengthen the Government role in this area. We aim, later in 2008 to transfer responsibilities in relation to management of dangerous goods training programmes, to the Driving Standards Agency;
- carried out a risk-based enforcement programme, either directly or through our enforcement; and
- worked closely with local authorities, the emergency services and other agencies where events needed a speedy collective response and involved the transport of dangerous goods.

Interventions to support behavioural change

- 9.13 Although the Department seeks to promote and support behavioural change in the logistics sector, private sector operators are ultimately responsible for delivering the benefits of less congestion, greater safety and lower environmental impact which arise from the Department’s sustainable distribution programmes. We monitor the benefits delivered by grants and departmentally funded programmes, to ensure that good value for money is achieved, and seek to prioritise available resources to deliver the greatest overall benefit.

Sustainable Distribution Fund

9.14 The Sustainable Distribution Fund (SDF) consists of two programmes:

- the modal shift programme, which helps to transfer freight from road to rail or water transport; and
- the efficiency programme, to encourage the more efficient use of all forms of transport.

9.15 Expenditure by the SDF is budgeted at £25.5 million for 2007-08. This is composed of £7 million for capital expenditure and £18.5 million for resource expenditure. These funds are allocated across modes through SDF processes based on those proposals that generate the greatest benefit.

Modal shift programme

9.16 The programme consists of three types of grants provided by the Department:

- Freight Facilities Grant (FFG) helps to offset the capital cost of providing rail and water freight handling facilities. In 2007-08 the Department was concerned that it only received two applications of sufficient quality to receive grants. We are therefore increasing promotion of the scheme in 2008-09, including through the Freight Best Practice Programme. We have announced budget levels for the next three years, so that schemes which require funding across financial years can be supported. The £21 million budget over three years has been profiled so that available funds increase year-on-year, to increase the likelihood of maximising spend. The Department also monitors the performance of schemes that have received grants and in 2007-08 recovered over £1.9 million from schemes that had been given grants in the past but were not performing to the agreed levels.
- Rail Environmental Benefit Procurement Scheme (REPS) secures the safety, journey reliability, climate change and quality of life benefits associated with running rail freight transport instead of road, by providing revenue funding where rail is more expensive than road. In 2007-08 the Department has provided over £17 million of grants to industry which has helped to shift almost one million lorry movements from road to rail.
- Waterborne Freight Grant (WFG) assists companies with the operating costs, for up to three years, associated with running water freight transport instead of road where water is more expensive than road.

9.17 During 2007-08 the Department started a review of these grant schemes, to ensure that they remained appropriate and evidence based, with a view to submitting new or revised schemes to the European Commission for State Aids clearance during 2009.

Efficiency programme

9.18 The Department has continued with its programme of research and promotion of best practice to the logistics industry. This programme is wide ranging with two key programmes, the Freight Best Practice

programme and the Safe and Fuel Efficient Driving (SAFED) driver training programme in particular delivering significant benefits on CO₂ emission.

- 9.19 The Freight Best Practice (FBP) Programme – now with over 50 best practice guides and case studies promoting fuel saving and efficient operations – continued to operate effectively (at a cost of £1 million) with around 120,000 visitors to the website, downloading a total of over 74,000 guides. In the same period over 69,000 guides in hard copy format were ordered through the FBP hotline. In addition, 80,000 copies of the *Freight Future* newsletter were distributed biannually to inform the industry of the latest best practice publications. Among the new FBP products launched was a new version of the Fleet Performance Management Tool, a computer-based tool to help fleet operators improve efficiency. This now includes a CO₂ calculator, developed with the Freight Transport Association, for company reporting. It is available free through the programme to all operators in England. The procurement process for the next Freight Best Practice contract, which will have a more multi-modal basis and include promotion of modal shift and grant funding, was launched in February 2007.
- 9.20 In addition, a further £2.7 million was invested in these programmes during 2007-08. This included benchmarking surveys in the food and drink sector, impact assessments, SAFED van demonstration funding, a survey of the Working Time Directive, and research for online benchmarking. We have funded a series of partner programmes where the Department sets objectives and invites partners to bring forward proposals to deliver benefits. Four partners have secured funding to communicate best practice to their members and customers better, develop a standard for agency drivers and support a conference to help local authority freight officers better understand freight issues. Following the successful trial to promote and embed SAFED techniques in the van sector a further £1.2 million, three-year programme was initiated in September 2007, funded through the Sustainable Distribution Fund. The programme is designed to support commercialisation of the SAFED scheme so that future training can be delivered entirely by the private sector.
- 9.21 The success of these programmes is confirmed by independent assessments showing that use of elements of the FBP programme relevant to the particular logistics operation has saved around 240,000 tonnes of CO₂ in 2005 and 2006, along with efficiency benefits in the region of £83 million. SAFED in the heavy vehicle sector has saved around 87,000 tonnes of CO₂ in the same period. Safety benefits are harder to establish, but research to evaluate these will be undertaken in 2008-09.

Aggregates Levy Sustainability Fund

- 9.22 The aggregates industry pays a levy for each tonne of primary aggregate (crushed rock, sand and gravel) that it extracts. Part of this levy is reinvested in the industry to mitigate the effects of its operations.

This is the Aggregates Levy Sustainability Fund (ALSF). The Department receives funding from Defra to mitigate the environmental effects of transporting aggregates, principally dust, dirt, noise, vibration, traffic and congestion.

- 9.23 The Department spent around £1.1 million of funding from the ALSF on modal shift programmes during 2007-08. This included grant funding of £220,000 for modal shift schemes which have resulted in the removal of over 25,000 lorry journeys during the year. These programmes will continue in 2008-09 and 2009-10.
- 9.24 The Department will also spend up to £850,000 through the ALSF, on efficiency programmes to continue the SAFED development training scheme. The scheme has been let for a two-year period until 2010 for approximately 5,000 drivers. This scheme will continue in the next two years.

Long-term planning framework and evidence base

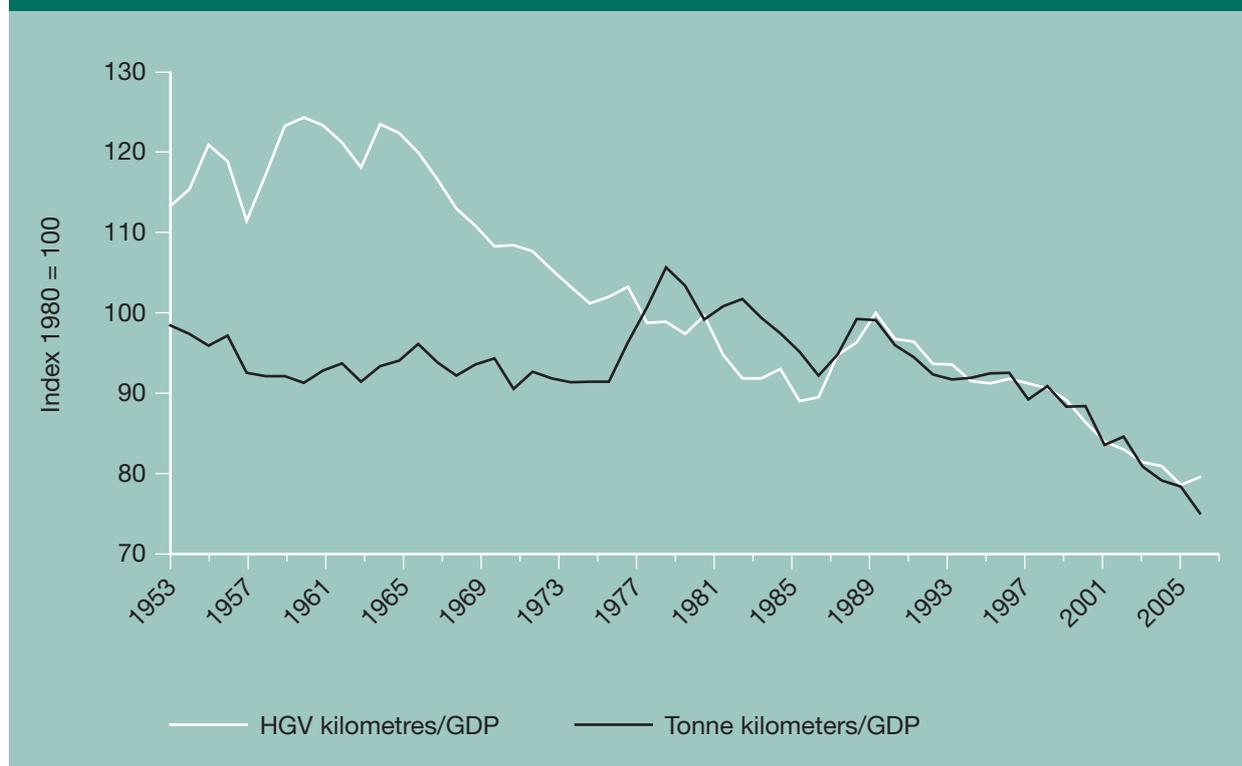
- 9.25 In April 2007, the reorganisation of the Department placed a cross-cutting responsibility for logistics issues with the Director General for Safety, Service Delivery and Logistics. Significant work has been undertaken during the year to ensure that this organisational change led to a greater understanding of the issue and challenges for the sector, and a more coherent approach to logistics strategy and engagement with stakeholders in the industry.
- 9.26 The Department plans that the TaSTS process represents as fully as possible the needs of the sector. To contribute to this a major 'Listening to Industry' workshop was held with over 60 industry stakeholders including freight users (such as major retailers, power stations, construction companies), road, rail and water freight operating companies, trade unions and trade associations, to discuss the key current and future challenges for freight and logistics. This was opened by the Secretary of State, and Parliamentary Under Secretary, Jim Fitzpatrick, participated in the plenary session which confirmed the key points raised during the day. Strong positive feedback was received from attendees. The Department intends to hold a similar event during 2008-09.
- 9.27 The Department has also established a Logistics Sounding Board of freight users and trade associations, chaired by a Director General, to support the Department's understanding of the sector and to assist prioritisation on the key issues for industry.
- 9.28 The Department recognises the need to identify and maintain a sound and comprehensive logistics evidence base to underpin and monitor interventions across the DfT family. The Department has made the first steps towards this during 2007-08 through undertaking or commissioning:

- a freight data feasibility study to examine the costs and benefits of options for developing a database of non-UK HGVs for the purposes of improving enforcement;
- an initial analysis of end-to-end freight journeys and the user experience in conjunction with the logistics industry. The project measures journey reliability, planned and unplanned time and segments of the journey for productivity and safety; and cuts across urban areas, national and international networks. The goal of the project is to identify and prioritise challenges on the whole journey rather than specific modes or ports, and to engage with stakeholders to identify these challenges. Nine case studies are underway in collaboration with the Freight Transport Association, suppliers and users;
- assessments of CO₂ contribution and other impacts of logistics operations;
- a detailed survey of drivers' and operators' understanding of working time rules, to underpin our review of the implementation of the Road Transport Working Time Directive;
- a report into the growing sector of 'returned goods' (known as reverse logistics) detailing actions to mitigate their effect by reducing returns and waste, and a tool for the management of reverse logistics. The application of the practices will increase business revenues and minimise unnecessary lorry miles;
- a key performance indicator study on the food and drinks sector;
- fuel consumption versus payload research to investigate the relationship between payload and fuel efficiency, aiming to indicate which is the best vehicle to use for operations; and
- a waste collection study looking at optimising collection rounds and showing the benefits of cross boundary operations between collection authorities.

Outcomes

- 9.29 The effectiveness of road freight has continued to improve overall as measured by the index of lorry traffic intensity. This index maps the relationship between economic growth and increases in lorry traffic.

Figure 9a: Index of lorry traffic intensity 1953-2006

Figure 9b: Revenue spending on logistics programmes 2005 to 2011
(all figures £000s)

Logistics programme	2005-06 Outturn	2006-07 Outturn	2007-08 Expected Outturn	2008-09 Budget Plans	2009-10 Budget Plans	2010-11 £m
Sustainable distribution research and road efficiency programmes	1.5	1.8	2.8	-	-	-
Rail and water grants ¹	23.0	24.3	-	-	-	-
Sustainable Distribution Fund ²	0.5	2.2	18.5	21.3	21.9	22.5
Logistics research ³	-	-	0.9	1.5	1.5	1.5
REVENUE TOTAL FROM DfT	25	28.3	22.2	22.8	23.4	24.0
Departmental Expenditure Limits (DEL)						
Defra, Aggregates Levy	2.5	2.1	1.4	1.2	1.2	1.2
Sustainability Fund – Transport						

1 Includes support for assessment of (capital) water freight grants.

2 Includes revenue grants for rail and water freight and funding for Safe and Fuel Efficient Driving Programmes from 2006-07. Includes freight and van best practice programmes from 2008-09 onwards.

3 Covers research to support the Department's work on cross-cutting logistics issues including supply chain sustainability.

Figure 9c: Capital Spending on Logistics Programmes 2003 to 2011
(all figures £000s)

Logistics programme	2005-06 Outturn	2006-07 Outturn	2007-08 Expected Outturn	2008-09 Budget Plans	2009-10 Budget Plans	2010-11 £m
Water freight facilities grants	3.1	3.7	–	–	–	–
Sustainable Distribution Fund ⁴	–	–	1.2	4.0	7.0	10.0

⁴ Includes rail and water freight facilities grants.

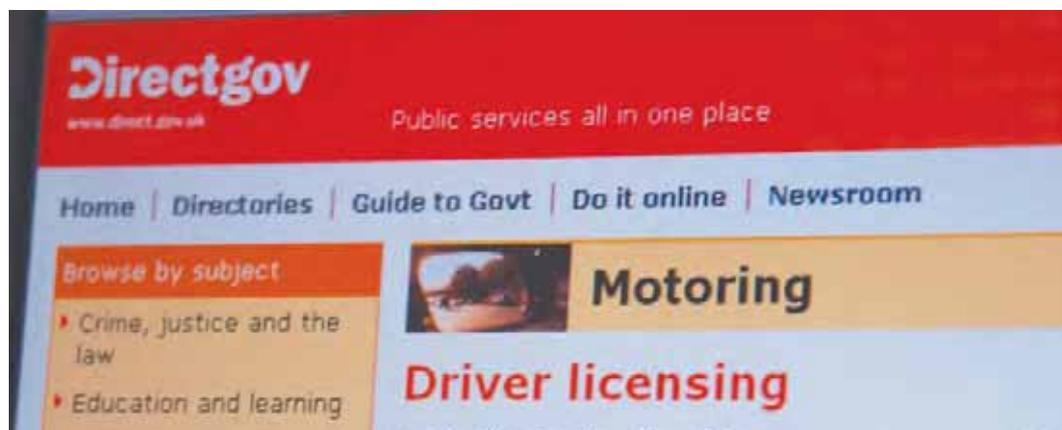


Chapter 10

Service transformation

Chapter 10

Service transformation



Summary

For many years now the Department has been working to provide services for its customers that are easy to access, easy to understand, and easy to use. These services are designed to meet customers' needs and help them to carry out transactions in as few steps as possible. We identify their needs through an extensive programme of customer research, testing and insight.

As part of delivering these ongoing improvements, the Department has identified four DfT service transformation outcomes:

- to deliver a service driven by customers, based on research on how they live their lives and what their needs and priorities are;
- to provide accessibility and choice for all customers, delivered seamlessly in as few steps as possible, providing the most effective channels for them to access our services;
- to deliver a positive customer experience, with simple and secure systems and processes that inspire confidence, continually testing their experience and improving our services in response; and
- to value and engage with front line staff and learn from their experience, providing them with the tools, systems and skills they need to deliver an excellent service.

The Department also contributes to the two service transformation measures set out in the Government's Service Transformation Agreement, which underpins the Comprehensive Spending Review 2007 PSA targets. These Government measures involve:

- achieving a reduction in avoidable contact by 50 per cent by 2011; and

- migrating more than 95 per cent of identified citizen and business content to Directgov and Business Link by 2011.

To deliver our service transformation outcomes, existing paper-based systems will increasingly be replaced with electronic, self-service methods that are easier to use, more accessible, and available 24 hours a day, 365 days a year.

During 2007-08 the Department has made real progress in these areas, including:

- increasing the average number of electronic car tax/SORN transactions to around 100,000 a day – representing some 40 per cent of all car tax transactions made;
- launching a further four online motoring transactions on DirectGov;
- reaching 20 million Transport Direct user sessions in December 2007;
- launching a carbon calculator for car and public transport journeys to help customers to estimate the carbon cost of their journey;
- launching an electronic bus company route registration service;
- winning major awards for our MOT computerisation, car tax online service, and contact centres;
- launching a DAB traffic radio service offering up-to-date information on traffic conditions; and
- significantly increasing the use of the motoring and travel and transport services on DirectGov.

Looking ahead, the Department will build on these achievements by:

- migrating more and more of our online citizen and commercial services onto Directgov and Business Link;
- continuing to replace paper-based systems with electronic systems wherever we can to provide a quicker and more cost effective service;
- further increasing the use of our online channels and services;
- continuing to work to reduce the number of unnecessary calls to contact centres; and
- exploring the use of new technology and encouraging innovation.

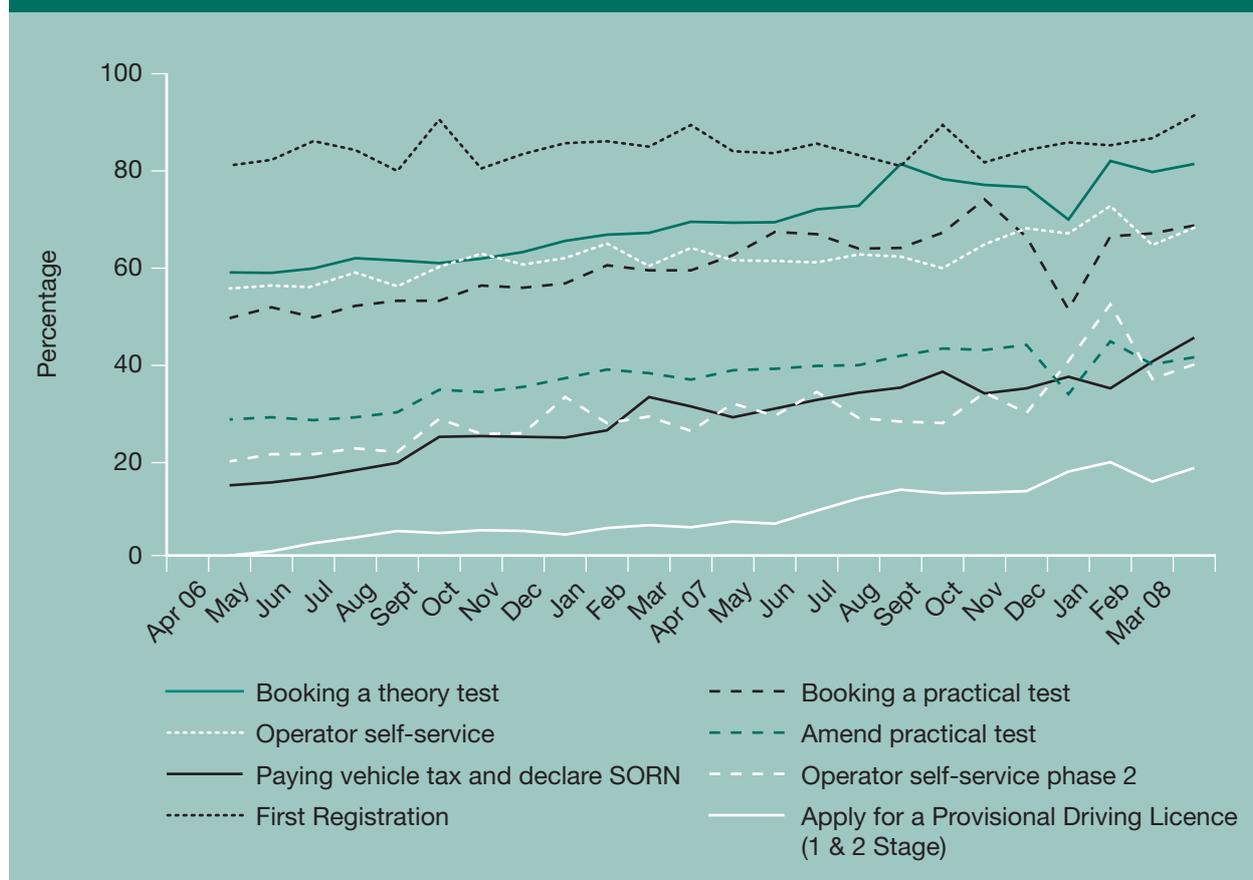
The following chapter summarises the service transformation work delivered over the past year under two headings; transactional services, and information services.

Transactional services

Take up and customer satisfaction

- 10.1 Nearly 11 million electronic transactions take place each month via Safety, Service Delivery and Logistics (SSDL) Group’s online facilities. This rises to as many as 11.8 million during the traditionally busy September and March new vehicle registration periods. The electronic services provided by the Group means customers can choose how and when they carry out transactions, saving them time and effort, whilst at the same time saving taxpayers’ money compared to using paper-based or face-to-face channels.
- 10.2 Electronic take up is on a strong upward trend and should remain so as SSDL Group adds further new services. Increases in levels of customer satisfaction (for example 98 per cent for customers using the online driving theory test booking system), indicate that users have welcomed the easier and more convenient access to an increasing range of services offered by the new electronic channels. Figure 10a shows the percentage of customers using selected SSDL Group services online.

Figure 10a: **SSDL Group electronic services: breakdown of usage by service**



Electronic Vehicle Licensing and MOT computerisation

- 10.3 The Department has made it easy for customers to renew their car tax or make a statutory off-road notification (SORN) electronically. The Driver and Vehicle Licensing Agency's Electronic Vehicle Licensing (EVL) system takes, on average, four minutes to complete a transaction. Secure links to the motorists' insurance database and to electronic MOT records make it easy for the customer to tax their vehicle at a convenient time to them, whilst at the same time encouraging greater compliance.
- 10.4 The number of people using the EVL system has continued to grow steadily throughout the year, with almost 14 million EVL transactions carried out during the 2007-08 year over the internet or by automated telephone. Take up of all electronic services was 76 per cent to the end of March 2008. Where a choice was available as to whether to use a service electronically, 49 per cent of transactions were carried out using the electronic service.
- 10.5 The EVL system has won two prestigious awards in the past year:
- National Business Awards July 2007 – the Orange Best Use of Technology Award; and
 - E-Government National Awards January 2008 – runners up in the Central e-Government Excellence Take up and Usage Growth.
- 10.6 The computerisation of MOT records, which links 19,000 garages through a centralised computer system, also won two prestigious awards during 2007-08:
- British Computer Society (BCS) IT Industry Awards – VOSA's MOT computerisation was announced as the winner of the Business-to-Business Project Award. This award recognises excellence, professionalism and innovation in IT and the citation from the judging panel read, "A challenging project that brings real benefit to the motor industry".
 - E-Government National Awards January 2008 – MOT Computerisation awarded 'Central e-Government Excellence: Take up and Usage Growth'. This award was in recognition of the high number of garages using electronic ordering and payment mechanisms for test slots and catalogue items. The results of nearly 80 million MOT tests have now been recorded onto the system.
- Services relating to the driving test**
- 10.7 The Driving Standards Agency has recorded a steady increase in the number of candidates booking their theory and practical car driving tests electronically. By March 2008, 81 per cent of candidates used the internet to book a theory test and 68 per cent of candidates used the internet to book their practical tests. Candidates can also change the date of their practical test booking online if they need to. Almost 41 per cent of candidates used this service between April 2007 and March 2008.

Services relating to the driving licence

- 10.8 Customers have been able to apply for their first driving licence online since April 2006, and by March 2008 nearly 18 per cent of drivers were applying for their first driving licence online. Four further driving licence transactions also came online in June 2007:
- notify a change of address;
 - request a new-style driving licence;
 - request a duplicate licence; and
 - renew a driving licence at aged 70.
- 10.9 The new services are already popular with customers, with more than 600,000 transactions completed online by February 2008.

Contact centres

- 10.10 We currently have four contact centres, run by DVLA, DSA, HA and VOSA. Together these handle over 30 million calls each year from private and commercial customers. These involve a wide range of topics including; travel information, progress on applications, and information about our services. During the past year they have all been working to reduce the number of avoidable calls they receive from customers, through analysing the reasons for calls, improving turnaround times and back office processes (to reduce the numbers of 'chase' calls), introducing new technology (such as voice recognition systems) and promoting the use of web channels for seeking information.
- 10.11 The DVLA contact centre in Swansea (which handles over one million calls every month) won two major awards during the past year in recognition of the significant progress made in improving its services:
- September 2007 – European Contact Centre Forum award for Best Improvement Strategy
 - November 2007 – Wales Contact Centre Forum award for Best People Development Strategy
- 10.12 It also received accreditation to the Contact Centre Association's Global Accreditation Standard in September 2007.

Providing online services for businesses

- 10.13 The Vehicle and Operator Services Agency (VOSA) has run an electronic operator self-service system for some time, and the system has been extended to widen the range of services available online to commercial customers. Online services include updating and paying for operator licences, paying fees, amending licence details and accessing a secure mailbox for correspondence and documents. By February 2008, 64 per cent of transactions were carried out by commercial customers using the operator self-service, and 36 per cent of transactions were carried out using the extended range of services.

10.14 A new electronic bus service registration (EBSR) system was launched in January 2008. EBSR enables bus operators to submit bus service registration applications to VOSA online, rather than via the current paper-based approach. Electronic registration saves time, reduces errors and gives operators greater ownership of their service data. Public services such as Transport Direct and Traveline can use EBSR information to keep bus timetables up-to-date.

DirectGov and Business Link

10.15 As well as introducing new electronic services, we have been making it easier for customers by putting more of our online services and transactions on to Directgov and Business Link.

10.16 DirectGov, is the Government's one-stop website for public services and is the channel of choice for most customers of online public services. The Department's motoring franchise is the largest and most popular site on DirectGov, with over two million visits each month. The Department's other Directgov site, the travel and transport franchise has seen the number of visits triple during the year, to hit over 300,000 visits a month by February 2008.

10.17 Currently, DfT services for commercial customers, including the operator self-service system, are provided through the Department's Transport Office portal. It is planned to move these services across to Business Link, the online one-stop service for the Government's commercial customers.

UK Ship Register

10.18 The MCA's 'UK Ship Register', launched in February 2007, brings together all stages of the ship registration process in one place. Online registration is available through a dedicated website and 24/7 customer care service throughout and after registration. An online application tracker enables ship owners to check the progress of their application 24/7. In July 2007 the agency launched an electronic newsletter 'Flagging up' which includes a round-up of news and guidance notes relating to the UK Ship Register. Opening hours for the UK Ship Register telephone helpline were also extended to provide a 7am-7pm service.

Information services

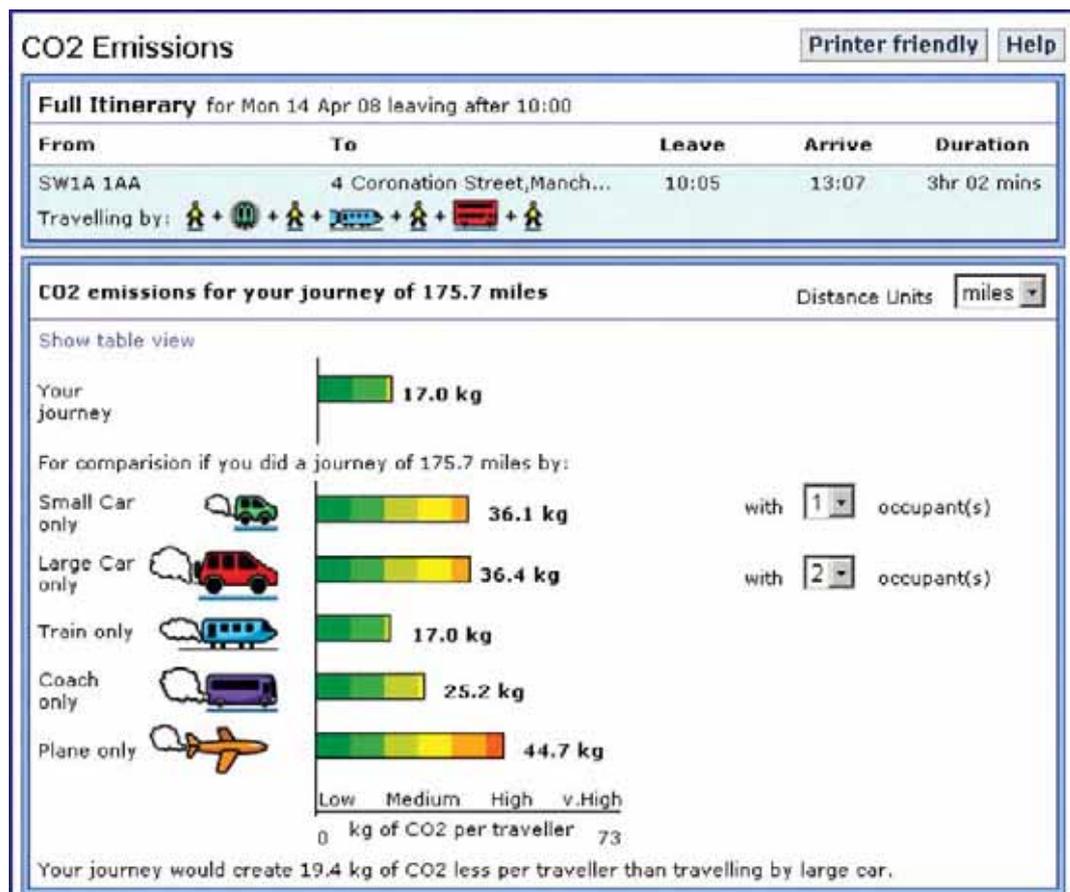
Transport Direct

10.19 Transport Direct (www.transportdirect.info) provides information and journey plans for travel by car and public transport within Great Britain. Public take-up has continued to increase with the service recording its 20 millionth Transport Direct portal user sessions in December 2007.

Transport Direct user sessions since launch (including mobile and web services)

2005	2006	2007
3,114,811	7,559,504	12,269,795

10.20 In May 2007, Transport Direct launched a carbon calculator covering both car and public transport. This lets users compare the estimated carbon costs of a range of journey options. The counter shows kilograms of CO₂ emitted per traveller for the selected journey option. Below this is a diagram showing emissions for a journey of the same distance using different modes of transport. For car journeys, users can specify the number of occupants, which results in a lower figure per traveller the more occupants there are and encourages multi-occupancy of cars.



10.21 Car park information is one of the most popular transport-related topics for search engine users. The Find a Car Park feature has therefore been moved to Transport Direct's homepage. Find a Car Park returns a list of the nearest car parks to a chosen location and offers journey plans to them. This is often more useful than planning to the actual destination, where it may not be possible to park. New data is added to Transport Direct's database every week and it now contains details of around 14,000 car parks.

- 10.22 Over 10 per cent of Transport Direct's user sessions are generated via hyperlinks on other websites. These are typically placed on pages containing information about a place – for example, a hotel or tourist attraction. When selected, they open Transport Direct with that place pre-set as the destination. Organisations whose website visitors have benefited from these links include the NHS, National Rail Enquiries, WeGotTickets and the National Trust. The links are free to use, require little technical knowledge, and have more than doubled in popularity over the course of the year.
- 10.23 Transport Direct works closely with other government departments and services. In spring, a fully rebranded Transport Direct planner was released on DirectGov, making travel information an integral part of all public services. Transport Direct is also working with Business Link to provide travel information and journey planning tools to small and medium-sized businesses.
- 10.24 Google's customers can now begin to find public transport stops and stations on Google maps. These are derived from Transport Direct's National Public Transport Access Nodes (NaPTAN) database, which contains some 400,000 stops. Clicking on a stop opens Transport Direct, which then offers journey plans to or from the stop. This has been trialled in the south east of England and will now be rolled out across the whole of Great Britain. It is the first ever agreement between the UK government and Google to use government-created data.

Highways Agency

- 10.25 Since 2003, there has been a substantial increase in the use of travel information by people using the strategic road network. Twenty-six per cent of people now use some form of travel information before setting out on their journeys, compared with 18 per cent in 2003; and 41 per cent of people now use travel information during their journeys, compared with 28 per cent in 2003. Reflecting this growth trend, use of information services substantially increased during 2007-08:
- the Highways Agency Information Line received over 134,000 calls and dealt with 21,500 email enquiries; and
 - the Traffic England website received almost 5.4 million customer visits.
- 10.26 Information is also supplied via travel news media reports, on-road electronic message signs, the Department's Transport Direct website www.transportdirect.info, and independent and third-party information providers.
- 10.27 Following successful trials, the agency has launched three new driver information services:

- Traffic Radio launched on DAB digital radio in June 2007. The service provides real-time traffic information, updated every 10 minutes at peak times. The service has also been broadcast on AM wavelengths for short periods to provide additional information about major improvements schemes and events such as the Tour de France;
- journey and delay times are now automatically displayed on selected variable message signs (VMS) with a service rolled out across the network during summer 2007; and
- real-time traffic camera images are now being supplied to approved websites. The service will be further enhanced to provide moving images for TV travel news bulletins.

10.28 Trials of information points in selected service stations and truck stops have continued throughout the year. Further successful trials were also conducted at Bluewater shopping centre and the service will be extended to further venues.

Maritime and Coastguard Agency

10.29 MCA have also launched a free electronic subscription service for marine notices which tell shipping and fishing industries about important safety, pollution prevention and other relevant information. This environmentally friendly option has proved very popular with over 2,400 subscribers to date.

How much will your next round cost you?

Chapter 11

Corporate resources and efficiency



Chapter 11

Corporate resources and efficiency



Financial management

11.1 The financial management of the central Department operates as follows:

- business cases are examined using a three-tier approach through the investment appraisal framework. Tier one sets criteria for review by the DfT Board; tier two sets thresholds and standards for governance and clearance by designated scrutinising bodies; and tier three sets standards for analysis and documentation for all appraisals;
- the corporate governance framework was reviewed and reissued in June 2007. This reflected changes in financial management responsibilities resulting from the reorganisation of line and central finance projects, and includes an assurance framework and revised year end control self-assessments for completion by heads of unit;
- a single core reporting suite, together with renewed performance and conformance measures, enables effective financial monitoring and control. The report is produced jointly by central finance and resource management and planning teams (RMPTs), and includes financial risks and business reviews;
- quarterly meetings take place between each Director General and the Permanent Secretary to review financial performance and risk management;
- RMPTs, led by qualified finance professionals, operate in each director general led group to improve financial management and skills;
- responsibilities and relationships between all those engaged in financial management in the Department – RMPTs, Planning and Performance Directorate, Finance Directorate and line managers – are set out in a relationship memorandum. The memorandum also sets out relevant business planning and risk management responsibilities;

- purchase order raising and invoice processing for most of the central Department is centralised to improve efficiency and standards of processing; and
 - a financial skills framework for the central Department has been developed to ensure that staff have the necessary skills in financial management.
- 11.2 A resource account is required each financial year, under the Government Resources and Accounts Act 2000. These accounts have to be prepared in accordance with the Financial Reporting Manual (FREM) issued by HM Treasury.
- 11.3 DfT's resource account contains the financial statements of the core department combined with the executive agencies. The Department's executive agencies for the purposes of the resource account are the Government Car and Despatch Agency (GCDA), Highways Agency (HA), Maritime and Coastguard Agency (MCA) and Vehicle Certification Agency (VCA). Under Treasury rules, DVLA, DSA and VOSA are excluded from the resource account.
- 11.4 It falls to Group Financial Accounting Division (GFAD) to produce the resource account. The executive agencies provide information on their finances at the year end, and this information is combined with that produced by the core to produce the resource account. Where necessary, Group Finance will also ask for input from other areas of the Department (such as Human Resources or Legal Services) so that the resource account is complete and accurate with regard to the narrative disclosure that is required.
- 11.5 A draft resource account is passed to the National Audit Office (NAO) at the beginning of May. The aim of the Department and the auditors is to have the account audited and presented to Parliament before MPs' summer recess. In 2006-07 the Department for Transport was the first major department to present an audited resource account to Parliament. This account had received a clear opinion from the NAO.
- 11.6 Shared services have been implemented for the central Department, DSA and DLVA. The change is intended to enhance the efficiency and effectiveness of finance procedures and the finance capability for supporting budget holders/managers.

Risk management

- 11.7 Risk management forms a central element of the Department's internal control framework. Risks are managed at the level most able to deal with them, with the most serious risks being escalated to the departmental Board. The Board also reviews cross-cutting risks as part of its regular review of departmental performance.

Programme and project management

11.8 Performance and Planning Division (PPD) continues to manage the programme and project management (PPM) 'centre of excellence' (CoE) functions within the Department. Key components include:

- continued management of a PPM network of PPM practitioners, to offer good practice, guidance, support and capability development in PPM competencies across the Department and its agencies. There are over 450 members throughout the DfT family;
- growth of internal resource for Gateway reviews leading to increased understanding of the process and benefits, including commitment by project teams and stakeholders to apply the gateway process to DfT projects, leading ultimately to more successful delivery;
- ongoing management and development of a Programme and Project Lifecycle, enabling staff to plan the delivery of projects and progress by following best practice and guidance; and
- analysis of lessons learned, prompting investigation into improvements that can be made to how projects and programmes are initiated, including the development of links to the investment decision-making process within DfT.

Evidence and research

11.9 A major priority has been developing the evidence base to underpin the new approach to planning transport policy which was outlined in *towards a sustainable transport system* (TaSTS). In particular, this has involved updating our tools for economic appraisal and modelling, to enable evidence on the different impacts of policy proposals to be considered in an even-handed way across different modes, across different types of policy intervention and across different types of impact.

11.10 To do this, we launched a consultation alongside the TaSTS document on priorities for updating to our New Approach to Appraisal (NATA). The consultation on the updating – the NATA Refresh – closed at the end of March with over a hundred responses. Together with workshops and conferences around the country, the consultation has generated a wealth of valuable ideas. We plan to set out our response to the consultation in the summer, and to take forward work programmes to introduce priority improvements to NATA over the following year.

11.11 Within the Department, policy and operational units are responsible for the evidence and research that is relevant to their needs, so that evidence is assessed, commissioned and applied in the relevant context. The current arrangements for managing research became effective in 2006-07 and provide a more strategic look at our evidence and research requirements, facilitating co-ordination and communication of those requirements. They

are based on departmental and unit strategies, developed locally but scrutinised centrally (by the chief scientific adviser and chief economist) and published on the website. References to the evidence and the underpinning research are therefore to be found in relevant sections throughout this report.

11.12 In addition to the work to develop a robust evidence and research base able to inform present and future policy developments and interventions, and evidence and research outputs to de-risk programmes and schemes, we have also developed programmes to ensure that the needs and opportunities for cross-cutting innovation are identified and incubated, developed and implemented. Particular developments this year have included work to facilitate the wider exploitation of data, and to investigate the potential for adopting new techniques to inform strategic and tactical planning, asset management and operational responses.

Communications and marketing

11.13 Our communications work to convey information about the Department's activities is led by communication professionals in the Department's Communication Directorate. Our aim is to achieve effective and efficient communication of the Department's aims and objectives inside and outside the Department, targeting press, stakeholders, the general public, and staff in the Department including executive agencies.

11.14 Good, co-ordinated communication is essential to our business. Transport is more often than not a local experience, and local or regional issues can often make big news in particular places. That is why we target our messages both nationally and locally.

11.15 In the past year, we have:

- co-ordinated and liaised on a series of major transport announcements, targeting regional and consumer news media, in addition to national news media, so that more people are aware of transport issues;
- continued to improve stakeholder liaison and liaised extensively on the development of *Towards a Sustainable Transport Strategy* (TaSTS);
- carried out a major consultation on adding capacity at Heathrow airport, which involved advertising, mailings and local events to stimulate participation in the consultation; and
- taken forward four major publicity campaigns:
 - **THINK! road safety**, the highlight of which was our launch of new drink drive advertising, which together with increased police enforcement, has led to a reduction in positive breath tests over Christmas 2007
 - **Act on CO₂**, promoting the Best in Class car categorisation which shows which cars emit the least CO₂, and encouraging smarter driving

- **bus concessions**, working with a range of national and local stakeholders to communicate the new national bus concession that came into force on 1 April 2008; offering free national bus travel in England to those over 60 or registered disabled
 - **aviation security**, drawing attention to the rules about conveying liquids through airport security
- 11.16 We continually seek to improve our professional, co-ordinated news, marketing, publishing and corporate communications service for the Secretary of State, her Ministerial team and departmental officials. We are also playing a key part in communicating the Department's own development programme as part of Government-wide initiatives.
- 11.17 The central Department estimates its projected operational publicity spend for 2007-08 is some £26.7 million.

Third party support

- 11.18 As in previous years, the Department has not received any cash sponsorship. We have, however, received 'in kind' support from a range of organisations, which have linked with our publicity campaigns as part of their corporate social responsibility objectives. We are grateful for this 'in kind' support but have not put a cash value on it. Full details are in Appendix C.

Information assurance

- 11.19 The Department for Transport holds some of the Government's largest databases such as the driving license and vehicle databases at the Driver and Vehicle Licensing Agency and we are at the forefront of implementing e-government services. Ensuring the confidentiality, availability and integrity of the information for which we are responsible remains a top priority.
- 11.20 During 2007-08 there were a number of incidents across Government involving the loss of personal data. As a result, the Cabinet Office initiated a review of data handling across Government as a whole.
- 11.21 On 17 December 2007 the Secretary of State informed Parliament of the loss of a hard disk drive by the DSA's theory test provider. The Secretary of State announced a number of immediate remedial steps to improve security of information within DfT and its Agencies.
- 11.22 Significantly higher standards have been achieved by:
- Ensuring that all bulk transmissions of personal data are undertaken electronically or by secure distribution services.
 - Revising guidance about the security and use of laptops and other types of removable media, and the need for them to be encrypted to Government standards. Laptops containing protected information were encrypted by the end of the financial year.
 - Putting in place immediate measures to reduce the risk of data losses between Northern Ireland and DVLA Swansea, including tighter monitoring

of all data transfers and encryption of disks. The longer-term goal is to merge the databases and work has continued on the practical issues involved.

- 11.23 The Cabinet Office, cross-Government review of data handling is underway but, at the time of going to print, had not been published.
- 11.24 We shall cover protected personal data related incidents in the Department's Resource Accounts for 2007-08 in the format required by the Cabinet Office.

Information rights

- 11.25 The FOI regime (Freedom of Information Act, Environmental Information Regulations and changes to the Data Protection Act) came fully into force on 1 January 2005.
- 11.26 Overall in 2007 we met the deadlines for response in 91 per cent of the 1,878 FOI cases received across DfT. This was the same as our performance during 2006, even though we handled nearly 10 per cent more requests. In both years we have been able to provide all the information requested in the majority of cases.
- 11.27 In the interests of making the information we have disclosed more widely available, we have continued to publish responses of wider public interest on our websites, as well as other new material.

How we handle complaints

- 11.28 The Department for Transport aims to provide a high quality service to the public. We welcome all feedback – good and bad – to help us continue to improve that service.
- 11.29 The central Department and each of our executive agencies has its own complaints procedure. Information about how to use these can be found on the Department's website at www.dft.gov.uk or through the individual agency websites.

Legal services

- 11.30 Legal Services Directorate (LSD) of legally qualified and administrative staff provides legal services to DfT and agencies. It helps the Department achieve its aims and objectives by providing a constructive, timely and responsive legal service delivered to a high professional standard. LSD lawyers help to manage legal risks and to deliver policy within a sustainable legal framework.
- 11.31 LSD maintains close links with other Whitehall legal teams to help ensure that the benefits of best practice are shared and applied. LSD also helps to manage the legal input provided to DfT by external lawyers. The core work of LSD is to prepare Parliamentary bills, to draft secondary legislation, to provide legal advice (including advice in respect of litigation and EU negotiations), and to improve public law awareness and administrative professionalism in DfT and its agencies.

11.32 In 2007-08, working with Parliamentary Counsel, the rest of DfT and with other government departments, LSD is working on several Bills in progress: the Local Transport Bill, the Crossrail Bill and the Channel Tunnel Rail Link (Supplementary Provisions) Bill. LSD is also preparing a draft Bill relating to marine navigation and port safety and has contributed to the preparation of a draft Bill to reform planning procedures. We have also contributed to several other Bills in progress, including the Finance Bill and the renewable transport fuel provisions in the Climate Change Bill.

11.33 Major statutory instruments prepared by LSD lawyers working with the rest of DfT and agencies during 2007-08 include:

- implementation of EU legislation relating to transport, including transport safety and environmental protection;
- a major consolidation and updating of the secondary legislation relating to the carriage of dangerous goods by road and rail;
- the Renewable Transport Fuels Obligation Order;
- EU Railway Safety Directive implementation for the Channel Tunnel;
- continuing implementation of international maritime convention requirements for the control of marine pollution, and European directives on health and safety;
- roads and street works measures and civil enforcement of parking under the Traffic Management Act 2004;
- emergency measures to relax goods vehicle drivers' hours requirements as part of the Government's action in response to the summer's flooding and foot-and mouth disease outbreak; and
- the consultation draft of legislation to provide a new local residents discount for use of the Dartford-Thurrock Crossing.

11.34 LSD's advisory work with the rest of DfT and the agencies during 2007-08 has helped them to achieve their objectives and manage their delivery risks include:

- helping DfT colleagues to prepare for implementing the Eddington Study proposals to reform planning procedures relating to major infrastructure projects, including work to establish an Infrastructure Planning Commission to consider major transport schemes;
- working with DfT colleagues and with Transport for London (TfL) on the rescue and restructuring of the London Underground PPP in the wake of the insolvency of the Metronet PPP companies;
- work to help the creation of the Renewable Fuels Agency (RFA);
- work to help the multi-billion pound Transport Innovation Fund (TIF);
- contributing to DfT's work to prepare for and respond to emergencies, including the summer flooding and security incidents;

- legal advice to accident investigation branches, including advice to help the work of the Rail Accident Investigation Branch (RAIB) in their investigation of the train crash at Grayrigg;
- legal advice on the successful letting and mobilisation of four new passenger rail franchises, including cascades of rolling stock;
- working with DfT aviation and highways colleagues on implementing policies set out in the *Future of Air Transport* white paper, including the potential expansion of Stansted and Heathrow airports and the development of the EU's emissions trading scheme for aviation;
- legal advice on proposals to develop the feasibility of active traffic management on motorways;
- legal advice to the Highways Agency to help their work of managing and improving the nation's strategic roads network;
- working with DfT and agency colleagues on finalising a new edition of the *Highway Code*;
- working with colleagues on the changes to the Blue Badge scheme;
- work on data protection and data security issues, to help DfT and the agencies continue to provide web-based services to customers;
- helping DfT and agencies in their Freedom of Information work;
- advice to help the continued provision of appropriate security measures at airports and on the railways, including advice on such issues as the relaxation of the 'one bag rule' at airports;
- advice on equal pay and gender equality issues and advice in relation to issues under DfT's '4ward' programme;
- United Nations Commission on International Trade Law (UNCITRAL) Convention advice on issues in relation to proposed ship-to-ship oil transfers; and
- the project for the London Gateway harbour development, which will create a new harbour authority.

11.35 Our legal awareness programme has continued to be a popular means of helping colleagues in DfT and the agencies to understand and mitigate legal risks in their work better. We have also been introducing training to help policy and delivery officials to make a more effective contribution to the preparation of secondary legislation.

Valuing diversity

11.35 The Department recognises that, in order to deliver transport that works for everyone and to meet our business objectives, staff need to be representative of the diverse communities we serve. DfT is committed to being an organisation in which fairness and equality of opportunity are central to our approach in business and working relationships, and where our organisational culture reflects and supports these values.

11.36 Over the past 12 months, the central Department has:

- introduced a range of employment measures to strengthen and take forward diversity policy, and to help develop our diverse talent;
- made active use of our Board-level champions for each of the equality strands covering, race, disability, gender and sexual orientation;
- conducted a detailed review of our procedures for providing adjustments for disabled staff – a key action from our Disability Equality Scheme;
- established a Gender Focus group for the Department's operational and policy sections, to bring forward proposals to promote gender equality and to raise points of concern;
- published a more detailed and challenging analysis of our diversity monitoring, to better inform future equality scheme action plans;
- continued to run 'valuing diversity' events which provide an opportunity for staff to learn new perspectives that can help in building positive working relationships – some of these were open to other public sector organisations;
- launched the fourth round of the Green Light career development programme. Green Light is a talent pool aimed at identifying possible future leaders from the minority ethnic staff community across the central Department and agencies. The programme supports the accelerated development for these staff to realise their full potential; and
- supported and encouraged participation in the four officially recognised staff networks and, as part of this commitment, provided financial support and facility time.

11.33 The Department continues to support organisations committed to improving diversity such as:

- Race For Opportunity;
- Opportunity Now;
- Employers Forum on Disability;
- Employers Forum on Age;
- Gender Trust; and
- Stonewall.

Figure 11a: Performance against civil service 10-point plan diversity targets

Improvements to be made	DfT position	DfT April
	as at 31 March 2008	2008 targets
Women in senior civil service (SCS)	25.6%	30%
Ethnic minority staff in SCS	1.5%	4%
People with disabilities in SCS	2.0%	3.2%
Top 600 civil service posts to be filled by women	28.6%	30%

Figure 11b: Diversity make-up of the Department's staff (including agencies)

Staff in post as at 31 March 2008	SCS staff	Non-SCS staff	Total staff
Total male staff	148	10,931	11,079
Total female staff	51	8,106	8,157
Total staff	199	19,037	19,236
Ethnicity of staff (numbers)			
White	191	15,760	15,951
Mixed ethnic background	0	141	141
Asian	2	444	446
Black	0	267	267
Chinese	0	36	36
Other	1	123	124
Ethnicity unknown	5	2,185	2,190
Non-Participants		81	81
Disabled staff (numbers)			
Declared a disability	4	1,150	1,154
Part-time staff (numbers)			
Total part-time staff	20	2,499	2,519
Age profile of staff (numbers)			
Under age 20		77	77
Age 20-24		1,138	1,138
Age 25-29		2,196	2,196
Age 30 -34	4	1,930	1,935
Age 35-39	29	2,113	2,142
Age 40-44	27	2,691	2,718
Age 45-49	47	2,980	3,037
Age 50-54	47	2,629	2,676
Age 55-59	35	2,106	2,141
Age 60 or over	10	1,176	1,186

The figures are staff in post, so two part-time staff count as two staff in post. This gives a higher headcount figure than the full-time equivalent headcount information provided in Table A6 at Appendix A. 'Staff in post' has to be used for diversity monitoring because each individual has his/her own diversity information. The figures cover the central Department and all the DfT agencies.

Efficiency

11.34 In organising to deliver the Department's objectives, we are committed to improving its effectiveness and efficiency. Over the course of the Spending Review 2004 (SR04) Efficiency Programme, the Department has made significant progress in delivering more cost effective services and processes. As at 31 December 2007, the Department had achieved efficiency gains of £803 million, which means that its SR04 Programme target of £785 million has been delivered. Whilst some of these gains are still to be finally confirmed, it is likely that further gains will accrue in the remaining months of the programme to 31 March 2008.

11.35 The SR04 Programme has succeeded in embedding a culture of efficiency in a range of business areas across the central Department and agencies. The Department will now build upon this success by launching an even more ambitious value for money (VfM) programme for the Comprehensive Spending Review 2007 (CSR07) period, which will extend into new business areas not covered by the SR04 Programme and has a target to achieve VfM gains of £1.76 billion by the end of 2010-11.

Spending Review 2004 Efficiency Programme

Background

11.36 The findings of Sir Peter Gershon's review of public sector efficiency, published in 2004, underpin the Department's efficiency programme for the duration of the SR04 period, covering financial years 2005-06 through to the end of 2007-08. The over-arching objectives of Gershon's review were to:

- release major resources from activities, which can be undertaken more efficiently, into front-line services that meet the public's highest priorities; and
- reduce the bureaucracy faced by front-line professionals and free them up to meet the needs of their customers better.

Targets

11.37 The Department's agreed target is to realise total annual efficiency gains of at least £785 million by the end of financial year 2007-08, of which at least half will be cashable, releasing resources, where possible, to the front-line. This target represents 2.5 per cent year-on-year gains against the Department's overall budget over the SR04 period, excluding rail, which was subject to its own review. Spending on transport services by local authorities is also within the scope of the target, ensuring that transport efficiency throughout the public sector is addressed in the programme.

11.38 The Department also has additional targets to:

- reduce full time equivalents (FTEs) staff numbers by at least 200 in the central Department's workforce, excluding agreed increases in certain front-line activities, such as transport security;
- reduce the workforce in the Driver and Vehicle Licensing Agency (DVLA) by at least 500 FTEs; and
- relocate 60 posts out of London (by the end of financial year 2009-10).

11.39 A central feature of the Department's programme is that gains must be genuine efficiencies rather than economic cutbacks and that the quality of service delivery will not be reduced.

11.40 In addition to achieving the agreed efficiency targets, the Department has set the following wider and longer-term objectives for the efficiency programme of:

- embedding a culture of efficiency throughout the Department; and
- building up corporate and collective working across the DfT Group.

11.41 The programme is overseen and managed by an efficiency programme board, which ensures that the Department is on track to meet its targets and the wider objectives of the programme.

Planning

11.42 A description of the major workstreams contributing to the delivery of the Department's programme and their progress to 31 December 2007 is included below in Figure 11c.

11.43 The Department has published an efficiency technical note (ETN) on the website setting out how each of the workstreams within the programme contributes to the achievement of the Department's target. The ETN also contains details of how efficiency gains in each workstream are measured.

Progress

11.44 As at 31 December 2007, the Department had reported efficiency gains totaling £803 million. Some of these gains are still subject to final confirmation, but, with further gains expected in the remaining months of the programme, the Department is firmly on track to meet, and potentially exceed, our target. Almost 80 per cent of the gains reported are cashable leaving the Department with in excess of the 50 per cent target for cashable gains. A breakdown of how individual workstreams have contributed to this outcome is shown in the table below:

Figure 11c: Efficiency gains to 31 December 2007

Workstream	Actual position end-December 2007 (£ million)
SSDL Group (former DVO Group) – efficiency and effectiveness	63.3
SSDL Group (former DVO Group) – increase vehicle excise duty (VED) collected and increase in sale of marks income	5.0 ¹
Highways Agency – procurement of strategic roads	204.2
Local authorities – procurement of strategic roads	137.1 ²
Local authorities – non-roads transport spending and capital projects	147.52
Transport for London	173.0 ³
Central department – headcount reduction	9.9
Central department – minor programmes	63.1
Total	803.1

¹ This relates to increased revenue from sale of marks and cherished transfers.

² Full year savings reported by local authorities are available annually in July of each year. Figures are, therefore, subject to change.

³ Savings reported by Transport for London are subject to a time lag in data reporting. Therefore figures are subject to change.

Programme assurance

11.45 The programme as a whole has undergone two OGC Gateway 0 reviews, which provided an independent assessment of the measurement methodology, governance and challenge function within our programme. In addition, the Department's own internal audit team has carried out a health check and review of the rigour being applied in the management of the programme. Their report concluded that the Efficiency Programme Board should have substantial assurance that workstreams are being effectively monitored, targets and trajectories are adequately communicated, and are subject to regular review and analysis.

Safety, Service Delivery and Logistics Group (SSDL) (former DVO Group)

11.46 The Safety, Service Delivery and Logistics Group (SSDL) (former DVO group) has a target to deliver £70 million of economy and efficiency gains by 2007-08, mainly through the development of electronic services, and by encouraging customers to switch their transactions with the Group to the most convenient and cost-effective channels. Efficiency and effectiveness gains will also be delivered through a wider business transformation agenda and increases in productive time.

11.47 At quarter 3 2007-08, SSDL reported gains of £63.3 million in efficiency and effectiveness. Of these gains, £57.5 million was identified as cashable. Examples of improved efficiency and effectiveness are:

Efficiency

Providing vehicle owners with the option of electronic vehicle licensing online has reduced the cost of collection through the Post Office.

Reducing staff travel, leading to fewer travel and subsistence payments.

Effectiveness

Internet booking of practical driving tests at a reduced administration cost (after major investment in creating the service). This meant that more bookings were handled without needing more staff; and recording staff time for each commercial customer as work progresses, leading to a more streamlined issue of the final invoice.

11.48 SSDL has continued to make substantial progress in adding e-channels to the choice available to customers over how they transact their business. The Vehicle and Operator Services Agency (VOSA) has been particularly successful in this regard, recently being announced winner in the category of 'Central e-Government Excellence: Take up and Usage Growth' at the e-Government National Awards 2007. This award was made in recognition of the high number of garages that are now making use of electronic ordering and payment mechanisms for test slots and catalogue items.

11.49 The Group also has a target to reduce headcount in DVLA by 500 by the end of 2007-08. By 31 December 2007, a reduction in headcount of 139 had been reported. This year, the agency has retained a significant

number of seasonal contract staff to ensure that it maintains service quality and timeliness at the levels agreed with the Department. These temporary staff have now been released and DVLA has met its headcount target. Further information will be provided in the Department's Autumn Performance Report.

- 11.50 In addition, the Group was set the target of increasing the level of vehicle tax collected by £75 million a year by 2007-08. The target relates mainly to the collection of vehicle excise duty (VED) which will be achieved by reducing evasion through continuous registration enforcement and through on-road enforcement to target longer-term evaders. Further gains will be achieved through sales of cherished marks (SOM).
- 11.51 The most recent roadside survey – which used video images to ensure a high level of accuracy – indicated that DVLA are collecting some 98.5 per cent of VED due. This is a significant achievement and reflects the improvements made to collection of the tax – such as Electronic Vehicle Licensing – and to enforcement – such as increasing wheel clamping to 100,000 untaxed vehicles a year. Collecting and enforcing VED is a challenge and DVLA are proud of the high level of compliance they are delivering.
- 11.52 Whilst the headline numbers from the roadside survey would suggest that the target has been met, the change in the accuracy of the survey for 2007 resulting from the use of video images has meant that the baseline for these targets is not comparable with the current measure. This means that we cannot fairly say whether or not the target has been met. Whilst this is unfortunate, it is an inevitable result of improvements to the survey. For the efficiency target, the Department is looking at using an alternative methodology that assesses revenue collected as a result of enforcement action.

Highways Agency

Strategic roads efficiency gains

- 11.53 The Highways Agency has a target to achieve total efficiency gains of £200 million by the end of financial year 2007-08 through its strategic roads procurement. The agency has developed a framework of performance indicators to measure efficiency improvements in its existing roads procurement and maintenance contracts for strategic roads. The current forecast for the SR04 period is that the agency will meet, and may exceed, the £200 million efficiency gains target.
- 11.54 Efficiencies include delivering current maintenance and improvement schemes to specification at reduced cost, compared to contract price and innovative process improvements in planning, design and construction, leading to better value for money solutions.

11.55 Examples of efficiencies which will also generate scheme savings elsewhere across the network include:

- use of quick moveable barriers on the M25 and other major roads;
- gains as a result of design and construction efficiencies including the use of a pre-cast rather than an on-site built arch over a railway line; and
- the development and deployment of the single Managing Agent Contractor delivery model is generating efficiencies of at least 15 per cent in baseline costs against increasing levels of service.

Local authority roads procurement

11.56 The Highways Agency also acts as a change agent to assist local authorities in achieving efficiency gains of £190 million in their roads procurement spending by 2007-08. Efficiency gains in the local authority workstream are reported via annual efficiency statements published by Communities and Local Government (CLG); and these indicate that local authorities are broadly on course to achieve their £190 million target. At the end of December 2007, £137.1 million of efficiency gains were reported in this workstream.

11.57 The Highways Agency is closely involved with the regional centres of excellence, which provide a strong driver for local government efficiency, supporting local authority led projects designed to achieve efficiencies. The agency also supports the Highways Efficiency Liaison Group (HELGL), a unique cross-industry group including representatives of local authorities. This is a key means for engaging with the industry, taking initiatives forward and challenging the way procurement is carried out. It helps to get the message on collaboration and efficiency out to local authorities and suppliers.

Local authority non-roads transport spending

11.58 Efficiencies have also been secured from local authority spending on transport services. Particular areas include bus tendering, concessionary fares and capital infrastructure projects. The Department is working in partnership with the North West Regional Centre of Excellence (NWRCE) on taking forward a series of projects to identify and take advantage of possible efficiency gains in the field of local authority passenger transport. In September 2006, DfT and NWRCE published a good practice paper for local authorities on establishing integrated transport units, where all passenger transport service planning, procurement and management is brought together across a range of service areas. Final gains for the workstream will not be available until the annual efficiency statement is published by CLG in July. However, by the end of December 2007 efficiency gains of £147.5 million had been achieved in this area. £124.3 million of these were cash-releasing.

11.59 At the end of December 2007, TfL reported £173 million of sustainable efficiency gains. These were generated through a range of efficiency activities, including contracting arrangements relating to the bus network, operational efficiency resulting from reducing the use of cash on buses, and procurement savings.

Relocation and headcount reduction

11.60 By the end of December 2007, the Department had exceeded its end of 2007-08 target to reduce headcount in the central Department by 200 FTEs, producing £9.9 million of cashable savings.

11.61 SSDL Group also has a target to reduce headcount in the DVLA by 500 FTEs by the end of 2007-08. By the end of December 2007, a reduction in headcount of 139 FTEs had been reported.

11.62 The Department has also agreed to relocate 60 posts outside London and the south east by March 2010, which we are likely to achieve in 2008-09. By the end of December 2007, 49 posts had been relocated. These comprise 10 posts from the Vehicle and Operator Services Agency (VOSA), 25 Rail Accident Investigation Branch posts to Derby, 12 payroll posts from London to Hastings, as well as two posts from the Freedom of Information (FOI) team from London to Hastings. Although Hastings is in the south east, it was agreed that these posts could be relocated there on the basis that Hastings has been classified as a regeneration area. Plans to relocate the remaining posts necessary to meet the target of 60 by the end of 2009-10 are well in hand.

Minor programmes and other workstreams

11.63 At the end of December 2007, the Department reported efficiency savings of £63.1 million in its minor programmes, defined broadly as programmes with expenditure of less than £50 million. Savings cover a wide range of departmental activity, such as the water freight facilities grant (where there is potential to secure greater benefits than previously achieved for each pound the Department spends); and less costly ship inspections resulting from the introduction of new data recording systems. The programme is also intended to embed efficiency thinking more widely across the Department.

Transition to the Department's CSR07 value for money programme

11.64 The Department will be seeking to build on the substantial progress that has already been achieved under its SR04 Efficiency Programme. Covering the three years from 2008-09 to 2010-11, the value for money programme will see the Department further expanding its drive towards consistently achieving best value for money in public spending across its business areas. The programme will help to ensure that the Department is well-placed to meet the challenges presented by its strategic objectives by making best use of often scarce resources, focusing these where they are most needed.

- 11.65 The Department has published a value for money delivery agreement which contains further information on the value for money programme. This is available on the Department's website. A report on progress made under the value for money programme will be available in the Department's autumn performance report.

Shared services programme

- 11.66 The shared services programme is a long-term initiative of organisational, operational and cultural change, to enable better business management and to improve the way the Department operates its support services.
- 11.67 It is based around a common IT platform with transactional support consolidated into a Shared Service Centre (SSC) at Swansea, with self-service replacing many paper-based transactions. The current functional scope encompasses HR, payroll and finance (including some procurement processes). This will provide a platform for further improvements in efficiency and effectiveness through future development, including greater automation, additional functionality and services, and continuous improvements. Work is currently taking place to broaden the scope of supported procurement activities and increase the capability for, and effectiveness of, management information.
- 11.68 The programme delivered its first major milestone in April 2007 with the opening of the SSC and the migration of the first two business units – DVLA and DSA – to the shared service. Teething problems and operational issues were encountered in the early days following go-live as the new systems and processes bedded in, impacting both the performance of the SSC and customer confidence, but the situation is now significantly improved.
- 11.69 Work progressed to prepare the systems, processes and manage the business changes, including reorganisation of the retained functions for the next two business units to move to shared services in 2008 – the central Department (April) and MCA. Meanwhile the SSC has seen month-on-month performance improvement and has introduced a customer services framework to support stronger engagement across the businesses.
- 11.70 The Department has also recently reviewed the remainder of the programme and in view of an emerging unattractive cost/benefit/risk profile at HA and VOSA, agreed to pursue an HR and payroll option for the Highways Agency and a payroll only option for VOSA. This was decided after detailed work on the requirement specification and extended design for these agencies, and took account of the recent investment in HA's finance systems and potential outsourcing at VOSA.

Chapter 12

Role of the executive agencies and NDPBs



Chapter 12

Role of the executive agencies and NDPBs



12.1 Much of the Department's work is delivered by our seven executive agencies:

- the five agencies which are part of the Safety, Service Delivery and Logistics (SSDL) Group:
 - Driving Standards Agency (DSA)
 - Driver and Vehicle Licensing Agency (DVLA)
 - Vehicle Certification Agency (VCA)
 - Vehicle and Operator Services Agency (VOSA)
 - Government Car and Despatch Agency (GCDA)
- Highways Agency; and
- Maritime and Coastguard Agency (MCA).

12.2 The agencies make a major contribution to meeting the Department's objectives. They employ some 90 per cent of our staff and are the point of contact with the Department for most members of the public. Chief executives are accountable for the performance of their agencies and each agency is required to publish its own business plan and annual report.

Agencies of the Safety, Service Delivery and Logistics Group

12.3 Safety, Service Delivery and Logistics (SSDL) Group was created on 1 April 2007, as part of a departmental reorganisation. The new SSDL Group brings the policy and delivery agendas closer together and provides added momentum to the pace of change needed to deliver the Department's objectives. The SSDL Group consists of five executive agencies (DVLA, DSA, VCA, VOSA and GCDA) and two centrally-based policy directorates; the Transformation, Licensing, Logistics and Sponsorship Directorate and the Road and Vehicle Safety and Standards Directorate. The group employs around 12,300 staff, around two thirds of all those in the Department.

Driving Standards Agency

12.4 The Driving Standards Agency (DSA) is responsible for setting standards for drivers, riders and instructors, providing driver education and learning resources, registering and supervising quality-assured instructors, and ensuring effective and efficient assessments are conducted as computer-based and practical tests. DSA is a trading fund with around 2,600 employees. DSA is largely based in Nottingham, with a call centre in Newcastle and more than 400 driving test centres across Britain.

Driver and Vehicle Licensing Agency

12.5 The Driver and Vehicle Licensing Agency (DVLA) is the largest DfT agency. Its principal objective is to establish and maintain an accurate and up-to-date record of all those who are entitled to drive various types of vehicles, together with a register of all vehicles entitled to travel on public roads. DVLA handles about 70 million vehicle transactions and more than seven million licensing transactions a year. It is responsible for the collection of vehicle excise duty (VED), collecting around £5 billion a year, and it sells over 200,000 personalised number plate registrations each year. DVLA employs just over 6,200 staff at sites in Swansea as well as in a network of 40 local offices throughout Great Britain.

Vehicle Certification Agency

12.6 The Vehicle Certification Agency (VCA) tests and certifies that vehicles and vehicle parts have been designed and constructed to meet UK and EU agreed standards of safety, environmental protection and crime prevention. In addition, VCA publishes the definitive data on emissions, fuel consumption and noise for models of vehicles. Its mission is to be the best type approval and certification authority, specialising in the automotive industry. VCA operates in a competitive market and has a remit to meet its full costs from earned income. It employs around 160 staff based at sites in Bristol and Nuneaton in the UK, and in the USA, Malaysia, China, South Korea, Japan and India, and, more recently, in Australia and Italy.

Vehicle and Operator Services Agency

12.7 The Vehicle and Operator Services Agency (VOSA) provides operator licensing and bus registration services on behalf of Traffic Commissioners, annual testing of heavy goods vehicles and public service vehicles, and targeted enforcement activities. It also supervises the MOT scheme for private vehicles conducted by approximately 20,000 garages across the UK. VOSA is a trading fund and employs around 2,600 staff, with its headquarters in Bristol and a network of regional offices and operating sites nationwide in Great Britain.

Government Car and Despatch Agency

12.8 The Government Car and Despatch Agency (GCDA) aims to be government's first choice of secure provider for moving people, mail and documents. It provides two main services, Government Cars and Government Mail. Government Cars provides secure cars and drivers for Ministers, senior civil servants and others in government and the wider public sector. Government Mail incorporates the InterDespatch Service and provides a range of mail distribution, mailroom management, secure mail screening and reprographic services to mainly central government departments and agencies. GCDA employs just under 300 people and is based in London, with regional depots in Birmingham, Bradford, Cardiff and Runcorn.

Figure 12a: SSDL Group spending 2002-03 to 2008-09

£ million

DSA	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Forecast	2008-09 Plan
Income	101	113	128	145	152	167	199
Expenditure (pay)	48	56	67	76	81	83	88
Expenditure (non-pay)	48	58	62	62	68	86	108
Total Expenditure	96	114	129	138	149	169	196
DVLA	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Forecast	2008-09 Plan
Income	312	341	566	586	613	666	713
Expenditure (pay)	108	117	130	160	162	174	173
Expenditure (non-pay)	241	264	279	311	326	365	534
Total Expenditure	349	381	409	471	488	539	707
GCDA	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Forecast	2008-09 Plan
Income	15	16	17	18	19	19	21
Expenditure (pay)	9	10	10	11	12	12	13
Expenditure (non-pay)	6	6	7	7	7	7	8
Total Expenditure	15	16	17	18	19	19	21
VOSA*	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Forecast	2008-09 Plan
Income	115*	136	144	152	166	181	187
Expenditure (pay)	63*	69	78	86	86	97	89
Expenditure (non-pay)	49*	58	58	75	99	93	102
Total Expenditure	112	127	136	161	185	190	191
VCA	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Forecast	2008-09 Plan
Income	7	8	7	9	10	12	13
Expenditure (pay)	3	4	4	4	5	6	6
Expenditure (non-pay)	4	4	4	5	5	6	7
Total Expenditure	7	8	8	9	10	12	13

* The 2002-03 figures are a mix of the 'old' VI and 'old' Traffic Area Network to form a comparator as if VOSA had been in existence in that year (VOSA was formed on 1 April 2003).

The Highways Agency

- 12.9 The Highways Agency operates, maintains, improves, and ensures the safety of the strategic network of motorways and major trunk roads in England on behalf of the Secretary of State for Transport. The strategic road network is valued at over £84 billion and comprises over 7,100 kilometres of motorway and trunk road.
- 12.10 The agency also sets and maintains road, safety and structural standards used by many local authorities for the non-trunk A-roads and other roads that it manages.
- 12.11 The agency employs 3,400 staff in London and eight further office locations around the country. This total includes the approximately 1,500 strong Traffic Officer Service, made up of operational traffic officers patrolling motorways across the country, supported by operators based in seven Regional Control Centres.
- 12.12 The agency's operations and achievements during 2007-08 are described in detail in Chapter 5 – including its contribution towards delivery of the PSA reliability target for strategic roads, the development of the Traffic Officer Service, developments with traffic management initiatives, and maintenance.

Figure 12b: HA spending 2003-04 to 2010-11¹ **£ million**

	2003-04	2004-05	2005-06	2006-07 ⁴	2007-08 ⁴	2008-09 ²	2009-10 ^{2,5}	2010-11 ^{2,5}
	Outturn	Outturn	Outturn	Outturn	Forecast	Plans	Plans	Plans
Maintenance	776	732	852	850	837	896	957	952
Making better use of the existing network	129	139	170	190	181	193	195	203
Technology	100	165	112	161	132	220	261	208
Major improvements ⁶	514	503	618	953	986	1,070	1,160	1,391
Traffic Manager	8	63	100	105	142	125	126	123
Other programmes ³	2,692	3,086	3,469	3,883	4,098	4,344	4,628	4,767
Administration Cost ⁴	92	92	96	95	94	89	88	85
Total	4,311	4,780	5,417	6,237	6,470	6,937	7,415	7,729

1 Figures are net of allowable receipts. Totals are capital and resource. Figures from 2003-04 onwards are prepared on a RAB Stage 2 accounting basis and include private finance initiative PFI on balance sheet budget treatment.

2 2008-09 onwards include budgets for routes that are due to detrunk to Local Authorities.

3 This includes programme cost of capital (AME), depreciation, write downs and provisions and excludes consolidated fund extra receipts (CFERs).

4 Part of DfT's overall administration cost budget.

5 Plans are indicative and subject to change.

6 Major improvements includes revenue support for private investment.

The Maritime and Coastguard Agency

- 12.13 The Maritime and Coastguard Agency (MCA) is responsible throughout the UK for implementing the UK Government's maritime safety and environmental protection policy, and for supporting the Department in the development of that policy. That includes co-ordinating search and rescue (SAR) at sea through Her Majesty's Coastguard 24 hours a day, and checking that ships meet UK and international safety rules. MCA works to prevent the loss of lives at the coast and at sea, to ensure that ships are safe, and to prevent coastal pollution, including responding to shipping incidents where pollution is a possibility.
- 12.14 In a typical year, the MCA deals with:
- 17,000 SAR incidents helping 23,000 people;
 - 96 pollution incidents;
 - 4,000 in-depth surveys of UK-registered ships;
 - 6,000 inspections of foreign and UK ships;
 - 14,500 certificates and other documents that allow seafarers to work at sea;
 - 15,000 requests for new and renewal registrations on the small ship register;
 - 80,000 items of correspondence from the general public; and
 - 100 breaches of the UK merchant shipping legislation.
- 12.15 The agency is responsible for managing the UK Ship Register, which has over 1,500 merchant ships and is recognised nationally and internationally as a world-class quality register. This year it topped the Paris Memorandum of Understanding's (MOU) Port State Control White List of quality Flag States. The UK Ship Register continues to be both on the Tokyo MOU White List and the US Coast Guard's Qualship 21 quality scheme. The MCA prides itself on being a customer-focused organisation and works closely with shipping companies on the UK Ship Register providing a 24-hour customer account manager.
- 12.16 The MCA's Receiver of Wreck is responsible for the administration of merchant shipping legislation relating to wreck and salvage, specifically with the investigation of claims to ownership of recovered wreck, researching wreck information, the negotiation and settlement of salvage claims and the return of recovered property to the rightful owner or to a relevant museum. High profile incidents over the past year or so have included the MSC Napoli off the Devon coast, and the Ice Prince which lost its timber along the coast of Sussex.
- 12.17 MCA works closely with the central Department representing the UK internationally through the two United Nations bodies responsible for shipping safety and seafarer welfare: the International Maritime Organization (IMO) and International Labour Organization (ILO). Work is also carried out

with the European Maritime Safety Agency (EMSA) and with European Union partners.

Figure 12c: MCA Spending 2000-01 to 2009-10 £ million

	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans
Safer Lives ¹	45	54	55	56	62	64	70	73	79
Safer Ships ²	25	26	26	29	30	28	26	26	28
Cleaner Seas ³	11	11	14	14	14	14	15	17	19
Customer Services ⁴	7	10	12	12	12	13	14	13	14
Total⁵	88	101	107	111	118	119	125	129	140
Total adjusted for inflation	98	109	112	113	118	117	120	122	

1 This is expenditure on civilian maritime search and rescue, including running Coastguard co-ordination centres, the provision of helicopters, and the Auxiliary Coastguard Service.

2 This is expenditure on surveys of UK ships and the inspection of foreign ships visiting UK ports, associated legislative development and implementation, the provision of advice and guidance to the shipping industry, and the provision of information for nautical charts and shipping weather forecasts.

3 This is the expenditure on marine pollution prevention and response work and relevant legislative development and implementation.

4 Customer services expenditure includes the registration of ships in the UK and the provision of training and certification services for seafarers.

5 Totals include the administration costs of these functions, where applicable. In 2004 all the MCA's administration costs were re-classified as 'programme', and this was backdated to 1 April 2003.

Non-departmental public bodies and other bodies

12.18 The Department sponsors five executive non-departmental public bodies (NDPBs). Figure 12d gives their staff numbers at 31 March 2008, and their gross departmental public support expenditure for 2007-08, and that planned for 2008-09.

12.19 Appointments to our executive and advisory NDPBs are made following the Commissioner for Public Appointments Code of Practice for Ministerial Appointments to Public Bodies. In 2006 the Department published a public appointments plan which sets out our strategy on public appointments to NDPBs, including our commitment to increasing the diversity of those who serve on their boards. The public appointments plan can be downloaded from the DfT website.

British Transport Police Authority

12.20 The British Transport Police (BTP) Authority was established on 1 July 2004 under the Railways and Transport Safety Act 2003. The BTP Authority, which is classified as an executive NDPB of the Department, has a statutory duty to maintain an efficient and effective police force for the railways.

12.21 BTP is funded by the rail industry and is responsible for setting its annual budget. The Secretary of State directly appoints the chair and other members, consisting of a mix of industry and non-industry members. The Authority's management statement and financial memorandum are available on its website.

Passenger Focus

12.22 Passenger Focus (PF) is the operating name for the Rail Passengers Council. It was established by the Railways Act 2005 as a body corporate, executive NDPB of the Department for Transport on 24 July 2005. Passenger Focus is the official, independent voice of rail passengers and its mission is 'to get the best deal for Britain's rail passengers'. The organisation's objectives are to:

- understand the needs and experiences of rail passengers;
- secure tangible and measurable improvements for rail passengers;
- empower rail passengers with information, advice and advocacy;
- influence major long-term decisions that affect rail passengers; and
- be visible, accessible and understood by rail passengers and stakeholders.

12.23 The statutory duties and constitution of the body are principally set out in the Railways Act 1993 (as amended) and in the Railways Act 2005. Copies of their corporate plan for 2006-09, along with details of the research work they have undertaken in carrying out their duties can be found on their website.

12.24 Following a public consultation on options for strengthening bus passenger representation the Secretary of State has announced that Passenger Focus will take on the role of protecting the interests of bus and coach passengers. The Department is working closely with Passenger Focus to plan how they will best fulfil this new function

Railway Heritage Committee

12.25 Sponsorship of the Railway Heritage Committee (RHC) transferred from the Strategic Rail Authority (SRA) to the Department for Transport on 21 November 2005, when it became an executive NDPB.

12.26 Their role is to identify railway records and artefacts of future value to the nation, in the general interest of the public, and for research and scholarship. It ensures they are kept in good condition, in appropriate locations. Once records and artefacts (or classes of these) have been identified, the RHC designates those which are historically significant and should be permanently preserved. Once these have been designated, their owners may dispose of them only after they have sought the RHC's permission. Further information about the functions, membership and

procedures of the RHC can be found in the Railway Heritage Act 1996 (which has been amended by the Railways Act 2005) and in the Railway Heritage Scheme Order 2005 (Statutory Instrument 2905). Copies of the RHC report for 2005-07 and details of the artefacts they have designated can be found on their website.

BRB (Residuary) Ltd

12.27 BRB (Residuary) Ltd is a limited company and is a wholly owned subsidiary of the Department for Transport. Its primary responsibility is to manage the remaining property, rights and liabilities of the British Railways Board. Those responsibilities include the management of a diverse property portfolio and the settlement of industrial injury claims submitted by former British Railways employees. By virtue of a transfer scheme made under the Railways Act 2005, BRBR has also taken ownership of a number of companies previously owned by the SRA.

12.28 The company is funded through a combination of income earned on property activities and departmental subsidy. BRBR is classified for government accounting purposes as a Public Corporation.

Renewable Fuels Agency

12.29 In October 2007 the Renewable Fuels Agency (RFA) was created by the Renewable Transport Fuel Obligations Order (SI 2007 no 3072) as the administrator of the obligation. The RFA is responsible for the day-to-day running of the scheme which came into effect in April 2008. The scheme requires suppliers of fossil fuel to ensure that a proportion of the fuel they supply comes from renewable sources. The RFA is responsible for checking volumes of biofuel supplied and issuing certificates to suppliers, and will report regularly to the Secretary of State about the effect of the scheme.

Trinity House

12.30 Under Part VIII, Section 193 of the Merchant Shipping Act 1995, Trinity House is responsible for the provision and maintenance of marine aids to navigation around the coasts of England, Wales, the Channel Islands and Gibraltar. It also marks wrecks and has wreck removal powers. It is funded by light dues collected at ports around the UK and the Republic of Ireland.

Northern Lighthouse Board

12.31 The Northern Lighthouse Board (NLB) is similarly responsible for the provision and maintenance of marine aids to navigation around the coasts of Scotland and the Isle of Man, and is likewise funded by light dues collected at ports around the British Isles.

Figure 12d: Executive NDPBs £ million

	Staff in post 31 March 2008	Estimated expenditure 2007-08	Estimated Departmental support 2007-08	Planned gross expenditure 2008-09	Planned Departmental support 2008-09
British Transport Police	4272 ¹	257.8	7.5	271.2	11
Passenger Focus	44	5.6 ²	5.6	5.6	5.6
Railway Heritage Committee	1 ³	0.109	0.109	0.120	0.120
Northern Lighthouse Board	192.4 ⁴	22	nil	24	nil
Trinity House	299	37	nil	38.2	nil

¹ Includes 2,813 police officers, 262 police community support officers and 1,197 support staff. Excludes members of the Authority.

² This figure includes ring-fenced expenditure on the NPS in 2006-07 of £942,000.

³ The RHC Secretary is an employee of BRB (Residuary) Ltd.

⁴ Total expresses as full-time equivalents – full time 185, part time 76.

Other NDPBs

The Commission for Integrated Transport

12.32 The Commission for Integrated Transport (CfIT) is an advisory non-departmental body with the remit to provide independent advice to government on transport policy issues. The Commission advises on:

- future policy options (blue-sky thinking) on strategic issues;
- policy issues touching on transport objectives that span departmental boundaries;
- identification of best practice among local authorities and other delivery agencies, to identify barriers to deliver and improve performance;
- comparisons with European/international policy initiatives and best practice;
- the impact of new technology;
- stakeholder input to inform the policy-making process; and
- specific policy reviews as agreed by the Governance Board.

12.33 Through the Commission's published reports and its other work, its objective is to refresh and raise the level of the public transport debate.

Cycling England

12.34 Cycling England is an advisory non-departmental body which has been tasked to work with local authorities and others to promote cycling. It was created in March 2005 with a budget of £5 million which was then increased to £10 million in 2006. In January 2008 the Secretary of State announced £20 million for 2008-09 and £60 million in both 2009-10 and 2010-11. Cycling England's aim is to create the conditions which will result in more people cycling, more safely, more often.

Disabled Persons Transport Advisory Committee

12.35 The Disabled Persons Transport Advisory Committee (DPTAC) is an independent body set up to advise government on the transport needs of all disabled people on non-devolved matters across Great Britain. DPTAC has a statutory duty to consider any matter ministers refer to it, and it can give advice on any other issue relating to disabled people's transport needs.

12.36 DPTAC's aim is to ensure that all disabled people can go where everyone else goes, and can do so easily and without extra cost. DPTAC would like to see this happen over the next 15 years. DPTAC has three objectives:

- to provide timely, focused and credible advice to government on how best to meet the transport needs of all disabled people, the advice to be representative of the broad views of disabled people in Great Britain on issues that are not the responsibility of the Scottish and Welsh governments;
- to provide guidance and advice to the transport industries and others on how best to meet the varying transport needs of all disabled people, taking account of gender, race, faith, sexuality, age and other differences between them; and
- to influence service providers to offer disabled people accessible information on developments in accessible transport.

12.37 DPTAC bases its advice on four underlying principles:

- public investment can only take place if those who provide and spend the money take into account accessibility for disabled people;
- those who provide transport services will make accessibility for disabled people part of the mainstream of their activity;
- those who provide transport services will fully and meaningfully involve disabled users and non-users in deciding the accessibility of transport services; and
- those who provide transport services are responsible for accessibility for disabled people.

The traffic commissioners

12.38 The seven traffic commissioners are appointed by the Secretary of State for Transport and have responsibility in their area for the licensing of operators of heavy goods vehicles (HGVs) and buses and coaches (public service vehicles or PSVs). They are also responsible for the registration of local bus services, and disciplinary action against drivers of HGVs and PSVs.

12.39 Commissioners are statutorily independent in their licensing functions. A key part of this is to hold public inquiries; in particular to consider the environmental suitability of HGV operating centres and the possibility of taking action against operators who have not complied with the conditions of their licences.

12.40 Each traffic commissioner is supported by staff in a traffic area office (TAO). TAOs can, in certain routine cases, act on the traffic commissioners' behalf under delegated powers. During the year, much of this process was centralised in Leeds.

12.41 The overall aims of the traffic commissioners are to ensure that:

- licences are issued only to competent and reputable operators who run roadworthy vehicles;
- goods vehicles are operated from environmentally suitable sites;
- bus services are reliable; and
- drivers of buses, coaches and lorries behave responsibly.

12.42 There are a number of new proposals in the Local Transport Bill currently before Parliament which will affect the future role of the traffic commissioners. These and details of other operator licensing reforms are set out in Chapter 10.

Trust ports

12.43 The Department also has a formal relationship with the larger trust ports, by virtue of appointment powers and the power to compel privatisation, still on the statute book in the Ports Act 1991.

12.44 In total, there are around 50 ports in England and Wales with trust status, of which some 15-20 are commercially significant. Trust ports are independent statutory bodies governed by independent boards of trustees charged with acting in the interests of all stakeholders.

12.45 The Secretary of State for Transport has powers to appoint some board members to five of the larger ports in England and Wales – London, Tyne, Dover, Harwich and Milford Haven. As part of the public expenditure control system, net borrowing by those ports, London excepted, scores against the Department's expenditure limit.

Civil Aviation Authority

12.46 The Civil Aviation Authority (CAA), which is a public corporation, was established by Parliament in 1972 as an independent specialist aviation regulator and provider of air traffic services. Following its separation from NATS (formerly known as National Air Traffic Services) in 2001, the CAA is the UK's independent aviation regulator, with all civil aviation regulatory functions (economic regulation, airspace policy, safety regulation and consumer protection) integrated within a single specialist body. The CAA's costs are met entirely from its charges on those whom it regulates. A strategic review of the CAA is currently being conducted by Sir Joseph Pilling, following a recommendation by the Transport Select Committee.

Useful websites

BRB (Residuary) Ltd

www.brb.gov.uk

British Transport Police

www.btp.police.uk

Civil Aviation Authority

www.caa.co.uk

Commission for Integrated Transport

www.cfit.gov.uk

Cycling England

www.cyclingengland.co.uk

Department for Transport

www.dft.gov.uk

Disabled Persons Transport Advisory Committee

www.dptac.gov.uk

Driver and Vehicle Licensing Agency

www.dvla.gov.uk

Driving Standards Agency

www.dsa.gov.uk

Government Car and Despatch Agency

www.gcda.gov.uk

Highways Agency

www.highways.gov.uk

Maritime and Coastguard Agency

www.mcga.gov.uk

Northern Lighthouse Board

www.nlb.org.uk

Rail Passengers Council

www.passengerfocus.org.uk

Railway Heritage Committee

www.railwayheritage.org.uk

Renewable Fuels Agency

www.dft.gov.uk/rfa/

Trinity House

www.trinityhouse.co.uk

Vehicle Certification Agency

www.vca.gov.uk

Vehicle and Operator Services Agency

www.vosa.gov.uk

11

Appendix A

Public expenditure core tables



Appendix A

Public expenditure core tables

The following tables explain what the Department for Transport spends its money on. They provide an analysis of departmental expenditure plans in resource terms, showing resource consumption and capital investment. The information includes voted and non-voted expenditure, and also shows the extent to which the Department funds local authority activities.

The coverage of the budget core tables is different to the Main Estimates. The budget core tables include all items within the Department's budget (voted and non-voted) irrespective of whether they are included in the Main Estimates.

The budget includes expenditure by non-departmental public bodies (NDPBs) and public corporations, and supported capital expenditure (revenue) (SCER formerly credit approvals) to local authorities, which are not included in the Main Estimates.

Table 1 – Total departmental spending

This table summarises the expenditure on functions that are now administered by the Department for Transport from 2002-03 to 2010-11. The Department was formed in May 2002, so early 2002-03 figures have been determined on the basis of expenditure incurred by each of the Department's various functions prior to the machinery of government changes in May 2002. Future figures (2008-09 to 2010-11) are those agreed with HM Treasury as part of the Comprehensive Spending Review (2007).

The table is split between the four departmental strategic objectives (DSOs). The majority of DfT net expenditure maps to the DSO which most closely matches DfT's PSA and covers the contribution that transport makes to economic growth. Although the Department's broad range of transport policy is covered by (a) its full set of DSOs and (b) additional PSAs, led by other departments, it is difficult to reflect this in the core table time series where resource and capital funding contributes to more than one objective.

The resource budget includes both administration and programme expenditure.

Local authority expenditure on transport is also shown on this table and the extent to which it is supported by Department for Transport grants.

Table A1: Total departmental spending									
	£ million								
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated	Plans	Plans	Plans
						Outturn			
Resource budget									
<i>Resource DEL</i>									
To sustain economic growth and improved productivity through reliable and efficient transport networks	2,819	4,223	4,077	4,152	4,818	4,559	4,313	4,534	4,836
To improve the environmental performance of transport	373	417	424	430	445	502	543	578	606
To strengthen the safety and security of transport	846	907	844	969	1,106	1,223	1,203	1,194	1,197
To enhance access to jobs, services and social networks, including for the most disadvantaged	737	561	731	517	553	477	296	91	-68
Total resource budget DEL	4,774	6,109	6,076	6,067	6,921	6,760	6,356	6,398	6,571
<i>of which: Near-cash¹</i>	4,447	5,896	5,911	5,805	6,362	6,550	6,070	6,055	5,956
<i>Resource AME</i>									
To sustain economic growth and improved productivity through reliable and efficient transport networks	1,124	1,210	1,425	1,600	1,724	1,920	2,070	2,217	2,336
To improve the environmental performance of transport	64	70	82	92	100	108	119	128	135
To strengthen the safety and security of transport	957	1,047	1,234	1,384	1,502	1,618	1,791	1,919	2,021
To enhance access to jobs, services and social networks, including for the most disadvantaged	20	-	-	-	-11	50	-	-	-
Total resource budget AME	2,166	2,326	2,741	3,076	3,315	3,696	3,980	4,264	4,492
<i>of which: Near-cash¹</i>	-2	-	31	35	43	45	44	42	40
Total resource budget	6,940	8,435	8,817	9,144	10,235	10,456	10,336	10,661	11,063
<i>of which: depreciation</i>	273	582	648	768	903	1,067	1,403	1,434	1,505
Total resource budget adjusted for inflation	7,702	9,097	9,254	9,395	10,235	10,132	9,714	9,757	9,858

Table A1: Total departmental spending *continued* **£ million**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	Plans
Capital budget									
Capital DEL									
To sustain economic growth and improved productivity through reliable and efficient transport networks	3,688	3,337	3,418	3,217	3,990	4,087	3,963	4,146	4,577
To improve the environmental performance of transport	40	42	60	71	86	221	235	296	328
To strengthen the safety and security of transport	378	275	311	407	589	912	1,173	1,342	1,327
To enhance access to jobs, services and social networks, including for the most disadvantaged	952	1,579	1,432	1,300	1,837	1,883	1,922	1,830	1,879
Total capital budget DEL²	5,058	5,233	5,222	4,995	6,503	7,103	7,293	7,614	8,112
Total capital budget	5,058	5,233	5,222	4,995	6,503	7,103	7,293	7,614	8,112
Total capital budget adjusted for inflation	5,614	5,644	5,481	5,132	6,503	6,883	6,855	6,968	7,228
Total departmental spending[†]									
To sustain economic growth and improved productivity through reliable and efficient transport networks	7,538	8,546	8,502	8,444	9,911	9,845	9,246	9,706	10,454
To improve the environmental performance of transport	477	529	567	593	630	831	895	996	1,059
To strengthen the safety and security of transport	2,004	1,877	2,159	2,518	2,916	3,407	3,867	4,217	4,346
To enhance access to jobs, services and social networks, including for the most disadvantaged	1,706	2,134	2,163	1,817	2,379	2,410	2,218	1,921	1,811
Total departmental spending[†]	11,726	13,086	13,391	13,371	15,836	16,492	16,226	16,841	17,670
Total departmental spending adjusted for inflation	13,013	14,114	14,055	13,738	15,836	15,981	15,250	15,412	15,746
<i>of which:</i>									
Total DEL	9,637	10,968	11,043	10,783	13,117	13,492	13,256	13,745	14,448
Total AME	2,089	2,117	2,348	2,588	2,718	3,000	3,244	3,303	3,614

[†] Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Table A1: Total departmental spending *continued* £ million

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	Plans
Spending by local authorities on functions relevant to the department									
Current spending	3,407	4,461	4,526	4,596	4,898	5,075	-	-	-
<i>of which:</i>									
financed by grants from budgets above	1,363	2,103	2,670	2,577	2,849	3,100	-	-	-
Capital spending	2,393	2,468	2,712	3,099	3,104	3,970	-	-	-
<i>of which:</i>									
financed by grants from budgets above ^{††}	1,521	1,544	1,706	1,564	1,907	2,268	-	-	-

†† This includes loans written off by mutual consent that score within non-cash Resource Budgets and are not included in the capital support to local authorities line in Table 3.

Table A2 – Resource budget

This table provides similar information to Table A1, though in greater detail. It shows the expenditure for key functional areas of the Department, indicating how the Department spends its money. The sub-categories used in this table are the same as those used in the Main Estimate voted table.

Table A2: Resource budget DEL and AME £ million

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	Plans
Resource DEL									
To sustain economic growth and improved productivity through reliable and efficient transport networks									
	2,819	4,223	4,077	4,152	4,818	4,559	4,313	4,534	4,836
<i>of which:</i>									
Ports & shipping services	6	3	8	6	12	12	85	25	26
Maritime & Coastguard Agency	105	111	119	118	121	129	128	131	134
Aviation services, transport									
security & royal travel	28	7	-11	11	17	18	25	25	26
Tolled river crossings	-68	-69	-69	-57	-57	-57	-72	-72	-72
Commission for Integrated									
Transport & Transport Direct	1	1	3	18	12	16	16	9	9
Highways Agency ³	696	789	737	819	911	937	881	870	873
Railways ⁴	726	546	713	504	529	427	71	-139	-299
Freight grants	#	#	#	5	#	#	#	#	#
Central Administration ⁵	190	168	196	247	197	213	304	675	753
Research, statistics, publicity and consultancies & other services									
for roads and local transport	26	10	3	-5	7	17	26	35	25
Area based grants	73	93	102	103	93	101	99	101	104
GLA transport grants	1,025	2,549	2,260	2,180	2,638	2,397	2,378	2,493	2,872
Other transport grants (resource)	12	16	17	202	337	348	373	381	385

Table A2: Resource budget DEL and AME <i>continued</i>									£ million
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated	Plans	Plans	Plans
						Outturn			
To improve the environmental performance of transport	373	417	424	430	445	502	543	578	606
<i>of which:</i>									
Trans European network payments for transport projects (net)	#	#	#	#	#	#	#	#	#
Cleaner Fuels and Vehicles	16	26	21	9	13	17	32	39	44
Bus Service Operators Grant	317	344	363	374	370	414	427	441	465
Highways Agency ³	40	46	43	47	53	54	51	50	50
Research, statistics, publicity and consultancies & other services for roads and local transport	-3	-2	-2	-1	1	12	7	7	7
Other transport grants (resource)	3	3	#	#	7	5	26	41	41
To strengthen the safety and security of transport	846	907	844	969	1,106	1,223	1,203	1,194	1,197
<i>of which:</i>									
Aviation services, transport security & royal travel	10	11	12	12	16	20	23	24	24
Accident Investigation Branches	6	6	15	13	15	15	18	17	18
Highways Agency ³	602	683	638	709	788	811	762	753	755
Government Car & Despatch Agency	#	#	#	#	#	#	#	#	#
Freight grants	#	#	#	18	23	18	26	27	28
Transformation, Licensing, Logistics & Sponsorship	204	165	143	168	228	237	240	245	249
Vehicle & Operator Services Agency trading fund	-3	18	11	11	1	-1	7	8	6
Driving Standards Agency trading fund	-2	#	#	#	2	-1	-2	-5	-6
Vehicle Certification Agency	3	1	2	1	1	1	#	#	#
Research, statistics, publicity and consultancies & other services for roads and local transport	24	20	20	33	31	38	43	42	43
Area based grants	1	2	4	2	1	84	79	78	77
Other transport grants (resource)	#	#	#	#	#	#	7	5	3

Table A2: Resource budget DEL and AME <i>continued</i>									
	£ million								
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated	Plans	Plans	Plans
						Outturn			
To enhance access to jobs, services and social networks, including for the most disadvantaged	737	561	731	517	553	477	296	91	-68
<i>of which:</i>									
Bus Service Operators Grant	-1	-1	#	-1	-1	-1	-1	-1	-1
Accessibility & Equalities	1	3	3	4	4	6	6	6	6
Commission for Integrated Transport & Transport Direct	1	1	#	#	1	2	1	1	1
Railways ⁴	726	546	713	504	529	427	71	-139	-299
Research, statistics, publicity and consultancies & other services for roads and local transport	#	1	1	1	1	3	2	2	2
Other transport grants (resource)	9	11	14	8	19	40	218	222	223
Total resource budget DEL	4,774	6,109	6,076	6,067	6,921	6,760	6,356	6,398	6,571
<i>of which:</i>									
Near-cash	4,447	5,896	5,911	5,805	6,362	6,550	6,070	6,055	5,956
<i>of which:[†]</i>									
Pay	367	427	606	634	533	562			
Procurement	1,397	1,346	1,261	1,353	1,575	1,630	1,632	1,707	1,691
Current grants and subsidies to the private sector and abroad	1,099	823	1,134	1,172	1,467	1,347	648	471	369
Current grants to local authorities	1,363	2,103	2,670	2,577	2,849	3,100	3,243	3,384	3,705
Depreciation	196	373	254	280	306	371	393	266	234
Resource AME									
To sustain economic growth and improved productivity through reliable and efficient transport networks	1,124	1,210	1,425	1,600	1,724	1,920	2,070	2,217	2,336
<i>of which:</i>									
Ports & shipping services	-2	#	#	#	#	#	#	#	#
Maritime & Coastguard Agency	-	-	-	-	-	-	#	-	-
Highways Agency ³	1,106	1,210	1,425	1,600	1,735	1,870	2,069	2,217	2,336
Railways ⁴	20	#	#	#	-11	50	#	#	#
To improve the environmental performance of transport	64	70	82	92	100	108	119	128	135
<i>of which:</i>									
Highways Agency ³	64	70	82	92	100	108	119	128	135
To strengthen the safety and security of transport	957	1,047	1,234	1,384	1,502	1,618	1,791	1,919	2,021
<i>of which:</i>									
Highways Agency ³	957	1,047	1,234	1,384	1,502	1,618	1,791	1,919	2,021

Table A2: Resource budget DEL and AME *continued* **£ million**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	Plans
To enhance access to jobs, services and social networks, including for the most disadvantaged	20	-	-	-	-11	50	-	-	-
<i>of which:</i>									
Railways ⁴	20	#	#	#	-11	50	#	#	#
Total resource budget AME	2,166	2,326	2,741	3,076	3,315	3,696	3,980	4,264	4,492
<i>of which:</i>									
Near-cash	-2	-	31	35	43	45	44	42	40
<i>of which:[†]</i>									
Pay	-	-	-	-	-	-	-	-	-
Procurement	-	-	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Current grants to local authorities	-	-	-	-	-	-	-	-	-
Depreciation	77	209	393	488	597	696	1,010	1,168	1,270
Total resource budget	6,940	8,435	8,817	9,144	10,235	10,456	10,336	10,661	11,063
Total resource budget adjusted for inflation	7,702	9,097	9,254	9,395	10,235	10,132	9,714	9,757	9,858

[†] The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but are not included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.

Table A3 – Capital budget

This table provides details for the capital expenditure plans in the same format as Table A2. Capital grants (treated as resource in the Main Estimate) are included in this table.

Table A3: Capital budget DEL and AME		£ million							
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	Plans
Capital DEL									
To sustain economic growth and improved productivity through reliable and efficient transport networks									
	3,688	3,337	3,418	3,217	3,990	4,087	3,963	4,146	4,577
<i>of which:</i>									
Ports & shipping services	-2	#	11	1	23	65	1	-	-
Maritime & Coastguard Agency	16	9	8	8	6	11	9	9	9
Aviation services, transport security & royal travel	69	2	5	-1	16	-25	17	19	18
Tolled river crossings	-	-7	-4	-4	-4	-2	-2	-2	-2
Commission for Integrated Transport & Transport Direct	2	12	12	6	1	2	2	1	1
Highways Agency ³	387	228	317	392	580	552	657	768	811
Railways ⁴	949	1,572	1,413	1,300	1,798	1,748	1,779	1,587	1,636
Central administration ⁵	8	16	3	1	1	4	300	321	648
Research, statistics, publicity and consultancies & other services for roads and local transport	#	1	#	#	3	#	1	1	1
Area based grants	1,295	1,420	1,395	1,364	1,332	856	858	922	978
GLA transport grants	772	-	-	-	-	604	100	272	220
Other transport grants	191	83	258	150	234	273	241	247	257
To improve the environmental performance of transport									
	40	42	60	71	86	221	235	296	328
<i>of which:</i>									
Trans European network payments for transport projects (net)	#	-	-	-	-	2	#	#	#
Cleaner Fuels and Vehicles	-	-	-	-	-	-	3	17	30
Highways Agency ³	22	13	18	23	33	32	38	44	47
Government Car & Despatch Agency	1	1	1	1	2	1	1	1	1
Research, statistics, publicity and consultancies & other services for roads and local transport	1	1	10	2	4	-	-	-	-
Other transport grants	15	27	32	45	46	186	193	234	249

Table A3: Capital budget DEL and AME continued £ million

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	Plans
To strengthen the safety and security of transport	378	275	311	407	589	912	1,173	1,342	1,327
<i>of which:</i>									
Aviation services, transport security & royal travel	-	-	-	-	-	#	2	1	1
Accident Investigation Branches	#	#	#	2	2	1	2	#	#
Highways Agency ³	335	197	275	339	502	478	569	665	701
Freight grants	6	9	3	3	6	#	4	6	10
Transformation, Licensing, Logistics & Sponsorship	22	30	22	16	41	101	32	34	34
Vehicle & Operator Services Agency trading fund	2	19	3	22	14	-5	20	15	-3
Driving Standards Agency trading fund	3	17	-1	10	14	-2	19	6	-3
Vehicle Certification Agency	#	#	#	#	#	#	#	#	#
Research, statistics, publicity and consultancies & other services for roads and local transport	7	-	3	6	-	-	1	1	1
Area based grants	3	2	6	8	11	69	61	58	59
Other transport grants	-	1	#	#	#	271	462	555	526
To enhance access to jobs, services and social networks, including for the most disadvantaged	952	1,579	1,432	1,300	1,837	1,883	1,922	1,830	1,879
<i>of which:</i>									
Accessibility & Equalities	#	#	#	#	#	-1	-	-	-
Support construction of venues and infrastructure related to the Olympic Games	-	-	-	-	-	-	140	240	240
Railways ⁴	949	1,572	1,413	1,300	1,798	1,748	1,779	1,587	1,636
Research, statistics, publicity and consultancies & other services for roads and local transport	-	-	-	-	-	-	3	3	3
Other transport grants	3	7	19	#	39	136	-	-	-

Table A3: Capital budget DEL and AME *continued* £ million

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated	Plans	Plans	Plans
						Outturn			
Total capital budget DEL	5,058	5,233	5,222	4,995	6,503	7,103	7,293	7,614	8,112
<i>of which:</i>									
Capital expenditure on fixed assets net of sales [†]	1,735	1,378	1,339	1,404	1,671	1,494	1,341	1,565	1,658
Capital grants to the private sector and abroad	961	2,285	2,160	1,996	3,119	3,177	3,542	3,163	3,266
Net lending to private sector	64	-9	5	-5	-1	-41	-	-	-
Capital support to public corporations	777	36	12	36	55	81	63	46	19
Capital support to local authorities ^{††}	1,521	1,544	1,706	1,564	1,659	2,392	1,914	2,285	2,287
Total capital budget	5,058	5,233	5,222	4,995	6,503	7,103	7,293	7,614	8,112
<i>Of which:</i>									
Capital expenditure on fixed assets net of sales [†]	1,735	1,378	1,339	1,404	1,671	1,494	1,341	1,565	1,658
Less depreciation ^{†††}	273	582	648	768	903	1,067	1,403	1,434	1,505
Net capital expenditure on tangible fixed assets	1,462	796	691	637	768	427	-62	131	154
Total capital budget adjusted for inflation	5,614	5,644	5,481	5,132	6,503	6,883	6,855	6,968	7,228

[†] Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

^{††} This does not include loans written off by mutual consent that score within non-cash Resource Budgets.

^{†††} Included in Resource Budget.

Explanatory footnotes for Tables A1, A2 and A3

- # Figures under plus or minus £500,000 are not shown. Numbers rounded to nearest £ million. All data taken from on HMT COINS database (where numbers are in £'000s)
- 1 Near-Cash is broadly defined as accrued expenditure and income. It excludes non-cash items such as depreciation, cost of capital and movements in provisions.
 - 2 During 2007-08 the Capital DEL was increased by £624m of which £304m was a Reserve claim to part cover a notional charge to reflect the marginal impact on Public Sector Net Debt in 2007-08 of Metronet's move into administration; and £337m was take up of EYF. This was partially offset by a £17m transfer to the Scottish Executive for rail services.
 - 3 Highways Agency net expenditure and plans have been allocated to the Departmental Strategic Objectives as follows: 52% on DSO 1, 3% on DSO 2 and 45% on DSO 3.
 - 4 Railways net expenditure and plans have been allocated 50% on DSO 1 and 50% on DSO 4.
 - 5 The figures for central administration in Table A2 and A3 consist of: the relevant net resource allowance within the DfT administration budget (see Table A5); other administrative costs not included in the limit such as certain secondments and ex-gratia payments, together with capital investment in departmental infrastructure, and departmental unallocated provisions.

Table A4 – Capital employed

This table shows the capital employed by the Department. In a balance sheet format, it provides a high level analysis of the value of the various categories of fixed assets employed by the Department. It also shows details of the current assets, debtor and creditor values, and also the extent of provisions made.

Table A4: Total capital employed in Departmental group								£ million
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	Outturn ¹	Outturn	Outturn ²	Outturn	Outturn	Forecast	Projected	Projected
Assets on balance sheet at start of year:								
Total fixed assets:	67,112	69,046	74,042	78,862	84,316	86,361	89,619	93,543
Intangible fixed assets	47	68	22	26	28	30	30	31
Tangible fixed assets	67,065	68,978	74,020	78,836	84,288	86,331	89,589	93,512
Investments	515	570	647	663	676	633	624	620
Current assets	636	591	497	767	694	851	844	749
Creditors (<1 year)	-945	-879	-892	-1,296	-1,213	-1,248	-1,229	-1,231
Creditors (>1 year)	-1,450	-2,482	-2,569	-2,737	-3,236	-3,210	-3,255	-3,234
Provisions	-2,272	-3,049	-2,873	-1,778	-1,289	-1,787	-1,782	-1,674
Capital employed within main department	63,596	63,797	68,852	74,481	79,948	81,600	84,821	88,773
NDPB net assets ²	-531	2,392	3,906	-115	-84	-82	-80	-80
Total capital employed within main department	63,065	66,189	72,758	74,366	79,864	81,518	84,741	88,693

¹ Main departmental figures only include DVLA until 2003-04, after which time the DVLA became a Trading Fund

² The activities of the Strategic Rail Authority transferred to the main department in 2005-06. Network Rail has been excluded from this point.

Table A5 – Departmental administration costs

This table presents information on the pay and other related costs included in the departmental administration budget. Other administration costs related to the delivery of front line services and certain of the Department's executive agencies are included within Table A2.

Table A5: Administration costs ¹							£ million		
	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Admin expenditure									
Paybill	237	255	135	152	157	162			
Other ²	382	405	166	188	154	153			
Total admin expenditure^{3,5}	619	660	302	340	311	315	303	299	296
Admin income	-241	-260	-34	-35	-30	-28	-22	-24	-26
Total admin budget⁴	378	400	268	305	281	287	281	275	267

¹ All figures in this table are consistent with the treatment of administration costs on a full resource accounting and budgeting (RAB) basis.

² Consultancy costs previously counted within programme have been reclassified in all outturn years as part of the Administration Budget. This is the main reason for the year on year difference in other expenditure between 2005-06 and 2006-07.

³ From 1 April 2004, the DVLA became a Trading Fund with budgetary treatment akin to a NDPB and, therefore, no longer subject to Administration Budget controls.

⁴ The plan year totals for the Administration Budget were agreed as part of the Consolidated Spending Review 2007.

⁵ Figures only available in total for 2008-09, 2009-10, 2010-11.

Table A6 – Staff numbers

This table provides a breakdown of the central Department and agencies' staff numbers. It also includes figures for ORR. Further information about the Department's recruitment and staffing is available in Appendix B.

Table A6: Staff numbers

		2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
		Actual	Plans	Plans						
<i>Department for Transport Centre¹</i>	CS FTEs	4,870	4,270	1,900	1,801	1,816	1,930	1,853	1,894	1,990
	Overtime	40	70	70	70	30	30	30	30	30
	Casuals	91	90	30	30	-	-	-	-	-
	Total	5,001	4,430	2,000	1,901	1,846	1,960	1,883	1,924	2,020
<i>Driver and Vehicle Licensing Agency²</i>	CS FTEs	4,701	5,081	5,326	6,557	6,525	6,365	6,367	6,167	6,329
	Overtime	107	106	106	-	-	-	-	-	-
	Casuals	567	183	411	-	-	-	-	-	-
	Total	5,375	5,370	5,843	6,557	6,525	6,365	6,367	6,167	6,329
<i>Driving Standards Agency</i>	CS FTEs	1,742	1,851	1,949	2,184	2,465	2,541	2,584	2,607	2,734
	Overtime	-	-	-	-	-	-	-	-	-
	Casuals	-	-	-	-	-	-	-	-	-
	Total	1,742	1,851	1,949	2,184	2,465	2,541	2,584	2,607	2,734
<i>Highways Agency³</i>	CS FTEs	1,980	1,624	1,677	1,781	2,124	3,141	3,368	3,405	3,596
	Overtime	15	23	21	8	16	26	25	23	24
	Casuals	30	26	20	8	3	0	-	-	-
	Total	2,025	1,673	1,718	1,797	2,143	3,167	3,393	3,428	3,620
<i>Maritime and Coastguard Agency</i>	CS FTEs	1,020	1,075	1,100	1,144	1,171	1,171	1,169	1,161	1,127
	Overtime	55	52	47	33	14	32	35	35	35
	Casuals	30	40	50	34	22	3	3	0	0
	Total	1,105	1,167	1,197	1,211	1,207	1,206	1,207	1,196	1,162
<i>Vehicle Certification Agency</i>	CS FTEs	93	100	104	111	110	116	137	159	177
	Overtime	3	4	3	-	-	-	-	-	-
	Casuals	-	-	3	-	-	-	-	-	-
	Total	96	104	110	111	110	116	137	159	177
<i>Vehicle and Operator Services Agency⁴</i>	CS FTEs	1,947	1,900	2,110	2,760	2,703	2,669	2,626	2,613	2,766
	Overtime	88	78	-	-	-	-	-	-	-
	Casuals	100	110	80	-	-	-	-	-	-
	Total	2,135	2,088	2,190	2,760	2,703	2,669	2,626	2,613	2,766
<i>Department for Transport</i>	Total	17,479	16,683	15,007	16,521	16,999	18,024	18,197	18,094	18,808
<i>Government Car and Despatch Agency⁵</i>	CS FTEs	277	294	298	298	297	296	294.5	293	320
	Overtime	-	-	-	-	-	-	-	-	-
	Casuals	-	-	-	-	-	-	-	-	-
	Total	277	294	298	298	297	296	294.5	293	320
<i>Office of Rail Regulation⁶</i>	CS FTEs	100	108	120	124	139	141	371	360	360
	Overtime	1	1	1	1	1	1	-	-	-
	Casuals	3	-	-	1	1	-	1	1	-
	Total	104	109	121	126	141	142	372	361	360

Figures are full time equivalent (FTE) staff – so two part-time staff each working 50 per cent of conditioned hours will count as one FTE. They are provided with effect from at the end of the financial year to which they relate, so 2004-05 figures are at 31 March 2005. Figures for overtime are not included in data collected by the Office of National Statistics and Cabinet Office on civil service numbers. SSDL Group Agency 2008-09 figures (DVLA, DSA, GCDA, VCA, VOSA) show planned headcount as at 31/03/09 in the SSDL Group Agency Business Plans.

¹ The numbers prior to 2002-03 are for DETR/DTLR. From 2002-03 onwards the figures are those for the DfT(C). DfT(C) has an efficiency target to reduce FTE numbers by 200 FTEs by 31 March 2007, compared to a 1 April 2004 baseline. However, the 2005-06 and 2006-07 figures show planned growth within front-line units, including the establishment of the Rail Accident Investigation Branch and strengthening the Department's Transport Security Directorate. The 2005-06 figures also take into account 212 additional posts from the transfer to DfT(C) of Strategic Rail Authority (SRA) responsibilities.

² 2006-07 figures for DVLA includes 270 FTEs working for DfT Shared Service Centre hosted by DVLA. 2007-08 figures include 280 FTEs working for DfT Shared Service Centre.

³ For years prior to 2003-04, an average has been used. 2004-05 and onward figures include traffic officers. The Service reached full operational capacity in 2006-07.

⁴ From 1 April 2003 the Vehicle Inspectorate (VI) and the Traffic Area Network (TAN) combined to become the Vehicle Operator Services Agency (VOSA). Figures for previous years are for VI. TAN figures for previous years are included in the DfT total.

⁵ The Government Car and Despatch Agency became an agency of the Department for Transport in November 2005.

⁶ ORR increased its complement in 2005-06 to reflect the additional responsibilities it took on following the merger with HSE Rail on 1 April 2006.

Tables A7, A8 and A9 – Regional spending

Tables A7, A8 and A9 show the Department's expenditure analysed according to the country or region of the UK for whose benefit the expenditure has been incurred. They are consistent with the country and regional analyses published by HM Treasury in the Public Expenditure Statistical Analyses 2008 (PESA). PESA contains more tables analysed by country and region, and also explains how the analysis was collected and the basis for allocating expenditure between countries and regions.

Table A7: Total spending by country and region										£ million
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans	
North East	254.8	219.8	190.7	213.6	309.0	299.7	284.0	276.9	283.3	
North West	850.5	744.2	823.6	788.0	1070.4	1103.7	1067.6	1069.1	1110.9	
Yorkshire and Humberside	507.0	423.0	372.5	394.4	631.4	604.5	591.4	574.2	591.8	
East Midlands	514.9	453.1	430.3	479.3	603.9	527.8	577.1	574.0	576.1	
West Midlands	660.4	602.4	701.1	675.3	832.3	860.8	836.0	846.6	869.8	
Eastern	603.7	583.3	423.9	464.7	644.3	626.3	570.4	574.3	593.4	
London	1522.9	2201.2	1045.7	972.9	1286.1	1094.6	941.1	825.0	830.3	
South East	1464.0	1388.5	1320.0	1287.5	1635.0	1533.5	1338.0	1262.9	1263.5	
South West	556.5	490.4	546.2	625.9	852.2	833.6	779.4	796.5	792.0	
Total England	6934.7	7105.8	5854.0	5901.4	7864.6	7484.5	6984.9	6799.4	6911.0	
Scotland	321.1	241.9	255.8	243.1	204.3	189.9	173.0	146.7	147.2	
Wales	223.7	140.0	173.0	152.8	156.3	151.9	137.8	121.6	123.7	
Northern Ireland	13.9	23.0	19.7	18.1	20.0	20.2	28.2	27.3	28.3	
Total UK identifiable expenditure	7493.4	7510.7	6302.5	6315.4	8245.2	7846.5	7323.8	7095.0	7210.3	
Outside UK	206.8	204.7	158.9	144.3	114.1	80.3	25.8	25.9	26.6	
Total identifiable expenditure	7700.2	7715.4	6461.4	6459.7	8359.3	7926.8	7349.6	7121.0	7236.9	
Non-identifiable expenditure	161.3	129.9	171.2	168.4	182.5	243.3	636.9	1144.7	1108.3	
Total expenditure on services	7861.5	7845.4	6632.5	6628.1	8541.8	8170.1	7986.6	8265.6	8345.2	

Table A8: Total spending per head by country and region									
	£ million								
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
North East	100.3	86.5	75.0	83.8	120.9	117.6	111.1	108.0	110.2
North West	125.5	109.4	120.8	115.2	156.2	160.0	153.9	153.2	158.3
Yorkshire and Humberside	101.4	84.1	73.6	77.2	122.8	117.0	113.6	109.4	111.8
East Midlands	122.0	106.5	100.3	110.7	138.4	120.1	130.1	128.2	127.5
West Midlands	124.7	113.4	131.6	126.2	155.1	159.7	154.2	155.3	158.6
Eastern	111.1	106.5	76.9	83.5	114.9	110.7	99.8	99.5	101.7
London	206.9	298.9	141.5	130.5	171.2	144.5	123.2	107.1	106.9
South East	181.9	171.7	162.5	157.3	198.5	184.9	160.1	149.9	148.8
South West	111.9	98.0	108.3	123.0	166.3	161.2	149.2	151.0	148.7
Total England	139.7	142.5	116.8	116.9	154.9	146.5	135.7	131.0	132.2
Scotland	63.5	47.8	50.4	47.7	39.9	37.0	33.5	28.4	28.4
Wales	76.6	47.8	58.7	51.7	52.7	51.0	46.0	40.4	40.9
Northern Ireland	8.2	13.5	11.5	10.5	11.5	11.5	15.9	15.3	15.7
Total UK identifiable expenditure	126.3	126.1	105.3	104.8	136.1	128.7	119.3	114.7	115.7

Table A9: Department for Transport's identifiable expenditure on services, by function, country and region, for 2006-07 £ millions

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	Eastern	London	South East	South West	England	Scotland	Wales	Northern Ireland	UK identifiable expenditure	OUTSIDE UK	Total identifiable expenditure	Not identifiable expenditure	Totals	
Transport																			
General public services																			
General services	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.7	0.0	0.0	0.0	0.7	0.0	0.7	0.0	0.0	0.7
Total general public services	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.7	0.0	0.0	0.0	0.7	0.0	0.7	0.0	0.0	0.7
Defence																			
Civil defence	0.1	0.3	0.2	0.1	0.2	0.2	0.5	0.4	0.2	2.1	0.1	0.0	0.0	2.2	0.0	2.2	0.0	0.0	2.2
Total Defence	0.1	0.3	0.2	0.1	0.2	0.2	0.5	0.4	0.2	2.1	0.1	0.0	0.0	2.2	0.0	2.2	0.0	0.0	2.2
Public order and safety																			
Police services	6.2	20.5	12.6	8.7	14.2	13.5	34.5	39.6	12.7	162.4	7.1	6.2	0.0	175.7	0.0	175.7	0.0	0.0	175.7
Total Public order and safety	6.2	20.5	12.6	8.7	14.2	13.5	34.5	39.6	12.7	162.4	7.1	6.2	0.0	175.7	0.0	175.7	0.0	0.0	175.7

Table A9: Department for Transport's identifiable expenditure on services, by function, country and region, for 2006-07 continued £ millions

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	Eastern	London	South East	South West	England	Scotland	Wales	Northern Ireland	UK identifiable expenditure	OUTSIDE UK	Total identifiable expenditure	Not identifiable	
Economic affairs																		
Transport	301.5	1047.8	617.1	593.7	816.3	629.0	1245.5	1593.2	837.8	7681.9	196.1	149.1	19.0	8046.0	114.1	8160.2	149.3	8309.4
of which: national roads	107.1	371.1	156.57	305.9	376.6	346.3	43.2	456.2	476.8	2639.8	24.1	14.6	12.3	2690.7	0.1	2690.8	0.0	2690.8
of which: local public transport	23.8	59.1	43.2	24.9	36.8	30.8	172.5	42.0	29.7	462.8	0.2	0.1	0.1	463.2	1.7	464.9	0.0	464.9
of which: railway	157	585.3	395.8	242.6	376.9	229.1	954.0	1044.1	304.4	4289.5	159.9	124.9	1.6	4575.9	109.3	4685.2	0.0	4685.2
of which: other transport	13.2	32.4	21.6	20.3	26.1	22.8	75.9	50.8	26.9	289.8	11.9	9.5	5.0	316.2	3.0	319.3	149.3	468.5
R&D Economic affairs	1.2	1.8	1.5	1.4	1.6	1.6	4.9	1.8	1.5	17.4	1.1	1.0	1.0	20.6	0.0	20.6	33.3	53.8
Total economic affairs	302.7	1049.7	618.6	595.1	817.9	630.6	1250.4	1595.0	839.3	7699.3	197.2	150.1	20.0	8066.6	114.1	8180.7	182.5	8363.2
TOTAL TRANSPORT	309.0	1070.4	631.4	603.9	832.3	644.3	1286.1	1635.0	852.2	7864.6	204.3	156.3	20.0	8245.2	114.1	8359.4	182.5	8541.9

Regional DR tables – footnotes/explanatory text

1. **Tables 7, 8 and 9** show analyses of the department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of Public Expenditure Statistical Analyses (PESA) 2008. The figures were taken from the HM Treasury public spending database in December 2007 and the regional distributions were completed in January and February 2008. Therefore the tables may not show the latest position and are not consistent with other tables in the Annual Report.
2. The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government and public corporation elements of TES. They include current and capital spending by the department and its NDPBs, and public corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities own expenditure.
3. TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of PESA 2008.
4. The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.
5. Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the department's area of responsibility, usually England, compare. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis.
6. The functional analyses of spending in **table 9** are based on the United Nations Classification of the Functions of Government (COFOG), the international standard. The presentations of spending by function are consistent with those used in chapter 9 of PESA 2008. These are not the same as the strategic priorities shown elsewhere in the report.
7. The CRA guidance stipulates that expenditure should be allocated to regions according to 'who benefits' ('for' basis), rather than the region where the money is spent ('in' basis). The allocation of transport net expenditure to regions on a 'who benefits' basis is difficult conceptually and in practice. The principle used is that those who benefit are the people travelling on the transport network. For most local transport, eg buses, it is reasonable to assume that those using the service are from within the region where it operates. For the inter-urban networks this is not the case and information on the origins and destinations of travellers is required. Rail accounts for about 60 per cent of DfT expenditure and almost all of this is allocated on a 'who benefits' basis, possibly with a small bias. However, Highways Agency expenditure which covers motorways and trunk roads, accounts for about 30 per cent of expenditure is allocated on an 'in' basis.

Appendix B

Recruitment and public appointment tables



Appendix B

Recruitment and public appointment tables

Table B1: Recruitment statistics for DfT(C)

Grade	Non-civil servants	Fixed-term appointments	Permanent	Casual	Females	Ethnic minority	Disabled
Pay band 1	0	0	0	0	0	0	0
Pay band 2	0	7	6	0	10	0	0
Pay band 3	0	5	9	0	4	1	1
Pay band 4	0	9	60	0	24	6	2
Pay band 5	0	1	12	0	8	1	0
Pay band 6	0	0	48	0	17	2	0
Pay band 7	0	0	3	0	1	1	0
SCS ¹	0	5	12	0	5	0	1
Totals	0	27	150	0	69	11	4

¹ senior civil servants

Table B2: Exceptions to the recruitment code for DfT(C)

Category

Casual appointments extended over 12 months	
Recurrent short-term appointments	
Short-term appointments where highly specialised skills requested	
Conversion of short-term appointments to permanency (or extension beyond publicised period)	
Inward secondments ²	27
Outward secondments ³	37
Extension to secondments	11
Re-appointments of former civil servants	
Transfers of staff with work	
Transfers of staff from other public services without work	
Surplus acceptable staff	
Disabled Candidates	
Exceptions reserved for the Commissioners	

² This figure includes: 21 inward secondees who joined the Department prior to April 2007 and are still in the Department
3 inward secondees who joined the Department after April 2007, but left prior to January 2008, and
5 inward secondees who joined prior to April 2007, but left prior to January 2008

³ This figure includes: 21 members of staff who went out on secondment prior to April 2007 and are still away from the Department
2 members of staff who went out on secondment after April 2007 and has now returned to the Department, and
8 members of staff who went out on secondment prior to April 2007 and has now returned

There are 52 members of staff out on loan, 27 of whom went out on loan prior to April 2007 and are still on loan to other government departments.

Table B3: Distributions of senior civil service salaries within DfT

£000s	Staff numbers	£000s	Staff numbers
55-60	9	115-120	6
60-65	26	120-125	4
65-70	24	125-130	3
70-75	24	130-135	1
75-80	25	135-140	1
80-85	12	140-145	0
85-90	12	145-150	1
90-95	7	150-155	2
95-100	11	155-160	0
100-105	11	155-160	0
105-110	4	160-165	1
110-115	2	165-170	

Staff numbers are for DfT(C) and its Agencies at 1 April 2007 and include staff on fixed-term contracts. Salary is the basic annual salary effective from 1 April 2007 and excludes bonuses.

Table B4: Public appointments

Public body appointee	Position	Period of appointment	Remuneration per annum (actual)	Time input
Commission for Integrated Transport				
David Leeder	Vice-Chair	01/07/07 – 30/06/10	£24,000	5 days per month
Lynn Sloman	Vice-Chair	19/09/07 – 17/09/10	£24,000	5 days per month
Garrett Emmerson	Member	01/07/07 – 30/06/10	£5,431	2 days per month
Phil Davis	Member	19/09/07 – 17/09/10	£5,431	2 days per month
Carolyn Dwyer	Member	19/09/07 – 17/09/10	£5,431	2 days per month
Corinne Swain	Member	19/09/07 – 17/09/10	£5,431	2 days per month
Richard Turner	Member	01/07/07 – 30/06/10	£5,431	2 days per month
Traffic commissioners				
Sarah Bell	Western Traffic Area Office	12/06/07 (permanent)	£89,010	Full-time
Nicholas Jones	West Midlands and Wales Traffic Areas	01/05/07 (permanent)	£89,010	Full-time
Renewable Fuels Agency				
Professor Ed Gallagher	Chair	29/10/07 – 28/10/10	£30,000	5 days per month
Gareth Llewellyn	Member	05/11/07 – 04/11/10	£9,000	2 days per month
Dr Paul Jefferiss	Member	05/11/07 – 04/11/10	£9,000	2 days per month
Brian White	Member	05/11/07 – 04/11/10	£9,000	2 days per month
Greg Archer	Member	05/11/07 – 04/11/10	£9,000	2 days per month
Disabled Persons Transport Advisory Committee				
Ann Bates*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Julian Fiorentini	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Helen Smith	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Keith Richards*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Will Bee	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Richard E West	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Tomi Jones*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Alan Norton*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Katherine Phipps*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
David Finnegan*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
British Transport Police Authority				
David O'Dowd*	Deputy Chairman	01/07/07 – 30/06/11	£24,760	50 days per annum
Ian Dobbs	Member	01/03/08 – 28/02/12	£14,881	30 days per annum

Table B4: Public appointments *continued*

Public body appointee	Position	Period of appointment	Remuneration per annum (actual)	Time input
Passenger Focus				
No new appointments in the period				
Railway Heritage Committee				
Christopher Fildes OBE*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Sir Howard Newby KB, CBE*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Peter Ovenstone*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Catherine Wilson OBE*	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Chris Austin	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Ian Brown	Member	01/01/08 – 31/12/10	Expenses only	2 days per month
Civil Aviation Authority				
Sir Roy McNulty **	Chairman	01/09/08 – 31/08/09	£154,000	3.5 days per week
Jim Keohane ***	Deputy Chairman	07/11/07 – 31/12/08	£86,000	3 days per week
Dr Harry Bush*	Member	01/04/08 – 31/03/13	£183,000	Full time
Chris Jesnick	Member	01/03/09 – 28/02/11	£159,000	Full time
Roger Mountford*	Non-Executive	01/04/08 – 31/03/13	£42,960	2 days per week

* reappointed members

** extension of existing appointment

*** additional role – previously non-executive

Look after your tyres and they will look after you!

Michelin supports:



Michelin is a signatory of:

Fill Up With Air – UK Tour 2007

Visiting 13 locations across the UK during summer, these roadshows educated motorists on the importance of correct tyre pressure. Drivers were offered a free tyre health check conducted by Michelin technical experts.



Appendix C Sponsorship

www.michelin.co.uk



Appendix C

Sponsorship

Table C1: Companies lending support to the Department's publicity activity in fiscal year 2007-08

The Department and its executive agencies have received the following cash sponsorship.

Partners	Activity
NCP	£20,000 plus VAT received in sponsorship of the DVLA annual enforcement conference held on 11 October 2007
GB Group	£975 plus VAT received in sponsorship of the DVLA annual enforcement conference held on 11 October 2007
Sikorsky	£1,600 towards cost of MCA National Conference
Bristows	£1,600 towards cost of MCA National Conference
CHC	£4,000 towards cost of MCA National Conference

We have also received 'in kind' support from a range of organisations, which have linked with our publicity campaigns as part of their 'corporate social responsibility' objectives. We are grateful for this 'in kind' support but have not put a cash value on it. See tables on the following pages.

Table C2: Partner support for THINK! road safety campaign

Child road safety partner	Child road safety activity
3M (manufacturers of diverse products such as reflective clothing and road signs)	Produced and distributed 10,000 reflective jackets to primary schools in close proximity to their sites Still have online educational resource promoted to all primary schools throughout UK
Fun Radio (UK's first dedicated children's radio station owned by GCap)	Week long radio campaign featuring short stories by Spike the Hedgehog – as well as tips of the day. Also featured games and quizzes on their website and a competition to give away high visibility bags
Halfords (bicycle retailer)	Supplied prize funds for Hedgehogs website competition: first prize bike and helmet and three runner-up helmets
Little Chef (roadside restaurant)	Distribution of Little Chef branded activity sheets with children's meal. Also featured Hedgehog games on 'Little Ones' website
BrightKidz (produce high visibility items for kids)	Supplied 10 high visibility bags and giveaways for Fun Radio competition
JBI (shoe manufacturers)	Inserted Hedgehog sticker sheets in their Traffic line shoe boxes for kids
Millets (outdoor and clothing retailer)	Provided in store point-of-sale in the form of swing tickets. Also incorporated THINK! messaging on window displays Ran events outside 10 stores with Road Safety Officers to give away 'Be Safe Be Seen' collateral and educate on road safety
Nationwide (UK bank and building society)	Provided 10,000 Spike the Hedgehog branded reflectors via the THINK! website. Also supplied a Lapland holiday prize fund
Texaco (petrol retailer)	Produced animated DVDs (based on last year's five story books each focusing on a separate child message). These were distributed via the petrol stations supported by point-of-sale literature and also fluorescent stickers as giveaways
Power Rangers (children's cartoon characters)	Produced a booklet promoting safe road use – distributed to primary schools in the UK
Drink drive partner	Drink drive activity
Scottish & Newcastle (pubs)	Distributed 2,240 posters in their pubs
Everards (pubs)	Promoted drink drive posters in their in-house magazine
British Beer and Pub Association	Endorsed the campaign and promoted it to their members
Admiral Taverns (pubs)	Distributed 4,222 posters to their pubs
Enterprise Inns (tenanted pub company)	Encouraged their tenants to take part by siting posters and making them available through a promotional booklet (9,000 pubs)
Greene King (pubs)	Distributed 5,740 posters to their pubs
ScooterMAN (innovative taxi service that drives you and your car home)	Distributed our posters across London to their affiliated pubs
Hall & Woodhouse (pubs)	Distributed 1,040 posters to their pubs
Hydes Brewery	Distributed 160 posters to their pubs
Youngs (tenanted pub company)	Ran a soft drinks promotion in conjunction with Coca Cola. Sited joint branded 'Car Perks' posters

Table C2: Partner support for THINK! road safety campaign *continued*

Punch Taverns (tenanted pub company)	Encouraged their tenants to take part by siting posters, via newsletters. Sent out 8,000 posters to their pubs
Regent Inns (managed pub chain)	Distributed 312 posters to their 101 pubs
Charles Wells (pubs)	Displayed drink drive posters in their pubs
Arkell's (tenanted pub company)	Distributed 330 posters to their pubs
Marstons (pubs)	Ordered 1,653 posters to go to 551 managed pubs and 3,444 posters to go to 1,722 leased pubs
Scoot (innovative taxi service that drives you and your car home – based in Edinburgh)	Distributed posters across Edinburgh
The Publican (trade press)	Promoted drink drive posters and the number to order them online
<i>The Morning Advertiser</i> (trade press)	Ran press release online
Hardy's and Hansons (tenanted pub company)	Sited posters in each of their 75 pubs
Shepherd Neame (tenanted pub company)	Placed 746 posters in 373 pubs
Frederick Robinsons (pubs)	Distributed 674 posters to go to 337 pubs
Brakspear (pubs)	Distributed 208 posters to their pubs
Costcutter (supermarkets)	Put up posters in each of their 1,400 stores
Passionate pubs	Distributed 200 posters to 20 pubs
JT Davies (pubs)	Distributed 300 posters to their pubs
Mitchells & Butler	Distributed 3,000 posters to their pubs
Sale Rugby Club	Sent posters to display in their stadium
Falcons Rugby Club	Sent posters to display in their stadium
Carlsberg (alcohol brand)	Sent posters and content in programmes to each of the 22 football clubs that they sponsor, as well as specific posters to display in Wembley stadium
Spar (convenience stores)	Distributed 2,750 posters in their stores
Bavaria (alcohol brand)	Included THINK! messaging on point-of-sale in Morrison stores
Dairy Farmers of Britain	THINK! Drink Drive messaging on 10 million milk cartons and campaign branded shelf wobblers displayed in Spar, Co-op and NISA convenience stores
British Institute of Innkeepers	Promoted campaign and posters to their members via their websites and e-newsletters
Drink Aware Trust	Distributed 200 Drinking Buddy posters to their pub contacts

Table C2: Partner support for THINK! road safety campaign *continued*

Colchester United FC	35 posters sited around stadium and messaging included on website
Coventry FC	40 posters displayed around the stadium
<i>Loot</i> (classified ads magazine)	Ran quarter page mock 'For Sale' ad in their three editions
Scoot	Distributed 300 posters and 9,500 leaflets to their pub partners
Motability	Included drink drive article in their member magazine
<hr/>	
Driving for work partner	Driving for work activity
Little Chef (roadside restaurant)	Displayed posters throughout their restaurants and included the banner and messaging on their website
Road Chef (motorway service station)	2 x 6 sheet posters were displayed at each of their 21 sites
First Motorway (MSA operator)	Display of posters and distribution of leaflets
Multimap (online maps and directions)	Siting of banner ad on directions page
<i>Loot</i> (classified ads magazine)	Free press ad space provided
<hr/>	
Motorcycling partner	Motorcycling activity
Phoenix/Arai Helmet	Sent posters to dealerships
Frank Thomas (clothing and accessories)	Sent posters to dealerships
Hein Gericke (retailer)	Sent posters to dealerships
Metzeler (tyres)	Sent posters to dealerships
BSM	Sent posters to training schools
B&C Express (motorcycle parts)	Sent posters to dealerships
Knox (body armour)	Sent posters to dealerships and sited content on website
Feridax (clothing)	Sent posters to dealerships
Motorbike Search Engine	Sited web content on website
Devitt (insurance)	Inserted A3 posters in their <i>KickStart</i> magazine sent out to members
Bike Animal	Sited website content
BMF (British Motorcycle Federation)	Distributed posters to their members and featured content on their websites
KTM (sports and off road motorcycles)	Distributed posters to their members and featured content on their website
BMW (motorcycle manufacturer)	Sent posters to dealerships
Infinity (retailer)	Sent posters to dealerships
Peugeot Scooters	Sent posters to dealerships and featured content on website
Sachs (lightweight scooters)	Content on website
BMF (British Motorcycle Federation)	Sent posters to members
MAG (Motorcycle Action Group)	Posters distributed to members and web content live on all their sites

Table C3: Partner support for Act on CO₂ campaign

Act on CO ₂ partner	Act on CO ₂ activity
Volkswagen (car manufacturer)	Distributed 20,000 leaflets to customers at events over the summer including smarter driving tips
Ford (car manufacturer)	Article in <i>Ford Magazine</i> , which is distributed to prospects and customers, consisting of smarter driving tips. Article distributed to 500,000 in the September publication
Renault (car manufacturer)	Produced a leaflet promoting general environmental tips and smarter driving messaging. Distributed 50,000 to customers through dealerships over the summer. Gave a presentation to dealership staff to educate them on promoting Act on CO ₂ messaging to customers. Also have web content and link from homepage
Shell (petrol retailer)	Sited A4 and A2 posters at 900 forecourts across the UK from May to July 2007
Total (petrol retailer)	Sited posters at every air pump across their 800 forecourts from June to September 2007. All point-of-sale have been branded with Act on CO ₂ messaging and displayed at around 670 of their UK forecourts from 27 Feb 2008
STS Tyres (servicing)	Sited A3 posters in reception and waiting areas across 20 retail outlets in the South East
Pirelli (tyre manufacturer)	Included content on their website supporting the Smarter Driving message
Michelin (tyre manufacturer)	Have content on their website promoting 'Fill Up With Air' campaign and smarter driving messages. Also ran 10 car checking events across seven sites throughout the UK, checking a total of 1,019 cars. Also included messaging in their <i>Communique</i> dealer magazine and in their tyre care leaflet
EasyCar (car hire services)	Dedicated Smarter Driving tips webpage for customers. Also sent out messaging in a newsletter to 163,000 customers
Little Chef (roadside restaurant)	Sited A2 posters across all 198 restaurants from July to October 2007
The Caravan Club (provides caravan sites and insurance)	Sited A4 posters across 200 caravan and camping sites from September to October. Also put an article in the <i>Caravan Club Magazine</i> in September 2007 sent to 300 customers in the UK advising them to check tyre pressure before journeys
Vauxhall (car manufacturer)	Placed a link on the GM website and an article in <i>V Magazine</i>
BP (petrol retailer and supplier)	Smarter driving tips placed on forecourt TV screens in December 2007, January and February 2008
Arnold Clark	Incorporated Act on CO ₂ messaging in their Driver Help Guide
UK Aware	Sited 75 posters at their UK Aware event
M6 Toll	Displayed 80 posters at their toll booths throughout March 2008
Land Rover	Included Smarter Driving messaging on their website

Table C4: Support for driver standards activity

Driver standards partners	Driver standards activity
Dell	Inspiron laptop main prize in a raffle
Capita	An LCD/plasma screen being supplied for the new DSA headquarters
Suzuki	Sponsorship via our publishing partners, TSO, of DSA's motorcycling range of books and electronic publications
Swinton Insurance	Sponsorship of <i>The Official DSA Guide to Learning to Ride</i> and <i>The Official DSA Theory Test for Motorcyclists</i> via our publishing partners, TSO
Suzuki	Loan of bikes to film Government Motorcycle Strategy (GMS) road safety DVDs
Hein-Gericke (retailer)	Loan of motorcycle clothing for filming of GMS road safety DVD
Feridax	Loan of motorcycle equipment for filming of GMS road safety DVD
Phoenix Distribution	Loan of motorcycle equipment for filming of GMS road safety DVD
Abus	Loan of motorcycle security equipment for filming of GMS road safety DVD
Piaggio	Loan of bike to film GMS road safety DVD

Table C5: Support for the Highways Agency

Highways Agency partner	Highways Agency activity
Moto (MSA operator)	Hosted launch events; filming at motorway service areas
Tesco (supermarkets)	promoted HGV Driver Improvement Programme on backs of their lorries
Sheilas' Wheels (insurance)	Promoted <i>HI</i> magazine on their website
Little Chef (roadside restaurant)	Distributed severe weather driving leaflet
First Motorway (MSA operator)	Distributed severe weather driving leaflet
Halfords (retailer)	One-third discount off their winter driving kit
Bluewater (shopping centre)	Distributed severe weather driving leaflet to staff

Appendix D

Public Service Agreement targets



Appendix D

Public Service Agreement targets

The Department's PSA targets for the period 2005-08 are set out in the framework of aims and objectives which were published in the Spending Review 2004 and came into effect in April 2005. The coverage of these targets is broadly the same as the previous targets set in the Spending Review 2002, with the addition of one new target on climate change. Following the transfer of responsibility for London Underground Limited (LUL) to the Mayor of London, a PSA target for LUL was not retained. Performance of LUL will, however, continue to be monitored against the six performance indicators agreed with the Mayor, five of which become incrementally more challenging until 2010. The efficiency target, which was a PSA target before April 2005, will also be monitored.

Road journey time and reliability

Strategic roads

SR2004 PSA target

By 2007-08, make journeys more reliable on the strategic road network (PSA1).

SR2002 PSA target

Reduce congestion on the inter-urban road network in England below 2000 levels by 2010.

Performance indicator

The target will be met if, in 2007-08, for the 10 per cent worst daytime journeys on each of the routes, average vehicle delay across the network is less than during the baseline period (August 2004 – July 2005 for most routes).

Delay is the difference between observed journey time and a reference journey time (the time that could theoretically be achieved when the traffic is free flowing).

Coverage: Highways Agency roads in England

For monitoring purposes the network has been split into 103 routes. This report includes 91 routes; the remaining routes have been excluded owing to data quality considerations.

The same set of routes was used to monitor progress in the Annual Report in May 2007 and the autumn performance report in November 2007.

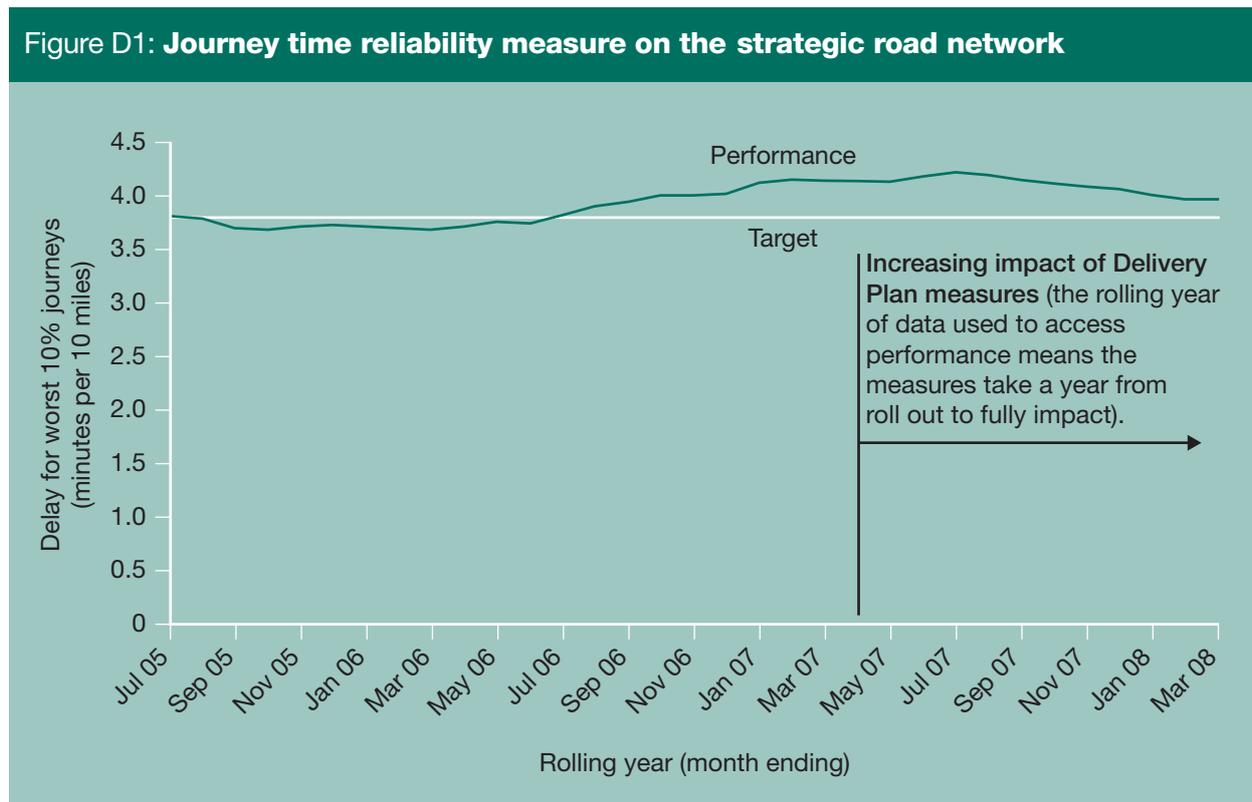
Further information on the routes included in the target can be found in the data quality section below.

Progress

Status: Not met

Delays on the worst 10 per cent of journeys across the 91 routes covered by the target increased from 3.78 minutes per 10 miles in the baseline period to 3.95 minutes per 10 miles for the measurement year, April 2007 to March 2008. This is equivalent to an extra 10 seconds per 10 miles, or the average speed on these routes dropping from 44.7 mph to 44.1 mph.

Figure D1 below shows the monthly trend.

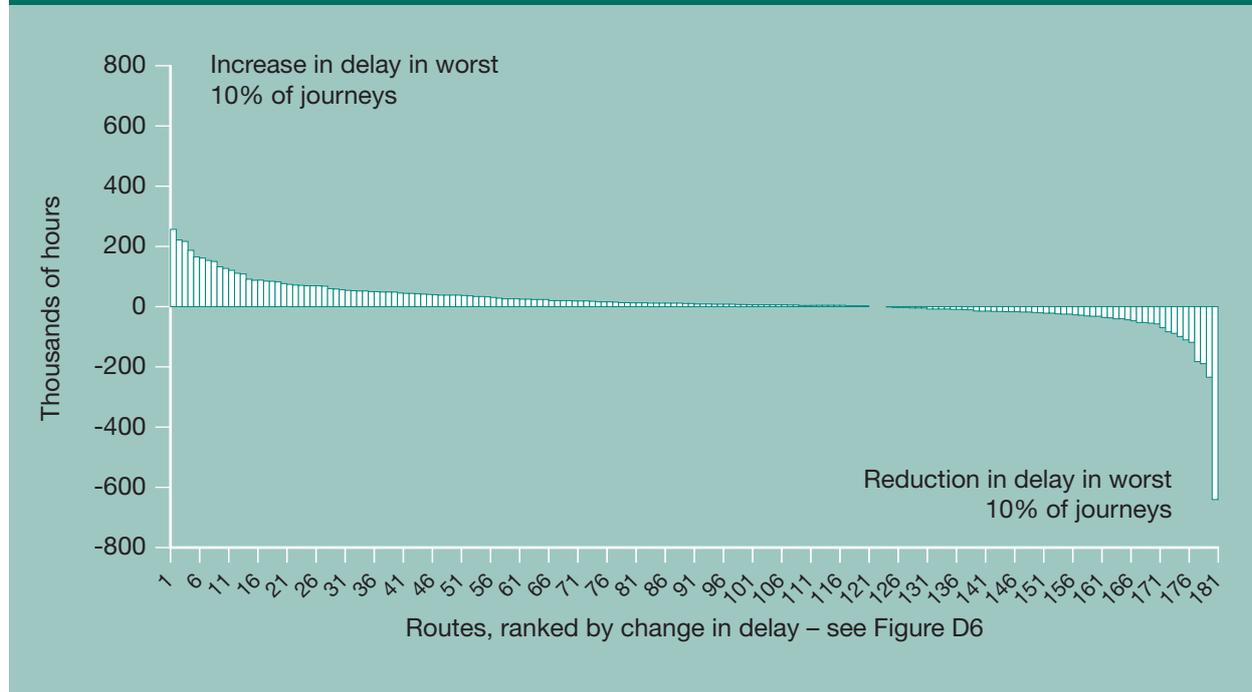


The measures delivered to improve reliability have not been sufficient to counter the negative impact on reliability from the growth in traffic levels, higher levels of road works and particularly adverse weather during the 2007-08 measurement year compared with the baseline year.

Understanding reliability at a route level

Reliability for each of the 91 routes covered by the target, for the measurement year compared with the baseline period is presented in Figure D2. It shows a mixed picture of performance.

Figure D2: **Changes in total delay in the worst 10 per cent of journeys for each of the 91 two-way routes**



Details of the changes in total delay for each route in the worst 10 per cent of journeys are listed in Figure D6.

In summary, expressed in terms of delay per 10 vehicle miles in the worst 10 per cent of journeys:

- one tenth of routes have at least one minute less delay per 10 vehicle miles in the 12 months to March 2008 compared to the baseline period. In general, these reductions in delay reflect road works in place during the baseline period that have since been removed;
- a fifth of routes have at least one minute more delay per 10 miles in the 12 months to March 2008 compared to the baseline period. Again, in general, this reflects the presence of road works in the year to March 2008 that were not in place during the baseline year, but also includes routes subject to severe weather, in particular the flooding in July 2007; and
- over two-thirds of routes have less than a one minute change in delay per 10 miles in the 12 months to August 2007 compared to the baseline period.

The additional journey time from speed restrictions during road works, introduced for the safety of road users and road workers, gives an indication of the challenge in improving reliability whilst improving and maintaining a heavily used road network.

A route contributing a high level of additional delay during 2007 was the 25 mile M1 route from junction 13 (Milton Keynes) to junction 6a (M25), including the 10 mile widening scheme between junctions 10 and 6a. On this route, average speeds on the worst 10 per cent of journeys declined by 8 mph between the baseline period, when road works were not in place, and the year to May 2007, when road works were in place with a speed limit of 40 mph. The introduction of a 50mph limit to this and other road works sites has had the immediate effect of speeding up traffic through road works. However, more research is in progress to ensure the early gains are maintained.

Road works are vital to improve and maintain our inter-urban roads, ensuring they are fit for purpose in the long term. For the future, we expect motorway improvement schemes to make increasing use of technology-enabled improvements, such as active traffic management with hard shoulder running. This will reduce the impact of road works on reliability performance during construction.

Understanding reliability at a national level

Unreliability is caused by a range of factors including traffic growth, planned events such as road works and off-network events, and unplanned events such as accidents and weather. Each of these factors on their own leads to changes in reliability, and these changes can be more extreme when the factors work together.

- **Traffic levels.** Traffic has grown on the strategic network by around 2 to 3 per cent between the baseline and measurement years, although growth has slowed since 2006, particularly on motorways. This represents an average increase of around 1 per cent per year. Recent research suggests there is almost certainly a long-term underlying trend for increasing unreliability caused by increasing traffic levels, but the relationship between them is complex. Our research points to delay increasing on the most congested routes at a faster rate than traffic growth. It also suggests that small events, down to the level of changes in driving behaviour for example, can lead to increased congestion.
- **Major road works.** Growth in the programme of major schemes has increased the influence of major road works on the PSA measure over the target period. Twenty nine schemes were in construction for all or part of the measurement year compared with 20 schemes in construction for all or part of the baseline year. The impact of major road works on journey reliability varies significantly across different routes and types of scheme. However, collectively the full programme of works can have a significant negative effect on the PSA measure. In a recent study, the road works associated with 14 major schemes, increased delay on the worst journeys by over 700,000 vehicle hours delay. To provide a sense of scale this increase is equivalent to a third of the total increase in the measure since the baseline year.

- **Weather.** Rainfall was higher in the measurement year compared with the baseline, particularly in the summer of 2007. The flooding in June and July 2007 had significant impact on delays and the measure at a national level. The July flooding was largely focused on a couple of days. The worst of those days is, on its own, believed to account for around a quarter of the observed increase in the measure since the baseline period.

The impact of these factors on reliability depends on the time of day, time of year and the particular route. Additionally, there is almost certainly a long-term underlying trend for increasing unreliability caused by increasing traffic levels. Our research also points to delay increasing on the most congested routes at a faster rate than traffic growth. This means that the cause of unreliability is difficult to determine and we do not yet fully understand it. It also means that the challenge of accurately predicting reliability is greater still.

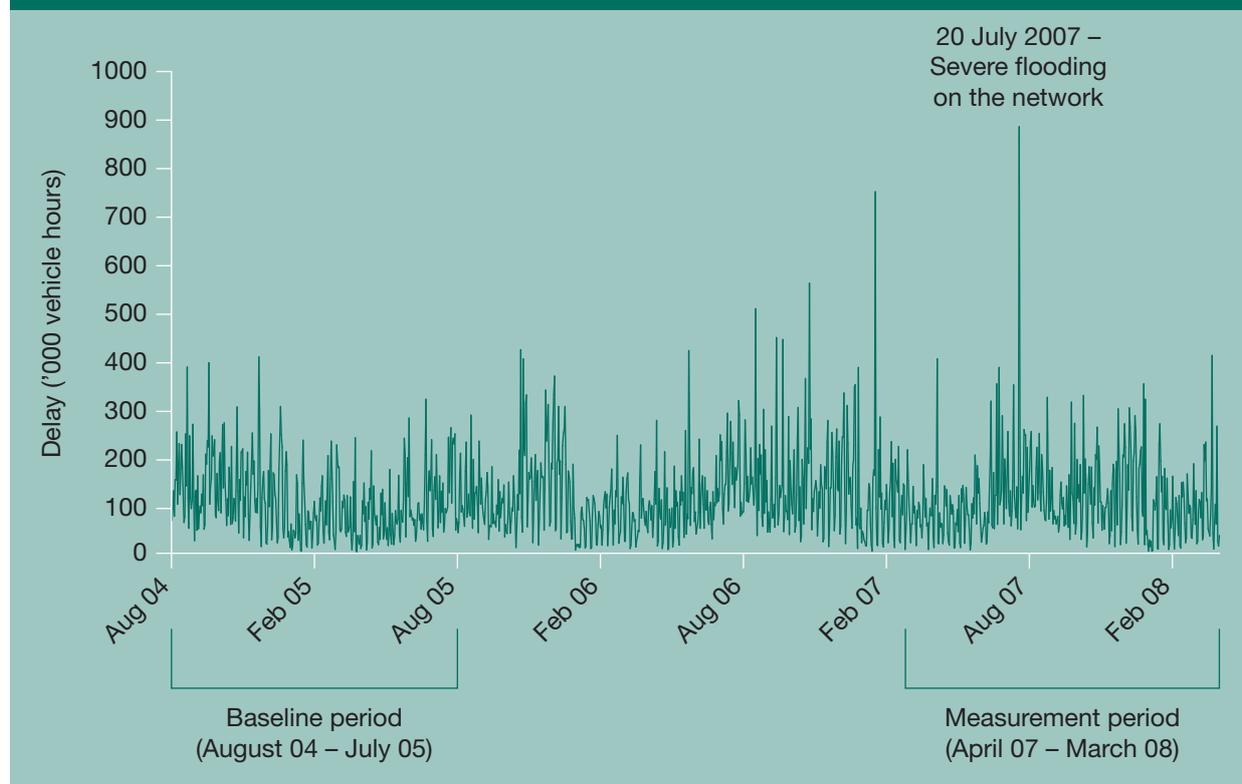
Figure D3 shows the contribution of each day to reliability for the baseline period (August 2004-July 2005); and for the measurement period (April 2007-March 2008). This shows the considerable daily variation. Ten per cent of the days contribute 35 per cent of the unreliability. In the baseline year, the delays recorded for any one day varied from 3,000 to 408,000 vehicle hours delay. The 38 days with the highest delays accounted for over 25 per cent of all delays.

Figure D3 shows the most significant single contributor to unreliability since August 2004, the start of the base year, was the extreme rainfall on 20 July 2007 which led to flooding of roads and included the closure of parts of the M5 and M50. This single day contributed over 2 per cent of the total annual delays for the strategic road network. This represents more than a quarter of the reduction in reliability performance between the base year and the measurement year.

The agency's analysis of the relationship between traffic growth and unreliable journeys suggests that traffic growth has a bigger impact on the PSA measure than previously anticipated. The measure is more sensitive to the effects of severe weather and planned events than previously thought.

Work is continuing to improve our understanding of the factors that affect reliability performance and their complex inter-relationship. This will be taken forward to continue to target investment on measures that achieve best value improvements in reliability for the period 2008-11.

Figure D3: Daily contributions to reliability performance



Highways Agency's delivery plan

In line with best practice for all PSAs, the Highways Agency's delivery plan, agreed with Ministers, details a full range of new and improved services aimed at delivering the target. All measures in the plan were delivered by the end of the measurement year. Thirteen of the original 21 measures, about 44 per cent of the delivery plan, were rolled out and delivering benefit by the start of the measurement year. By October 2007, over 80 per cent of the delivery plan was rolled out. By the end of 2007-08 the remaining eight measures were delivered. Three additional measures, to maximise the impact of the plan on the target, were also delivered.

The plan aimed to improve average vehicle delays by 13.5 seconds per vehicle per 10 miles, a total annual saving of 2.28 million hours of delay across the network, to counter increasing unreliability that was principally anticipated to arise from traffic growth. The plan has delivered savings of 14.1 seconds per vehicle per 10 miles, a total annual saving of 2.38 million hours of delay across the network. This has not, however, been sufficient to make journeys more reliable against the baseline year.

The Highways Agency implemented a process to identify and implement opportunities to revise the delivery plan, as evidence arose on the performance of completed or new initiatives. For example:

- incident prevention. Fresnel lenses remove the blind spots for left hand drive HGV's that lead to accidents. During a three month trial in the south east, lorry incidents decreased from 23 to 10 incidents per week. Ninety thousand further lenses have been distributed this year; and
- off-network diversions – pre-agreed and signed diversion routes manage traffic for major incidents. Off-network diversions have been used more than anticipated.

Measures to manage road works better have reduced the delays arising from road works that are vital for the long-term health of the network. Measures include:

- safely increasing speed limits from 40 mph to 50 mph at 14 sets of major road works where speed monitoring enforcement could be cost-effectively applied throughout the road works. This improved average vehicle delay by 1.5 seconds per vehicle per 10 miles, a total annual saving of 250,000 hours of delay; and
- improving network occupancy procedures to ensure all non planned road works take place outside of peak hours.

Measures to better manage incidents have improved the HA's capability to return the network to normal operation following unplanned events such as accidents and weather. Measures include:

- making around 1,100 Highways Agency traffic officers operational on motorways in all regions, attending and clearing incidents to get traffic moving more quickly, reducing incident-related congestion;
- improving the average emergency response time of incident support units by 17 per cent and reducing the time they spend clearing serious accidents by 13 per cent;
- enhancing the collision investigation equipment of all police forces in England, improving clearance times by around 40 minutes each time they are used (so far they have been used at 62 incidents saving 2,200 minutes or nearly one and a half days); and
- establishing off-network diversion routes to divert more than 580,000 road users, allowing them to avoid delays associated with over 100 serious accidents and continue their journey.

Measures to manage traffic better flow have improved the HA's ability to maximise capacity on the network and manage access to the network.

Measures include:

- active traffic management, using the hard shoulder during congested times on a 17 kilometre section of the M42, to reduce delays on the worst journeys over the whole PSA route (71 kilometre, M42 J1 – J7) by around 18 per cent; and
- ramp metering, managing access to motorways by placing traffic signals on slip roads, have been installed at 24 further sites this year, building on the 30 installed during 2006-07. Operational assessments confirm larger than expected benefits with an average reduction in journey time through each junction of 9 per cent.

Measures to deliver better information services to road users have enabled better travel choices for people using the network. Measures include:

- travel and delay time variable message signs messages being rolled out on around 65 per cent of the network. These messages warn drivers about road conditions ahead, letting them make informed choices about their route;
- Traffic Radio, launched in July 2007, and available on both digital radio and the internet. It gives motorists the latest regional and national traffic information on motorways and major A-roads, including details of any incidents or road works; and
- adding 250 kilometres of Motorway Incident Detection and Automated Signalling (MIDAS) on the motorway network to inform drivers of accidents ahead and protect the back of queues.

Data quality

The target measure is constructed from traffic data derived from four separate data sources, including the Highways Agency's National Traffic Control Centre cameras, and MIDAS loops under the road surface, as well as data from two external suppliers.

In January 2008, a new data source was introduced to replace one of the external data suppliers. The data affected contribute a small proportion to the PSA target and analysis has shown that this change does not have a significant impact on the target. This is expected to improve the quality of PSA data.

The database used to manage the Highways Agency network and calculate the PSA target measure and other indicators is large and complex, using innovative data capture and processing techniques.

In August 2007 the statistics produced from the database were classified by DfT as 'experimental' national statistics. In March 2008, the national statistician and DfT Ministers agreed that an assessment of these statistics carried out by DfT provided sufficient evidence of compliance with the National Statistics Code of Practice and fitness for purpose to elevate them to full national statistics status.

The data for March 2008 included in this report are provisional because there has not been full quality assurance at a route level, but it is unlikely that they will be revised.

As set out in the Annual Report 2007, the Highways Agency undertook a comprehensive data quality improvement programme, rectifying some problems identified in 2006. Following these improvements it was possible to increase the number of routes used for PSA monitoring purposes to 91. A revised technical note updated in May 2007 provides more detail on the data quality improvements and the routes incorporated in the target.

The quality of data on the 91 routes has been monitored since the publication of the Annual Report, 2007 and a professional judgement has been made to continue to use this set of routes for PSA targeting purposes. One route has

been retained by switching to a more reliable data source. It should be noted that the quality of data varies from route to route, and therefore care should be taken when looking at trends in the data for individual routes in isolation.

Decisions on which routes to include for monitoring purposes are informed by an assessment of the trends in the quality of the data available from the various sources and the consistency between different sources. The aim is to include as many routes as possible.

Urban roads

SR2004 PSA target

By 2010-11, the 10 largest urban areas will meet the congestion targets set in their local transport plan relating to movement on main roads into city centres. The target will be deemed to have been met if, on target routes in the 10 largest urban areas in England, an average increase in travel of 4.4 per cent is accommodated with an average increase of 3.6 per cent in person journey time per mile.

The local targets on which this is based include:

- in London, accommodate an increase in travel of 3 per cent with an increase in journey time of 1.5 per cent;
- in Manchester, accommodate an increase in travel of 1.5 per cent with no increase in journey time; and
- in the West Midlands, accommodate an increase in travel of 4 per cent with an increase in journey time of 5 per cent.

The ten largest urban areas are London, Greater Manchester, Merseyside, South Yorkshire, West Yorkshire, Tyne and Wear, West Midlands, Bristol, Leicester and Nottingham. **Local targets have been set for all of the 10 urban areas.**

SR2002 PSA target

The SR04 target replaces the SR02 target, which was:

Reduce congestion in large urban areas in England below 2000 levels by 2010.

Performance indicator

As the economies of our major cities grow, more people tend to travel to work in peak hours. With a largely fixed urban road network, the challenge for each authority is to make best use of that capacity (for example, through traffic management and improvements in public transport) so that more people can travel to work, without a significant rise in congestion and therefore delays to people's journeys.

Each urban area has set a person journey time target for 2010-11, against the predicted increase in travel volume.

Journey time relates to the average journey time experienced by people rather than vehicles. For example, a bus with 20 passengers will count 20 times within the target whereas a car with a single occupant will count only once. Journey times are being calculated for in-bound routes for the morning peak, except in London where they are calculated for in and out bound travel.

The local targets are based on key routes across each urban area (in total 166 routes are covered), excluding Highways Agency roads.

Travel volume is defined as person miles travelled on the target routes, and is essentially traffic flow, but adjusted to take account of vehicle occupancy.

Progress

Status: Ahead

Note that it is still very early in the target period to make an assessment of progress. There are a further four years of the target remaining after the period reported in this document. The next year's performance data for 2007-08 will be published in the Autumn Performance Report. Performance in 2007-08 will begin to benefit from new powers implemented by the Department over the past year, including parking enforcement and co-ordination of street works.

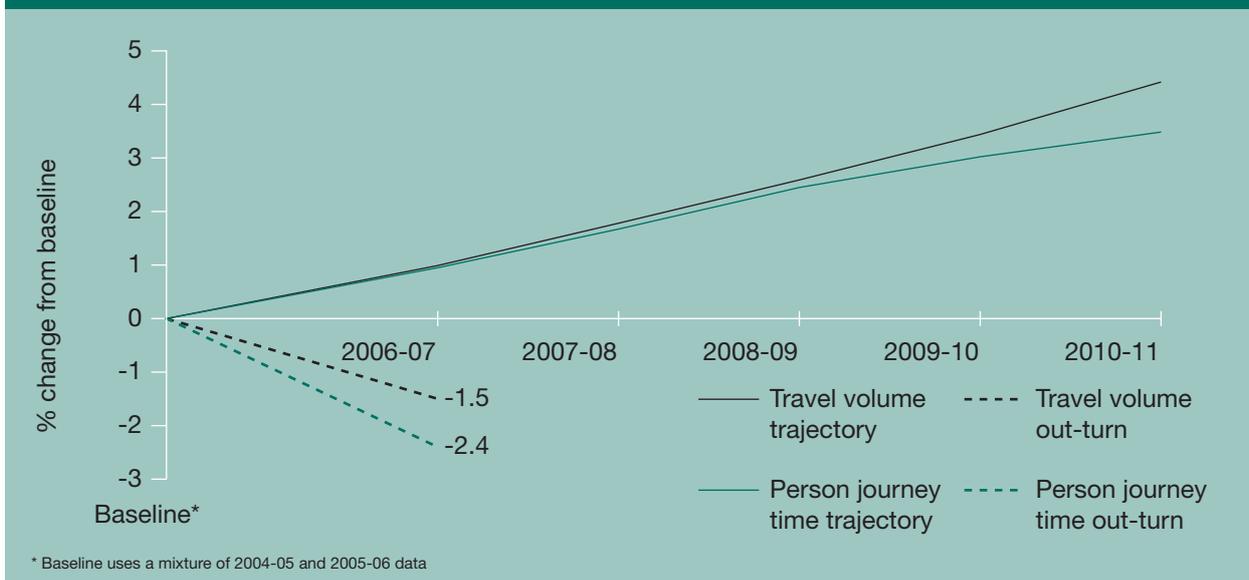
Data for 2006-07 show that person journey time on the target routes has improved, by around 2.4 per cent compared to the baseline (ie there has been a reduction in journey times of 2.4 per cent). The baseline used a mixture of data mainly from 2004-05 and 2005-06. For illustration, a typical 30 minute commute on target routes in the baseline period would take 29 minutes and 17 seconds in 2006-07. For illustration, a typical 30 minute commute on target routes in the baseline period would take 29 minutes and 17 seconds in 2006-07.

This performance is better than expected. The trajectory for person journey time (that would result in the target being met in 2010-11) would require an increase in journey times in 2006-07 of no more than 0.9 per cent. If the experience of this first year were to continue, the data suggest it is likely that the urban congestion target set in 2006 will be met.

This is in the context of a decrease in travel volume on target routes of 1.5 per cent compared with the baseline. This is against an expected increase in travel volume of 1.0 per cent between the baseline and 2006-07. That travel volume has fallen is one reason why person journey time has fallen. That journey times have fallen by a greater amount than travel volume could indicate that local authorities have improved the management of their road networks. The fall in travel volume is broadly consistent with other data sources for urban areas.

The trajectory for the PSA is built from trajectories for each of the 10 urban areas. These trajectories are included in the delivery plans that each area has produced, describing how they intend to meet their local congestion target and monitor performance. The following chart shows the PSA trajectory and data for 2006-07.

Figure D4: **Urban congestion PSA target performance against trajectory**



Performance across most of the ten urban areas followed the same pattern, although again it is very early to be making an assessment of performance. Eight showed decreases in person journey time, and nine showed that person journey time was on track to meet the local target. Five of the nine areas conducting travel volume surveys showed travel volume falling. The exceptions were South Yorkshire, Leicester, Bristol, Nottingham and the West Midlands. Five areas managed to achieve a change in person journey time that was better than the change in travel volume, for example achieving a greater reduction in person journey time than the reduction in travel volume as in London’s case.

Some of the changes in person journey time and travel volume were relatively large, which may indicate particular local circumstances – for example that roadworks during the baseline period have since been completed – or that the data show greater variability than expected. The following chart compares performance and trajectory for each of the ten urban areas individually, showing the percentage change between the baseline and 2006-07.

Figure D5: **Urban congestion, % change between baseline and 2006-07**

The performance data included here are for the most recent available period, which is 2006-07, measured using vehicle journey times for September 2006 to August 2007. We are working to speed up the delivery of data to local authorities, to enable them better to use performance information to manage their road networks. By the time of the next performance report in the autumn we expect to be delivering quarterly data within three months.

As explained in the original technical note accompanying the target, we plan to review the targets with the local areas later this year. Where travel volume is increasing by a different amount to what was expected when the target was first set, the targets can be adjusted. So if 2007-08 travel volume data shows similar patterns to the 2006-07 travel volume data presented here – that is, not showing the level of increase that was expected when the targets were first set – we would expect that the journey time targets would be adjusted downwards.

1. The March 2006 target covered Great Britain, but the March 2008 target covers only England and Wales.
2. The number of passengers multiplied by the distance each passenger travels, on average, in kilometres.

Role of the local authorities

Local authorities in the ten largest urban areas are responsible for the delivery of their local targets, which in turn comprise the PSA target. The measures that local authorities are putting in place include the following:

- promoting alternatives to car use, for example seeking to expand use of public transport, working with major employers and schools to produce travel plans to lessen their impact during peak times, increased use of park and ride schemes, and measures to promote cycling and walking;
- better network management, for example in the form of improved technology for controlling urban traffic, allowing it to flow more freely, and measures to restrict parking on key routes;
- integrating transport, land-use and parking policies;
- improved information to road users, for example through real time bus information; and
- improvements to infrastructure, for example bus lanes or changes to junctions to improve traffic flow.

Local authorities in the ten largest urban areas have produced delivery plans setting out how they intend to meet their local targets and explaining options for exceeding them. The plans will be used to manage performance against the target, and will be adjusted as necessary in the light of actual performance and to reflect the incentives in place (for example (b) below).

Role of the Department

While the delivery of the target is a matter for local authorities, the Department provides support through five channels.

(a) Guidance, challenge and support

All 10 authorities have produced a delivery plan which explains how they intend to meet their target, and explores options for exceeding it. The Department has provided guidance and support to individual authorities throughout this process, including the preparation of their delivery plan.

(b) Financial support

Reward funding is available from the Congestion Performance Fund, up to a total of £60 million over four years. Payments of £5 million were made in 2007-08, reflecting the fact that authorities had produced delivery plans giving confidence that their targets would be met or exceeded. Future payments from the fund will reflect the extent to which an authority is on track to do better than their local target.

More generally, the Department is supporting local authorities through its encouragement of effective local transport plans and substantial funding support. £1.9 billion capital in the form of block grants has been allocated to the nine areas excluding London for the current local transport plan

period. In addition, the nine areas have benefited from further financial support from DfT for major local transport schemes (each costing more than £5m). Priorities for these are now decided following advice from regions. Recent examples of these schemes include Manchester Metrolink track replacement, Eldon Square bus interchanges improvements in Newcastle, the Sheffield inner relief road, bus showcase schemes in the West Midlands and West Yorkshire's Yellow Buses. The regional transport budgets total about £775m for 2007-08. Transport for London is funded through Greater London Authority transport grant (£2.5bn in 2007-08). TfL then allocates capital funding to the London Boroughs to support investment in their transport assets, the figure being around £160m for this year.

(c) Legislation

The Traffic Management Act 2004 gives local authorities new powers and new duties. The Act extends the powers of local authorities to enforce traffic regulations and gives them greater power to control and manage works on the street. New regulations relating to parking and street works were laid in Parliament in July 2007. The Department will consult on bus lane and moving traffic regulations in 2008.

The Act also introduced new network management duties for local traffic authorities. Authorities are required to manage their road network to secure the expeditious movement of traffic on that network and to facilitate the same on the networks of others. The *Guidance on Intervention Criteria* associated with the duties came into force in March 2007.

(d) Supporting best practice

The Department is supporting the dissemination of best practice through workshops, a shared internet site and compiling examples from local delivery plans.

(e) Data

The new data sources that underpin the target have allowed authorities to build a detailed picture of the congestion problem in their area, and as the Department moves to providing data more regularly and more quickly over the coming months, this will enable authorities to embed information into their performance management processes. More information on this is provided below.

Data quality

Journey time data for all vehicles other than buses are provided to local authorities by the Department. These data are derived from in-vehicle GPS tracking systems. Coverage varies from route to route, and from section to section over individual routes, and some infilling is necessary where sample sizes are low. Journey times for each hour in the target are based on an annual weekday average, excluding school holidays.

Bus journey times are collected by local authorities as the Department's GPS data does not cover buses. Traffic flows and vehicle occupancy rates for all vehicles are also collected by local authorities. Guidance on data collection has been issued to local authorities to ensure consistency of methodology between authorities.

A number of revisions have been made to the baseline figures originally published in July 2006, correcting small inaccuracies and making methodological changes to improve how the journey time data are processed. Our intention to make such changes was set out in the original technical note, and the changes have no impact on the targets or the challenge inherent in meeting them. Further details have been published in a new version of the target technical note on the DfT website, and the revised baselines were included in a statistical bulletin published on 8 May. Implementing these methodological improvements has entailed a significant amount of data analysis, and this work needed to be done before 2006-07 data could be made available.

We have recently signed a new contract for the supply of journey time data for the period up to 2010-11. The new contract is for a set of data with a vehicle mix that reflects general traffic, and which will continue to provide robust estimates of journey times.

Figure D6: Strategic roads: Changes in total delay in the worst 10 per cent of journeys (thousands of hours), ranked by biggest increase for each of the two-way routes

Rank	Route	Change (thousands of hours)	Rank	Route	Change (thousands of hours)
1	M5 J15 – M6	257	21	A14 A11 – A1	74
2	M271/M27 Portsmouth – Southampton	220	22	M6 M1 – J8	72
3	M5 M6 – J15	217	23	M40 J10 – M42	71
4	M62 A1 – J18	187	24	A3 London – Portsmouth	70
5	M40 J10 – J1	164	25	M25 J30 – J23	70
6	M1 J13 – J19	161	26	A27/A259 Portsmouth – Hastings	70
7	M25 J23 – J16	153	27	A417/A419 Swindon – Brockworth	69
8	M40 M42 – J10	149	28	M271/M27 Southampton – Portsmouth	68
9	A12 Ipswich – M25	133	29	M27/A31/A35 Southampton – Honiton	60
10	M62 J18 – A1	127	30	M62 J12 – J6	59
11	M25 J23 – J30	122	31	A1/A1(M) Scotch Corner – Newcastle (A69)	56
12	M4 J13 – J1	110	32	A30 Bodmin – Penzance	54
13	M62 J6 – J12	108	33	A1/A1(M) Newcastle (A69) – Scotch Corner	53
14	M20 Folkestone – London	91	34	M25 J7 – J16	52
15	M3 London – Southampton	88	35	M25 J16 – J23	51
16	M11 J14 – J4	88	36	M6/A74 Scotland – J32	50
17	A34 M3 – M40	85	37	M25/A282 J7 – J30	49
18	M18 M62 – M1	84	38	M1 J1 – J6a	49
19	M3 Southampton – London	82			
20	M56/A5117 M60 – Wales	76			

Figure D6: Strategic roads: Changes in total delay in the worst 10 per cent of journeys (thousands of hours), ranked by biggest increase for each of the two-way routes *continued*

Rank	Route	Change (thousands of hours)	Rank	Route	Change (thousands of hours)
39	M56/A5117 Wales – M60	48	80	A38 Bodmin – Exeter	14
40	A1/A1(M) M1 – Peterborough	48	81	M180/A180 M18 – Grimsby	13
41	M26 M20 – M25	45	82	A14 A1 – M6	12
42	M6 J8 – M1	44	83	M1 J13 – J6a	12
43	A417/A419 Brockworth – Swindon	44	84	A49 A40 – Shrewsbury	12
44	M18 M1 – M62	43	85	M60 J18 – J4 via Stockport	12
45	A3 Portsmouth – London	42	86	A23/M23 London – Crawley	11
46	M27/A31/A35 Honiton – Southampton	41	87	A38 Birmingham – M1	11
47	A5 M1 J18 – M1 J9	39	88	M6 Toll M42 – M6 J11a	11
48	M54/A5 M6 – Wales	39	89	A66(M)/A66 Middlesbrough – Darlington	11
49	A303 M3 – Amesbury	39	90	M67/A57/A628/A616 Manchester – M1	10
50	M42/A42 M6 Toll – M1	38	91	M55 M6 – Blackpool	10
51	A303/A30 Amesbury – Exeter	38	92	M1 J48 – J42	9
52	M25/A282 J30 – J7	38	93	A428 M11 – A1	9
53	M20 London – Folkestone	36	94	A47/A12 Lowestoft – Norwich	9
54	A1/A1(M) London – Peterborough	34	95	A46 Lincoln – Leicester	8
55	A303/A30 Exeter – Amesbury	34	96	M42/A42 M1 – M6 Toll	8
56	M4 Wales – J13	33	97	A1/A1(M) Peterborough – London	7
57	A13/A1089 Tilbury – Aveley	30	98	A11 A14 – A47	7
58	A38 M1 – Birmingham	28	99	M45/A45 M1 – Coventry	7
59	A38 Exeter – Bodmin	26	100	A66(M)/A66 Darlington – Middlesbrough	6
60	A5 A38 – M1 J18	26	101	A428 A1 – M11	6
61	M40 J1 – J10	25	102	A30 Penzance – Bodmin	6
62	A453 Kegworth – Nottingham	24	103	A69 Newcastle – Carlisle	6
63	A404(M)/A404 M4 – M40	24	104	M66/A56 M65 – M62	6
64	M67/A57/A628/A616 M1 – Manchester	24	105	M2/A2 J1 – Folkestone via Dover	6
65	M2/A2 Folkestone – J1 via Dover	24	106	M1 J6a – J1	6
66	A404(M)/A404 M40 – M4	24	107	A47 Peterborough – Norwich	5
67	M55 Blackpool – M6	21	108	A421 A1 – M1	5
68	M66/A56 M62 – M65	21	109	A5 M1 J9 – M1 J18	5
69	A46 Leicester – Lincoln	20	110	A120 Harwich – Colchester	4
70	A43 Northampton – M40	20	111	M69 M6 – M1	3
71	A34 M40 – M3	20	112	A12 M25 – Ipswich	2
72	A14 A1 – A11	19	113	A23/M23 Crawley – London	2
73	A23 Brighton – Crawley	19	114	A43 M40 – Northampton	2
74	A19/A168 Dishforth – A1 N of Newcastle	18	115	A49 Shrewsbury – A40	2
75	M6 Toll M6 J11a – M42	15	116	M60 J4 via Stockport – J18	2
76	M180/A180 Grimsby – M18	15	117	M45/A45 Coventry – M1	2
77	A5 M1 J18 – A38	15	118	A14 M6 – A1	1
78	M1 J36 – J32	15	119	A69 Carlisle – Newcastle	1
79	A453 Nottingham – Kegworth	14	120	M26 M25 – M20	1

Figure D6: Strategic roads: Changes in total delay in the worst 10 per cent of journeys (thousands of hours), ranked by biggest increase for each of the two-way routes *continued*

Rank	Route	Change (thousands of hours)	Rank	Route	Change (thousands of hours)
121	A303 Amesbury – M3	1	152	A46 Coventry – Tewkesbury	-22
122	M4 J1 – J13	0	153	A595/A66 Penrith – Sellafield	-23
123	M50/A449/A40 Monmouth – M5	0	154	M4 J13 – Wales	-23
124	A11 A14 – M11	0	155	A595/A66 Sellafield – Penrith	-26
125	M53/A55 Wallasey – Wales	-1	156	M60 J18 via Barton – J4	-27
126	M50/A449/A40 M5 – Monmouth	-2	157	A66 Scotch Corner – Penrith	-28
127	A11 A47 – A14	-3	158	A23 Crawley – Brighton	-30
128	M1 J19 – J13	-3	159	A66 Penrith – Scotch Corner	-31
129	M53/A55 Wales – Wallasey	-5	160	A52/A5111/A6 Grantham – Derby	-33
130	A11 M11 – A14	-6	161	A556 M56-M6	-34
131	M62/A63/A1033 A1 – Hull	-6	162	A21 Sevenoaks – Hastings	-34
132	M6 J20A – J32	-8	163	M60 J4 – J18 via Barton	-38
133	A120 Colchester – Harwich	-10	164	A46 Tewkesbury – Coventry	-40
134	M1 J42 – J48	-10	165	A27/A259 Hastings – Portsmouth	-43
135	A590 Barrow-in-Furness – M6	-10	166	A50/A500 M6 – M1	-43
136	A13/A1089 Aveley – Tilbury	-11	167	M5 J31 – J15	-47
137	A590 M6 – Barrow-in-Furness	-12	168	M25 J16 – J7	-50
138	A52/A5111/A6 Derby – Grantham	-12	169	M62/A63/A1033 Hull – A1	-54
139	A64 A1 – Scarborough	-13	170	A556 M6-M56	-55
140	M1 J32 – J36	-14	171	A1/A1(M) Peterborough – M1	-57
141	M11 J4 – J14	-16	172	M6/A74 J32 – Scotland	-59
142	M42 J7 – J1	-17	173	A19/A168 A1 N of Newcastle – Dishforth	-72
143	A421 M1 – A1	-17	174	A50/A500 M1 – M6	-85
144	M5 J15 – J31	-18	175	M6 J32 – J20 A	-92
145	A47 Norwich – Peterborough	-18	176	A14 Felixstowe – A11	-101
146	A47/A12 Norwich – Lowestoft	-19	177	A14 A11 – Felixstowe	-112
147	M42 J1 – J7	-19	178	M1 J19 – J32	-120
148	A64 Scarborough – A1	-19	179	M1 J32 – J19	-185
149	M69 M1 – M6	-21	180	M1 J6a – J13	-192
150	A21 Hastings – Sevenoaks	-21	181	M6 J20A – J8	-236
151	M54/A5 Wales – M6	-21	182	M6 J8 – J20A	-643

1 The baseline for these routes is April 2005 to March 2006

2 The baseline for these routes is September 2004 to August 2005

3 Adjustments have been made for missing data

Rail services

SR2004 PSA target

Improve punctuality and reliability of rail services to at least 85 per cent by 2006, with further improvements by 2008.

This target was introduced to give an increased focus to the punctuality and reliability of passenger train services, which reflected the immediate priority to both passengers and the Government of improving performance.

The 2008 target has been quantified as the achievement of 89.4 per cent punctuality and reliability by March 2008.

SR2002 PSA target

Secure improvements in rail punctuality and reliability with a 50 per cent increase in rail use in Great Britain from 2000 levels by 2010.

Performance indicators

Punctuality and reliability

The public performance measure (PPM) combines figures for punctuality and reliability into a single performance measure. It measures the performance of every scheduled franchised passenger train against the daily timetable, and is measured at destination. A train is designated as 'on time' if it arrives within 5 minutes (4 min 59 sec) of the planned arrival time. This time is extended to 10 minutes (9 min 59 sec) for long-distance trains. A train that fails to complete all of its journey is recorded as cancelled.

Coverage: England and Wales¹

Rail use

This is measured using passenger kilometre² data from the rail industry's central ticketing system. This covers over 90 per cent of all ticket sales. For those ticket sales that the system does not record correctly, notably some operator-specific tickets and multi-modal tickets, the Office of Rail Regulation (ORR), with the help of train operating companies (TOCs) and Passenger Transport Executives (PTEs), is able to produce a robust estimate of passenger kilometre levels.

Coverage: Great Britain

Progress:

Punctuality and reliability

2006: Met

2008: Not yet assessed

The 2006 target was reached six months early and the public performance measure has continued to improve. Throughout most of 2007-08, the rail industry remained on track to meet the March 2008 target.

Rail performance, as measured by PPM, reached its lowest point in 2001. Since then there has been steady recovery in punctuality and reliability to the current level.

Punctuality and reliability have showed improvement over the last year. The moving annual average for punctuality at January 2008 was 89.6 per cent for England and Wales, up 1.5 percentage points on the previous year. In the year to the end of January 2008, performance has improved in all sectors compared with last year:

- Punctuality on London and south east operators is now 90.3 per cent, which is an improvement of 1.4 percentage points.
- Punctuality for long-distance operators is now 86.0 per cent, which is an improvement of 1.3 percentage points.
- Punctuality for regional operators is now 89.3 per cent, which is an improvement of 1.7 percentage points.

Data source: www.networkrail.co.uk/aspx/742.aspx

Rail use

Rail use continues to increase. In terms of the distance travelled, people are using the railways more than at any other time since 1946. Passenger kilometres were 4.4 per cent higher in Q3 2007-08 compared to the same quarter in the previous financial year.

Date source: www.rail-reg.gov.uk/upload/pdf/356.pdf

Data quality

Statistics on passenger kilometres, punctuality and reliability are collected by ORR. Since April 2005, figures on punctuality and reliability have been collated by Network Rail. The measures employed are well-established and used across the rail industry. They are currently published quarterly by ORR. Consistency of train performance data is underpinned by the rail industry's own data quality management and internal audit activities. There has been no material change in the collection of the data which generates the PPM.

The chart following shows period PPM and PPM MAA compared to the PSA target since March 2001. The moving annual average (MAA) has been rising steadily, and although period performance falls in autumn each year, this has also been improving year-on-year. Throughout most of 2007-08, the rail industry remained on track to meet the March 2008 target.

Figure D7: National PPM – Period data and MAA

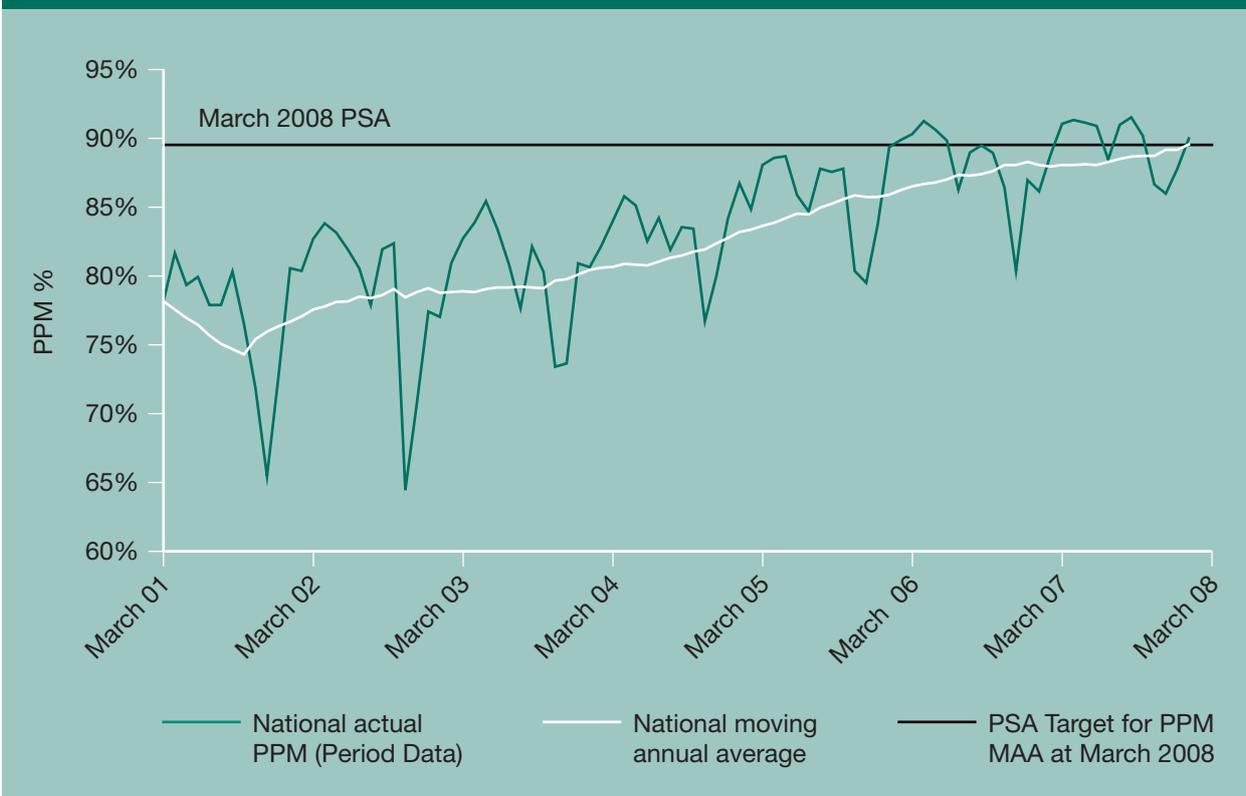


Figure D8: Public Performance Measure (PPM) Moving Annual Average (MAA) percentage of trains arriving on time by business sector



Performance across all passenger sectors has been improving since 2001. Long-distance services suffered the greatest fall in PPM in 2001, but performance on these services is now improving broadly in line with other sectors.

Figure D9: Passenger kilometres (billions)



Source: ORR National Rail Trends

Note: Data for 1999-2000 onwards is not directly comparable with figures for 1998-99 and earlier owing to a change in methodology. For more details of this change refer to *National Rail Trends Yearbook 2005-06* published by the Office of Rail Regulation, available at <http://www.rail-reg.gov.uk/upload/pdf/294.pdf>

In total, the number of passenger kilometres has risen steadily from 9.3 billion in the first quarter of 1999-2000 to 12.4 billion in the third quarter of 2007-08. This is an increase of 33.2 per cent.

Figure D10: Number of passenger journeys (in millions) 1999-00 to 2006-07 by business sector



Source: ORR National Rail Trends

The total number of passenger journeys taken has risen steadily from 222 million in the first quarter of 1999-00 to 315 million in the third quarter of 2007-08. This is an increase of 42.1 per cent.

Bus and light rail usage

SR2004 PSA target

By 2010, increase the use of public transport (bus and light rail) by more than 12 per cent in England compared with 2000 levels, with growth in every region.

The target was revised to include a commitment to growth in every region. Improvements to punctuality, reliability, and vehicle accessibility, though no longer mentioned in the target, remain as part of an overarching objective. Given the difficulty of achieving growth in all regions during the SR2004 period (April 2005 – March 2008), we decided to aim for year-on-year growth in every region during the final three years of the PSA target period (April 2008 – March 2011).

SR2002 PSA target

Secure improvements to the accessibility, punctuality and reliability of local public transport (bus and light rail) with an increase in the use of more than 12 per cent by 2010 compared with 2000 levels.

Performance indicators

Number of passenger journeys undertaken each year (bus and light rail)

Baseline year is 2000-01. 'Light rail' is a broad term referring to any public passenger-carrying railway system using rolling stock that is lighter in weight or strength than that used on mainline railways or London Underground. Use is defined as the number of passenger journeys undertaken each year, called patronage. This is measured annually using data from the Department's annual surveys of bus and light rail operators.

Percentage of vehicles with low-floor wheelchair access

Annual data is available from the Department's survey of bus and coach operators on the percentage of local buses of low-floor construction. Figures show that 22 per cent of local buses were low-floor vehicles in the baseline year 2000-01 (although some were not wheelchair accessible).

Bus reliability (percentage)

The Confederation of Passenger Transport (CPT) has agreed with the Department a target of 99.5 per cent reliability, defined as percentage of scheduled service actually run, excluding losses outside the operator's control. Reliability is not currently considered to be an area of concern with regard to light rail. National Statistics on bus punctuality were published for the first time on 15 June 2006. A further punctuality survey was carried out in May/June 2007. Publication of the results is expected in May 2008. Although there is no commitment to the continued collection of this data, it is recognised that punctuality is an important aspect of bus services.

Whilst we recognise that punctuality is an important aspect of bus services, there is currently no commitment to the continued collection of this data centrally. This is due to the time-consuming and costly nature of compiling this particular data set centrally. However, local authorities continue to collect and report punctuality on their local bus services.

An important development is that a new performance regime is being developed which will ensure that Traffic Commissioners receive better quality data and for the first time hold local authorities as well as operators to account.

Further information can be found at:

www.dft.gov.uk/pgr/statistics/datatablespublications/public/buspunctuality/

Progress

Status: On course to achieve national patronage target and associated improvements to reliability and disabled access: target for growth in patronage in every region remains challenging

Patronage

With bus and light rail patronage already at 14.7 per cent above the baseline, subject to severe slippage between 2007-08 and 2010-11, we are already on track to meet this target. London is largely responsible for the achievement, although the introduction of free local concessionary fares in April 2006 generated significant patronage uplift. A further uplift will follow the introduction of the national scheme on 1 April 2008.

Patronage outside London, especially in the non-Metropolitan areas, rose significantly in 2006-07, largely as a result of the free local concessionary fare scheme of 1 April 2006. Some local authority areas outside London are delivering increases in patronage, over and above those generated by the free concessionary fare scheme. In recent years, these have included the authorities of Telford, Brighton, Dorset, York, West Sussex and Cambridgeshire. A total of 4,371 million bus passenger journeys were made in 2006-07, up 6 per cent on the 2005-06 total of 4,196 million. Bus patronage is 13.8 per cent above the 2000-01 baseline of 3,842 million after six years.

Patronage on the modern public transport light rail and tramway systems in England increased by 9.3 per cent in 2006-07, compared with the previous year, to 179 million passenger journeys. Increases have been largest in London with journeys on the Docklands Light Railway up by 19 per cent. There were also rises on the Tyne and Wear Metro and Sheffield Supertram.

The Department recently announced funding designed to help Greater Manchester Passenger Transport Executive (GMPTE) to improve capacity on the Manchester Metrolink scheme, making the existing system even more attractive to passengers.

Combined bus and light rail patronage has increased by 14.7 per cent over the first six years of the period to which the 12 per cent target relates.

Combined bus and light rail patronage rose in all the English regions during 2006-07, except the West Midlands and North West regions where both PTE areas already had free or cheap flat fare schemes for concessionary fare passengers. The largest rise was seen in the east of England, where there was an 11 per cent rise in patronage. In London, patronage increased by 6 per cent. In the six years since the 2000-01 baseline, patronage has risen by 49 per cent in London and fallen by 4 per cent overall in the rest of England. In the North East region, there was a fall of 13 per cent over the six years, whilst in the South West region, there was an increase of 4 per cent.

Accessibility of vehicles

Regarding accessibility of vehicles, 58 per cent of full size buses were low-floor wheelchair accessible vehicles in 2006-07. All new light rail vehicles and systems are required to be accessible to disabled people, including wheelchair users.

Reliability

Bus reliability, has improved from the baseline of 98.2 per cent in 2000-01 to 98.9 per cent in 2006-07.

Related information:

www.dft.gov.uk/162259/162469/221412/221535/224237/271898/publictransportstatistics07.pdf

Quality of data

Patronage

The data system for the bus area of the target comprises three separate measures covering bus passenger journeys, reliability and punctuality. Passenger journey and reliability data are obtained from two sources. For patronage, the Department conducts its own sample surveys of bus operators. Patronage figures for England outside London now include suitable adjustments for driver under-recording of passenger boardings. Data for the London area is based on that provided by Transport for London (TfL). The TfL data is based on ticket sale data matched with information about likely usage for each type of ticket.

Light rail

For the light rail part of the target, figures are based on an annual return provided by each of the companies or PTEs operating light rail systems in England. These are required to provide information on light rail patronage including ticket sales, number of passenger journeys and sales revenue.

Patronage outturn figures are national statistics.

Reliability

Reliability is assessed by the Department through a panel of all the largest operators outside London. TfL reports for its bus contractors in London. The resulting estimates of journey numbers and reliability are both national statistics.

Punctuality estimates are currently only available for England outside London. These are based on the traffic commissioner's guidelines on what constitutes a bus being 'on time' – 1 minute 0 seconds early to 5 minutes 59 seconds late. London estimates are prepared on a different basis, using differing definitions. In particular, TfL uses a punctuality window of 2 minutes and 30 seconds early to 4 minutes 59 seconds late. Thus, it is difficult to produce punctuality estimates for England as a whole.

Accessibility of buses

The accessibility of buses is measured by annual data for the percentage of vehicles which meet PSV Accessibility Requirements (PSVAR). In practical terms this means low floor buses with wheelchair access. Data is obtained from the Department's annual sample survey of bus operators. The Department's survey is designed to obtain good coverage and more detail from the larger operators, so it is considered to be a reliable source. It is not possible to obtain detailed information on vehicle design from the Driver and Vehicle Licensing Agency (DVLA) records.

All light rail vehicles and systems are built to be accessible to wheelchair users, so physical accessibility of light rail does not need to be monitored.

Figure D11: **Bus and light rail passenger journeys 1989-90 to 2005-06 (with projection to 2010-11)**

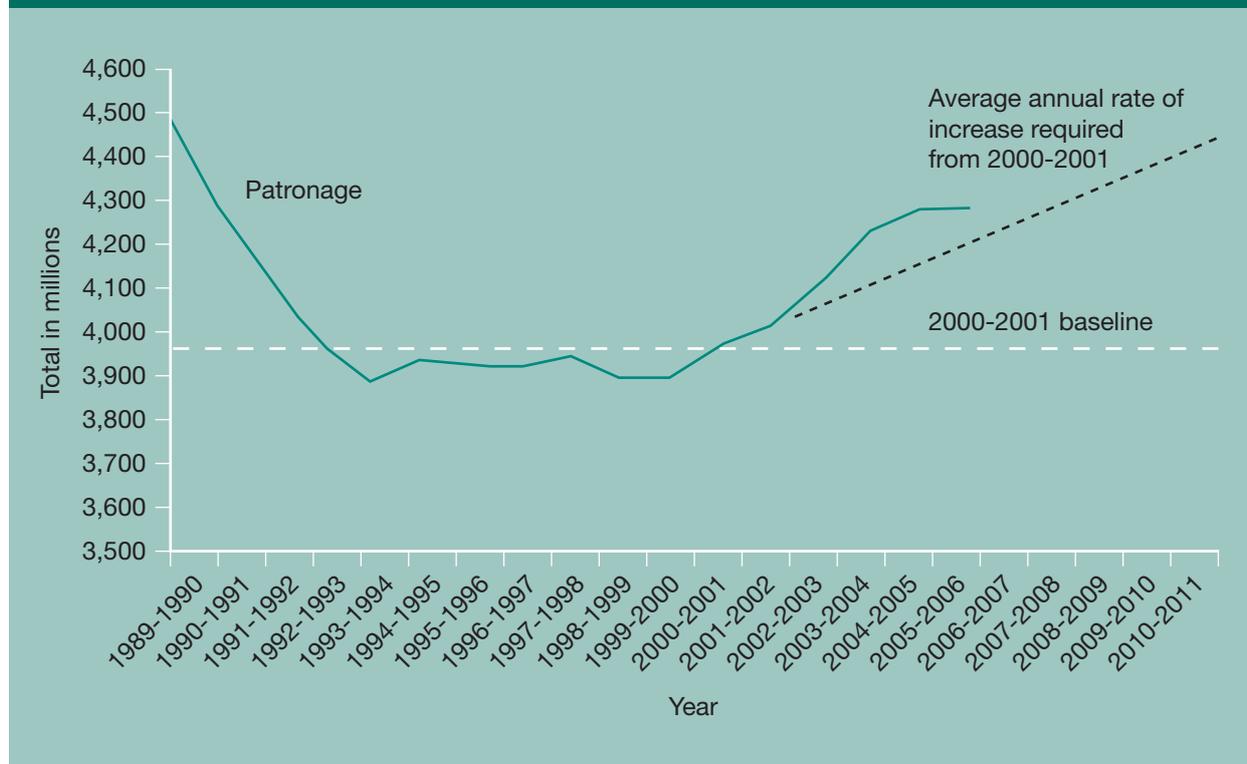


Figure D12: Bus and light rail patronage 1985-86 to 2006-07, England

	London buses	Met Buses	Non-Met Buses	Light Rail	England
1985/86	1141	2184	1636	65	5,026
1986/87	1152	1910	1617	53	4,732
1987/88	1195	1820	1598	50	4,663
1988/89	1199	1779	1547	57	4,583
1989/90	1176	1733	1518	60	4,486
1990/91	1166	1624	1437	57	4,285
1991/92	1138	1554	1373	54	4,118
1992/93	1118	1454	1346	59	3,977
1993/94	1106	1404	1311	63	3,884
1994/95	1155	1398	1314	68	3,936
1995/96	1193	1358	1303	73	3,926
1996/97	1,230	1,310	1,304	78	3,922
1997/98	1,281	1,292	1,286	84	3,943
1998/99	1,266	1,256	1,286	89	3,897
1999/00	1,294	1,213	1,297	98	3,902
2000/01	1,347	1,203	1,292	124	3,966
2001/02	1,422	1,196	1,263	132	4,013
2002/03	1,527	1,182	1,255	141	4,105
2003/04	1,692	1,162	1,233	147	4,233
2004/05	1,802	1,128	1,210	159	4,299
2005/06	1,881	1,111	1,204	163	4,360
2006/07	1,993	1,109	1,269	179	4,550

Figure D13: Buses 1996-97 to 2006-07

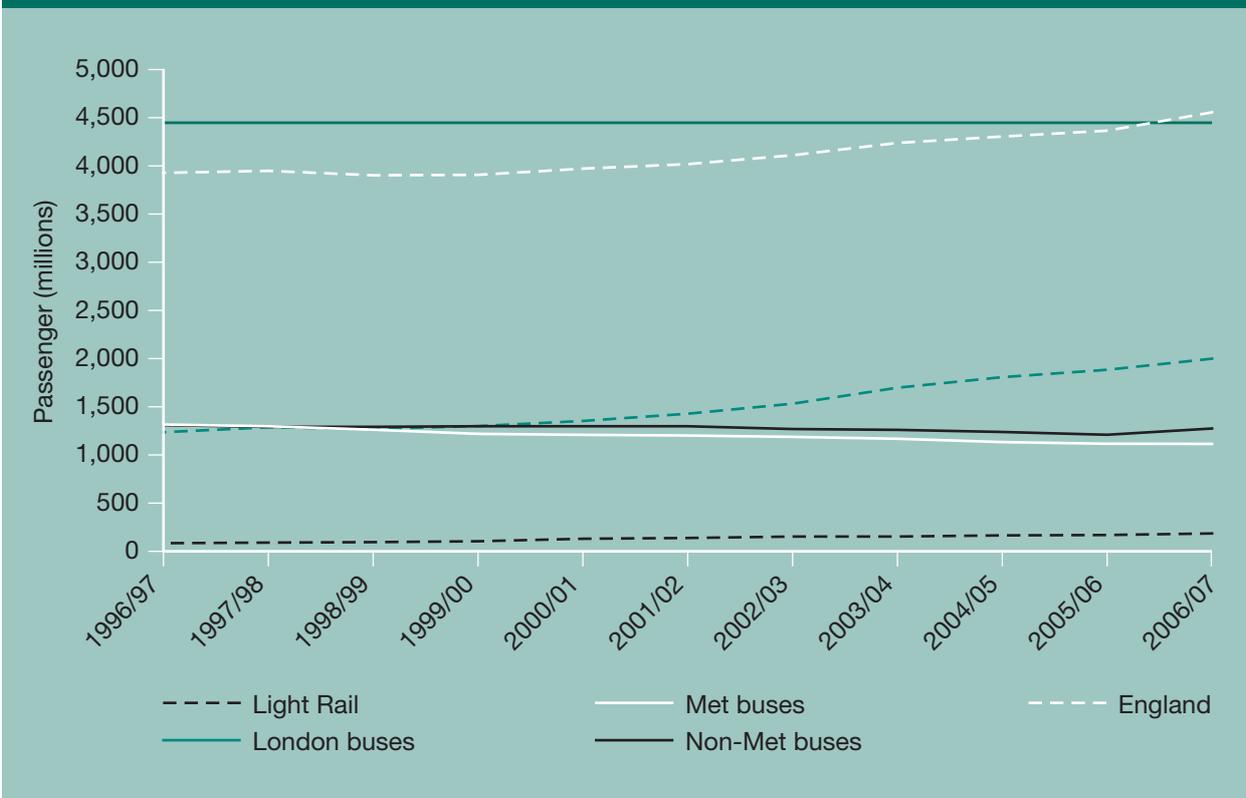
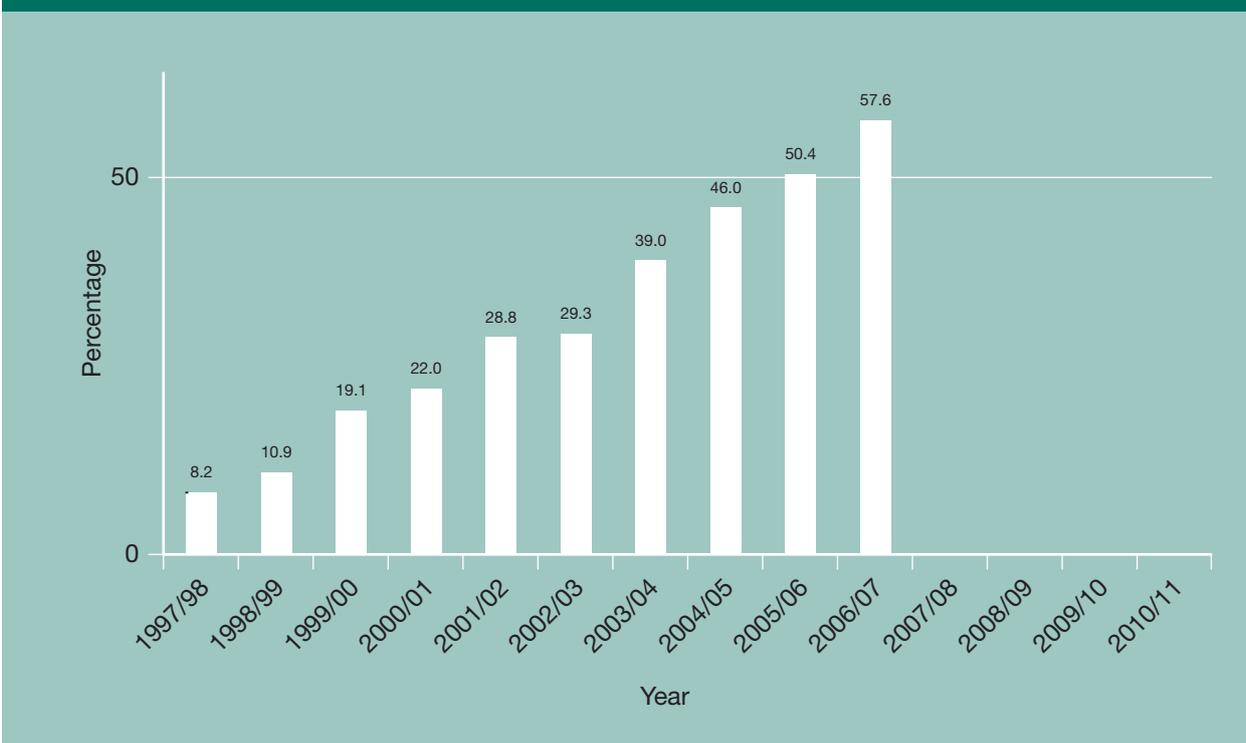


Figure D14: Percentage of full-size fleet that is wheelchair accessible 1997-98 to 2006-07



Road safety

SR2004 PSA target

Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40 per cent, and the number of children killed or seriously injured by 50 per cent by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities.

SR2002 PSA target

Same as SR2004 target.

Performance indicator

Total number of people killed or seriously injured in road accidents

Baseline: Average annual number of all killed or seriously injured in the period 1994-98 – 47,656. (Measured through casualties reported to the police.)

Total number of children killed or seriously injured in road accidents

Baseline: Average annual number of children (under 16) killed or seriously injured in the period 1994-98 – 6,860. (Measured through casualties reported to the police.)

The percentage reduction in the number of road deaths and injuries for the 88 local councils that are eligible to receive Neighbourhood Renewal Funding (NRF), compared to that for England as a whole

Baseline: Average for the period 1999-01 – 118,345.

Coverage: The 40 per cent and 50 per cent targets apply to Great Britain, but the focus on disadvantaged communities applied to England only.

Progress

Status: Disadvantage target met. Police data indicates that the Department is on course to meet other elements of the target

The road safety strategy published in March 2000 set out a comprehensive range of measures to help achieve the casualty reduction targets to be achieved by 2010. Details are on the Department's website at: www.dft.gov.uk/pgr/roadsafety/strategytargetsperformance/tomorrowsroadssaferforeveryone

The second of the three-yearly reviews promised in the strategy to check progress towards meeting the targets was published in February 2007. The review looks at progress to date and identifies the key areas on which we will focus for the remainder of the target period. Details can be found at: www.dft.gov.uk/pgr/roadsafety/strategytargetsperformance/2ndreview/

Annual figures for performance against the road safety target in 2006 were published in June 2007.

The number of people killed or seriously injured in 2006 was 33 per cent below the 1994-98 average. (Reported figures: 31,845 in 2006, compared with 32,155 in 2005 and an average of 47,656 per year in the baseline period 1994-98.)

The number of children killed or seriously injured in 2006 was 52 per cent below the 1994-98 average. (Reported figures: 3,294 in 2006, compared with 3,472 in 2005 and an average of 6,860 per year in the baseline period 1994-98.)

The numbers of reported deaths and serious injuries both fell by 1 per cent in 2006 compared with 2005. This represents the lowest level of road deaths since records began.

The percentage drop in total casualties in districts in the 88 NRF areas for 2005 compared to the annual average for 1999-2001 was greater than the overall percentage drop for England, so this element of the target was met.

Further information, including the latest provisional casualty data, is at: www.dft.gov.uk/pgr/statistics/datatablespublications/accidents/

Quality of data

Performance is measured using the police data on all reported road accidents that involve human injury. Responsibilities and quality assurance procedures are well established. The Department applies considerable effort to ensure that returns are submitted by all police forces. It also clearly specifies the information required from the police forces, and mitigates the risk of errors arising in data collation/aggregation by operating a series of monitoring and validation checks, with clearly defined error tolerance levels and procedures for follow up.

Very few, if any, fatal accidents do not become known to the police. However, research conducted on behalf of the Department in the 1990s has shown that a significant proportion of non-fatal injury accidents are not reported to the police. In addition, some casualties reported to the police are not recorded and the severity of injury tends to be underestimated. Comparisons with hospital admissions data have raised questions about possible changes in levels of reporting. The Department is undertaking research to investigate whether the levels of reporting in police road accident data have changed. The most recent analysis was published by the Department in an article in Road Casualties Great Britain: 2006 Annual report which can be found on the DfT website at: www.dft.gov.uk/162259/162469/221412/221549/227755/rcgb2006v1.pdf

However, the work done so far does not give the full picture. The Department, working with the Office for National Statistics, is undertaking a project to match individual police and hospital admissions records to give further insight into trends in road casualties.

Figure D15: Killed or seriously injured (KSI) casualties: 1994–2006

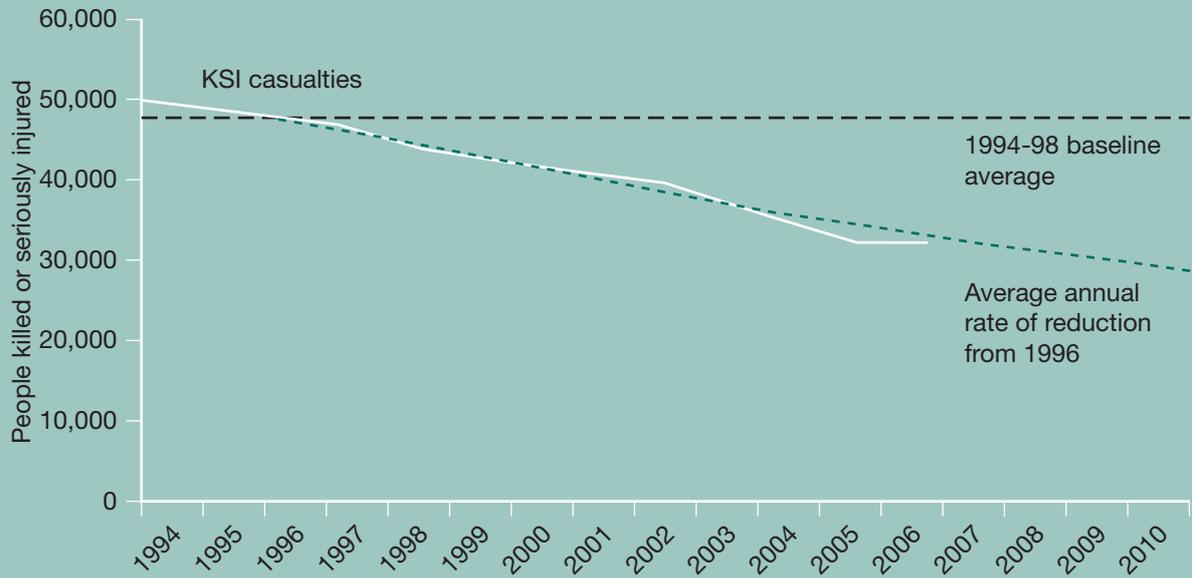
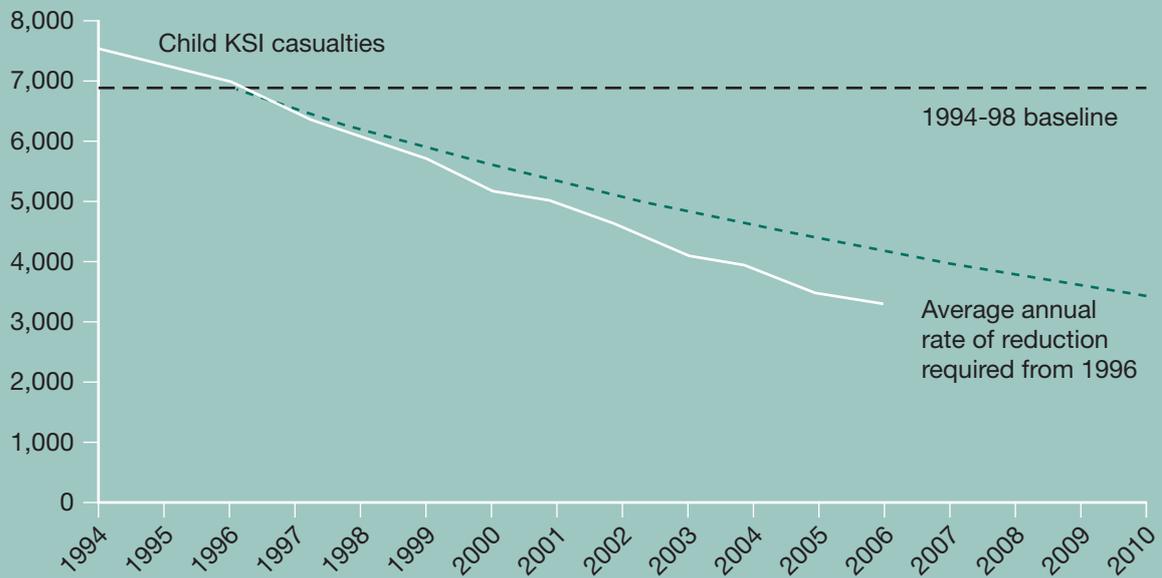


Figure D16: Killed or seriously injured (KSI) child casualties: 1994–2006



Air quality

SR2004 PSA target

Improve air quality by meeting the Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide (NO₂), particles (PM₁₀), sulphur dioxide (SO₂), benzene and 1,3-butadiene. (Joint target with the Department for Environment, Food and Rural Affairs (Defra)).

SR2002 PSA target

Same as SR2004 target

Note: In April 2008, this target became an indicator as part of Defra's Natural Environment PSA.

Performance indicator

Desired concentrations of individual pollutants in air to be achieved by a fixed date.

The Government's Air Quality Strategy sets out different dates for achieving objectives for each of the air pollutants between 2003 and 2010. The policy objectives are similar to but, in some cases, tighter than the corresponding mandatory EU limit values. Details of the objectives are set out in the strategy at: www.defra.gov.uk/environment/airquality/strategy/index.htm

Performance is assessed annually by means of data from the national air quality monitoring network:
www.airquality.co.uk/archive/networks_home.php

A general assessment of progress in improving air quality is also published each year against two air quality headline indicators for sustainable development. Details can be found at:
www.sustainable-development.gov.uk/progress/national/61.htm

This PSA target does not include carbon dioxide (CO₂), which is covered in the section on greenhouse gas emissions.

Coverage: England

Progress

Status: four out of seven objectives are currently being met

Figure D17 presents information from our national air quality monitoring network. Monitoring data indicate that objectives for benzene, 1,3-butadiene, carbon monoxide and lead were met throughout the UK in 2007.

We are meeting current objectives for all air pollutants in this PSA in 95 per cent of the UK, but concentrations of these pollutants show that long-term reducing trends for NO₂ and PM₁₀ are flattening out or even reversing at a number of locations, despite current mitigation measures. There were no breaches of the sulphur dioxide (SO₂) objectives recorded at our national monitoring sites.

Modelling shows that although the vast majority of the country will meet the air quality objectives with present policies and technologies, there are some areas (mostly by busy roads and urban locations) where there has been or will be difficulty in reaching our targets.

In order to move us nearer to our PSA target and the national objectives, the Department worked closely with Defra, other departments and key stakeholders on the review of the Air Quality Strategy, which was published in July 2007. It committed the Government to consider further three new transport measures, as detailed in paragraph 7.48 of this report. These potential new measures are a significant step forward in tackling air pollution and working towards achievement of the strategy's targets.

DfT recently published a response to the *Eddington Transport Study. Towards a Sustainable Transport System (October 2007) (TaSTS)* further commits the Government to a strategy that delivers improvements to both transport and the environment. The document can be found at:
www.dft.gov.uk/about/strategy/transportstrategy/

We are continuing work with our European partners to develop even tighter standards for new vehicles and fuels. The EU Commission's proposal for the latest set of Euro standards (Euro VI standards for heavy goods vehicles and buses) has now been published. The proposal is for an 80 per cent reduction in NO_x limits and a 67 per cent reduction in particulate matter limits with implementation in 2013-14. Such Euro standards are a major lever for improving national air quality.

Defra and DfT are working closely with local authorities to identify and deliver effective measures to improve air quality and meet targets at a local level. Where air quality levels are likely to be exceeded at specific locations, local authorities are required to declare Air Quality Management Areas (AQMAs) and must then establish an Air Quality Action Plan to tackle the problem. Around 225 local authorities have so far designated AQMAs and around 180 action plans have been drawn up with proposals to tackle the problems.

The Mayor's London Low Emission Zone (LLEZ) came into force on 4 February 2008. The London LEZ initially applies to HGVs over 12 tonnes, but from July 2008 it will also apply to lorries over 3.5 tonnes, buses and coaches. The Department and its agencies have worked very closely with Transport for London (TfL) on this scheme. This has involved running an alternative certification process and annual testing for HGVs, assisting TfL in engaging with relevant DfT stakeholders and the inclusion of parts of the trunk road network in the scheme.

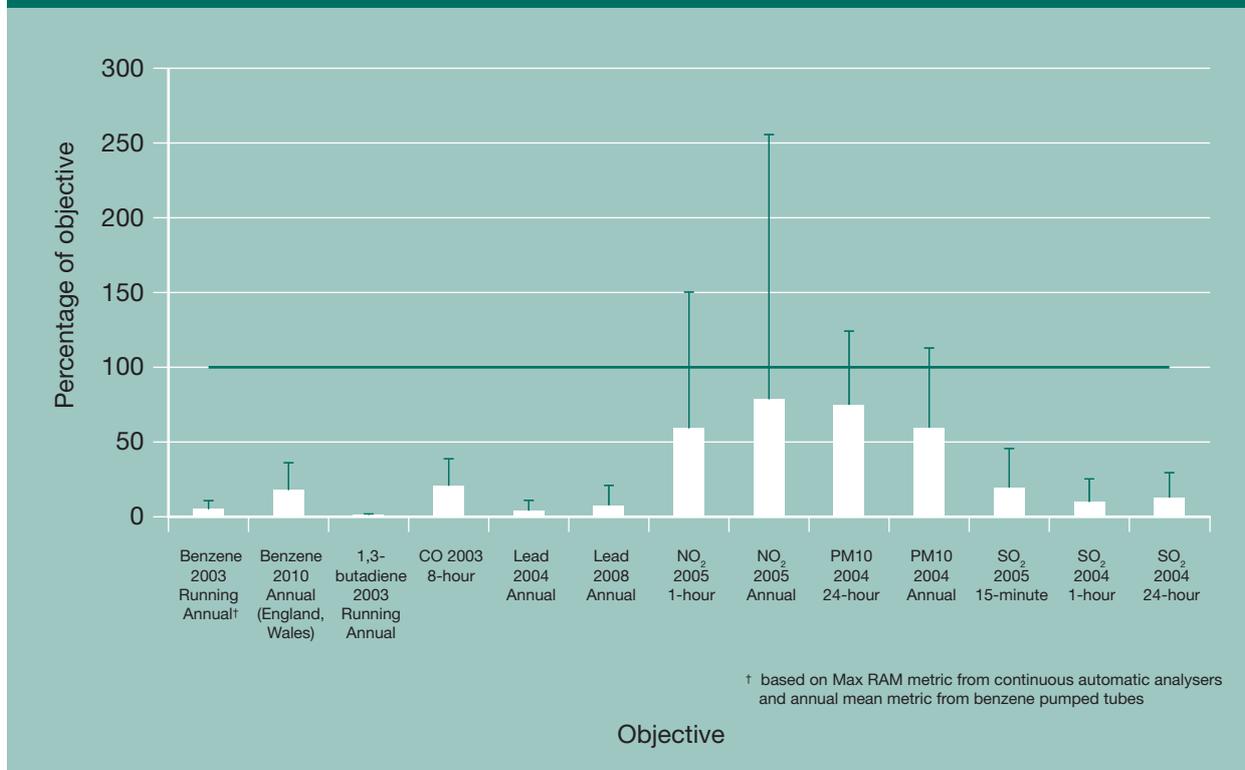
Data quality

There are over 100 monitoring sites in the automatic urban and rural network in England. Not all of these sites provide data for each pollutant in the PSA target. The sites collect information continuously and publish it hourly at www.airquality.co.uk. This network is supplemented by 300 non-automatic monitoring sites. Data from these sites are collected and published over longer periods of weeks and months, depending on the pollutant.

Monitoring sites have to meet mandatory requirements specified in European Air Quality Directives, which have been transposed into UK regulation. The Directives allow for uncertainties of 15-25 per cent for individual data, depending on the pollutant. The most recent calculations for monitoring sites in the UK gave uncertainty of 8-11 per cent. Data uncertainties for the whole of the UK automatic monitoring network will be recalculated following type approval of the equipment required by the guidance documents from the European Standards Institute.

The figure below shows results in 2007 of measured concentrations of the seven pollutants in the air quality PSA target. Pollutants below the green line met the relevant objective in 2007; the vertical green lines represent the range of measurements; the white bars are the average of all measures.

Figure D17: Measured concentrations of PSA pollutants in England in 2007 as a percentage of the relevant objectives (mean of all sites and highest site)



Information on concentrations of other air pollutants can be found in Chapter 2 of Defra's 2007 Departmental Report at:
www.defra.gov.uk/corporate/deprep/2007/chapter02.pdf

Climate change

SR2004 PSA target

To reduce greenhouse gas emissions to 12.5 per cent below 1990 levels in line with our Kyoto commitment and move towards a 20 per cent reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables. Joint target with the Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Enterprise and Regulatory Reform.

Performance indicator

Carbon dioxide and other greenhouse gas emissions

Carbon dioxide (CO₂) and other greenhouse gas (GHG) emission estimates are published annually on the Defra website at:
www.defra.gov.uk/environment/statistics/globalatmos/gagccukem.htm

Supporting indicators on transport

Fuel efficiency of vehicles

Statistics on average new car fuel efficiency are published every year, using DVLA and Society of Motor Manufacturers and Traders (SMMT) data. As part of the voluntary agreement between the European Commission and the automotive industry, there is an EU-wide average new car fuel efficiency target of 140 g/km to be met by 2008-09.

Carbon content of fuel

The carbon content of petrol and diesel has remained largely unchanged over time, and on current trends will continue to do so. Thus, in order to reduce the carbon content of road fuels there needs to be increased uptake of low carbon fuels such as biofuels, and in the longer term low carbon electricity and hydrogen.

Coverage: United Kingdom

Progress

Status: The UK is on course to meet our Kyoto target of reducing annual greenhouse gas emissions by 12.5 per cent below base year levels by 2008-12. On current projections, including the effect of the EU Emissions Trading Scheme (EU ETS), we expect to achieve about 24 per cent greenhouse gas reductions by 2010. The 2010 domestic goal, to cut CO₂ emissions by 20 per cent on 1990 levels, was always designed to be stretching and now looks increasingly difficult to achieve. We now estimate that in 2010 CO₂ emissions will be about 16 per cent below 1990 levels.

The Kyoto target is not directly comparable to the domestic target because the former covers a basket of greenhouse gases which includes methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, as well as carbon dioxide, while the second covers only carbon dioxide.

The energy white paper (May 2007) reported that the UK is set to deliver savings beyond those in its Kyoto target of a 12.5 per cent reduction in greenhouse gas emissions by 2008-12. Based on these projections, UK greenhouse gas emissions are set to be about 24 per cent lower than 1990 levels in 2010 and UK carbon dioxide emissions are set to be around 16 per cent lower than 1990 levels in 2010.

Current trends in transport emissions

In the UK transport accounts for around a quarter of domestic greenhouse gas emissions. Since 1990, emissions from the UK's transport sector have increased by 12 per cent, to 131 million tonnes of CO₂ in 2006. However, given our current set of policy measures, we anticipate that transport emissions will level out to 2020, and possibly begin to fall despite continuing or rising demand. Much of the abatement will come from the road transport sector, where emissions are projected to be about 28 MtCO₂, or almost a quarter lower in 2020 than they would have been in the absence of policy measures. This reduction will reflect further improvements in vehicle fuel economy and the adoption of policies encouraging the use of biofuels which, when combined, are expected to more than offset the CO₂ impacts of continued traffic growth.

Emissions from international aviation and shipping are not included in national inventories as set out under the Kyoto Protocol. This is because there is no current agreed method for allocating responsibility for these emissions to individual countries. If we include emissions of CO₂ resulting from fuel sold in the UK that was used for international aviation and shipping, these sectors would make up about 7.1 per cent of total UK emissions or alternatively 25 per cent of total UK transport emissions. We are working through the UN Framework Convention on Climate Change (UNFCCC), the International Civil Aviation Organisation (ICAO) and the International Maritime Organization (IMO) to address these issues.

Data quality

Carbon dioxide and other greenhouse gas emissions

To assess progress towards the Kyoto target, Member States must provide the Commission with data on their own performance. There are uncertainties associated with estimates in a given year; however, trends over time are likely to be much more reliable. For more information on these uncertainties see the Defra website at:

www.defra.gov.uk/environment/statistics/globalatmos/kf/gakf05.htm

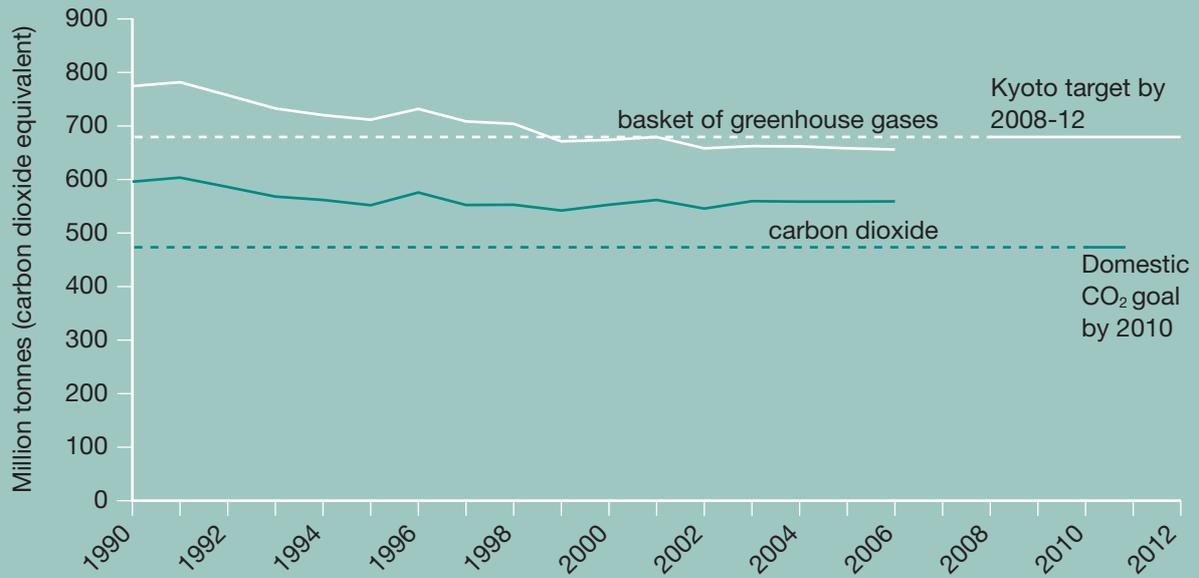
Fuel efficiency of vehicles

DVLA and SMMT records are of a very high quality and provide a very accurate statistical record.

Carbon content of fuel

The carbon content of petrol and diesel (which is known) is an inherent property of the fuel and remains largely static over time. The potential lifecycle carbon savings from switching petrol and diesel for biofuels has been the subject of much study to increase its accuracy.

Figure D18: Emissions of greenhouse gases: 1990-2006, United Kingdom



Source: AEA Energy and Environment

www.defra.gov.uk/environment/statistics/globalatmos/gagccukem.htm



Appendix E

Expenditure on consultancy
and staff substitutes

Appendix E

Expenditure on consultancy and staff substitutes

The table below shows departmental resource-based expenditure recorded as consultancy and that recorded as temporary staff during 2007-08.

Table E1: Expenditure on consultancy¹ and temporary² staff in 2007-08

£ 000's

	Consultancy	Temporary staff	Total
Department for Transport Centre ³	57,548	7,457	65,005
Driver and Vehicle Licensing Agency	20,432	1,257	21,689
Driving Standards Agency ⁴	2,800	2,750	5,550
Highways Agency ⁵	1,987	6,249	8,236
Maritime and Coastguard Agency	1,428	234	1,662
Vehicle Certification Agency	15	1,222	1,237
Vehicle and Operator Services Agency	4,623	7,857	12,480
Government Car and Despatch Agency	103	239	342
Total	88,936	27,265	116,201

Note – The table contains accruals recorded up to 31 March 2008. Final outturn for the financial year will be adjusted once all data is available.

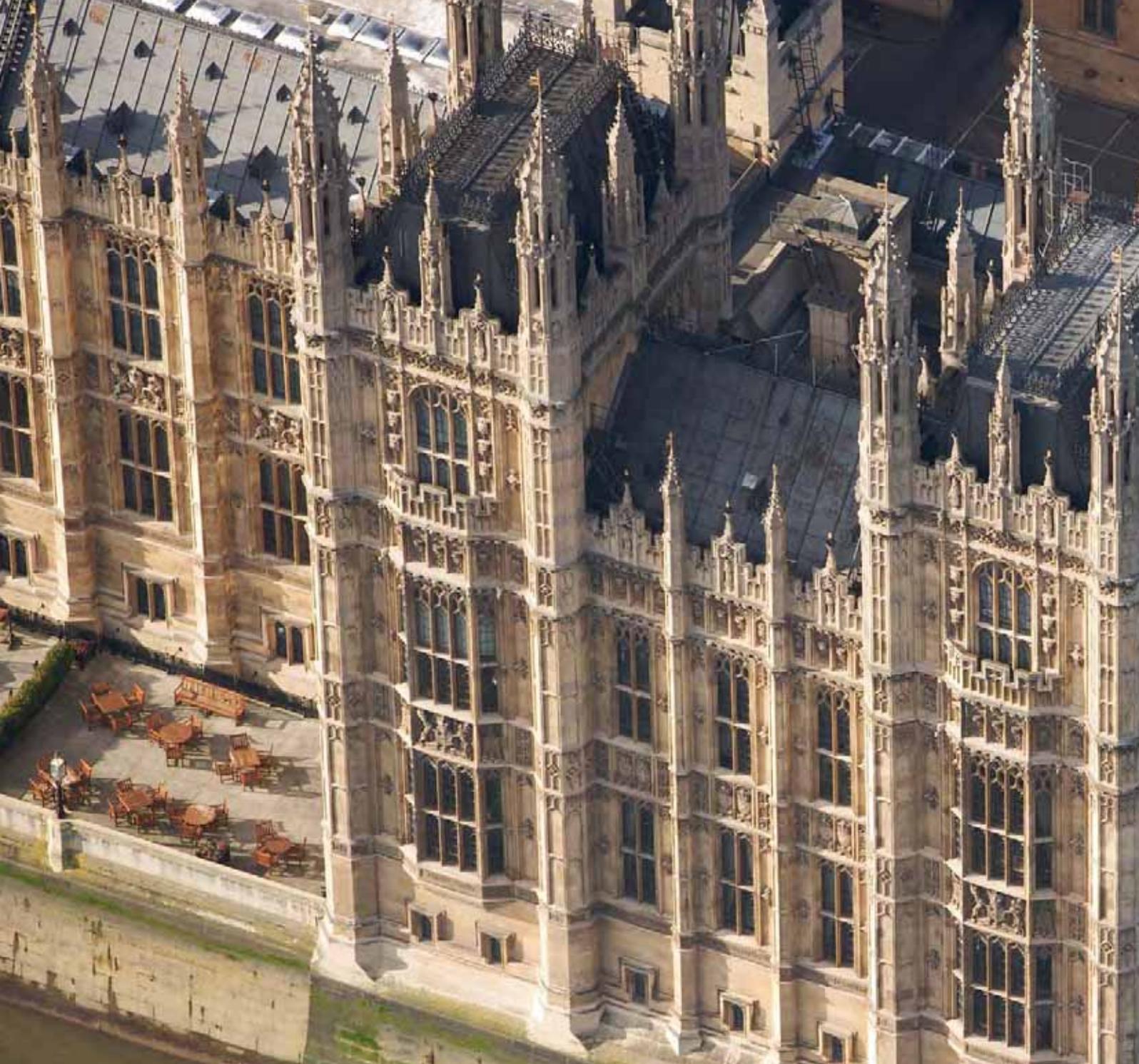
1 As defined by the Professional Services Forum and including general management consultancy, HR consultancy, financial consultancy, legal consultancy, IT consultancy, and estates and property consultancy.

2 This includes temporary support, administration, specialist professional, technical and technical support staff.

3 Figures for the Department for Transport Centre have been taken from HM Treasury COINS data for consultancy. The total for temporary staff shows a spend value based on invoices paid.

4 The consultancy figure for the Driving Standards Agency excludes any capital expenditure such as project management, legal costs, specialist advice, and the like relating to their property related MPTC project.

5 The figures exclude spend on technical transport related consultancy. Expenditure on engineering consultancy is scored as outsourced procurement of specialist services.



Appendix F
Public Accounts Committee
recommendations

Appendix F

Public Accounts Committee reports

The modernisation of the West Coast Main Line

NAO Report, 22 November 2006 (HC 22 2006-2007)

PAC hearing, 8 January 2007

PAC 30th Report, 14 June 2007 (HC 189)

Treasury Minute 11 October 2007 (Cm 7216)

The Committee's key findings

- The modernisation of the West Coast Main Line completed to 2006 has delivered increased passenger numbers and reduced journey times.
- The original aims were, however, overly ambitious and work has taken longer and cost more than originally envisaged.
- The total cost of modernising the West Coast Main Line is estimated to be more than £6 billion in excess of the estimates made in 1998.
- The line is still prone to overcrowding on peak services and is likely to require further investment to accommodate predicted future growth in passenger numbers.

The Department's response

The Department agrees that the original plans for the West Coast Main Line were indeed naively based with, for example, high reliance on unproven technology. It did not take full account of passengers using local and regional passenger services or the movement of freight. Neither was the need for track maintenance properly considered. These matters were addressed and resolved by the Strategic Rail Authority – and responsibility passed to the Department, working with Network Rail and the operators, when it took on the project sponsorship role in 2002.

The working relationship that has been established between the Department and Network Rail across all rail based projects, ensures that accurate monitoring is in place and that possible changes to timescales, outputs and costs are brought to the attention of, and resolved by, both parties. There are new governance arrangements to oversee delivery and take strategic decisions and to take decisions on delivery, cost / resources and operational issues. Finally, there is a Joint Board, which the train operators attend, to manage issues relating to operational performance and maintenance.

The Department and Network Rail accept that Railtrack's original cost estimate of £2.5 billion for the modernisation work was not realistic. By the time the SRA became involved, the estimate had risen to over £14 billion. The present out turn price of just over £8 billion is the result of rigorous cost control by the SRA,

Network Rail and the Department since that time. Network Rail is improving its cost controls, in the way suggested by the PAC and in other ways, and the Department is working very closely with the Rail Regulator to monitor progress.

The Department agrees with the need to cater for the growing demand for rail travel. The recently published white paper (*Delivering a Sustainable Railway – July 2007*) specifies improvements in the way that existing capacity is to be used and how further increases in capacity are to be secured. The December 2008 timetables for the West Coast Main Line will deliver a 30 per cent increase in long distance trains. Work is also under way to secure increased capacity in the Pendolino fleet by lengthening the trains from nine to eleven cars and dealing with the Stafford ‘bottleneck’ – a project, which is committed to in the recent white paper.

Department for Transport: Estimating and monitoring the costs of building roads in England

NAO Report, 15 March 2007 (HC 321 2006-2007)

PAC hearing, 13 June 2007

PAC 58th Report, 8 November 2007 (HC 426)

Treasury Minute 21 February 2008 (Cm 7322)

The Committee’s key findings

- Poor estimation of road construction costs, leading to programme slippage to keep within annual budget. Over a quarter of the Highways Agency schemes due to start construction by the end of 2005–06 had not done so. Of 36 completed schemes in the Targeted Programme of Improvements (TPI) final costs were 40 per cent higher than original estimate.
- Inadequate performance measures. Only monitored whether key events had taken place, not resources used to achieve them, so difficult to judge value for money. Not able to compare costs and delivery times across different projects.
- No database of unit costs for new roads, road widening and major maintenance schemes. Reliance on inaccurate historical data and consultants to challenge estimated costs proposed by contractors. Potential conflicts of interest as consultants often work for main contractors on other schemes.

The Department’s response

The Department for Transport put into place from April 2007 a significant change programme to improve the cost estimation and project management of Highways Agency major projects, following the Nichols Review commissioned in 2006 by the Secretary of State for Transport. The Committee’s conclusions are consistent with the earlier Nichols Review.

The Nichols Review and PAC report do not say that the Highways Agency is paying too much for road schemes. The main factors in increased cost estimates are higher than expected inflation in the construction industry and higher than forecast land prices.

A new project control framework has been introduced to strengthen the project management of major roads schemes. The roads programme is now split into three clear phases – options, development and construction. Budgets are only provided for a particular phase and regular defined points (stage gates) where schemes must be formally assessed.

The Department and the agency have also developed revised estimating methods, replacing point estimates with ranges to reflect more accurately the uncertainty and risks that impact on schemes, particularly early in their lifecycle.

Improved performance measures have been developed based on earned value management techniques that allow cost, time and quality to be combined. For schemes earlier in their project lifecycle, progress is measured against key milestones and successful completion necessary for a scheme to advance in its lifecycle. Targets against these new measures have been included in the agency's 2008-09 business plan. Data on the cost of the actual schemes is being collected and a database built and used by the Highways Agency to inform estimates.

A new commercial division, staffed by experienced highway estimators and commercial managers has been established, to take responsibility for the production and challenging of range estimates in-house, reducing the reliance on consultants.

The management of staff sickness absence in Department of Transport and its agencies

NAO Report, 8 June 2007 (HC 527 2006-2007)

PAC hearing, 25 June 2007

PAC 64th Report, 20 November 2007 (HC 791)

Treasury minute 21 February 2008 (Cm 7322)

The Committee's key findings

- Poor sickness absence levels in two agencies – DSA and DVLA, who employ more than half of all staff, exceeded 13 days per employee in 2005. The Department and seven agency average was 10.4 FTE with an indirect cost of some £24 million.
- Managing sickness absence has not been prioritised, so differences between units, whether demographic or geographic, are not understood or addressed. Annual targets for improving sickness absence are unambitious.

- At DVLA, long term absence accounts for 62 per cent of total absence and this is also the main cause of the poor rate at the DSA. Review of long term cases, and disciplinary action where appropriate, has only recently been introduced within the Department.
- The Capability Review indicated that the role of the Department in relation to agencies and oversight of HR functions is unclear. Good practice is not shared.

The Department's response

The Department has taken a series of actions to address the issues raised by NAO and bring the standards of the weakest units up. The Department is expecting to meet the 2010 sickness absence targets. It is developing new absence processes across the organisation, in conjunction with the introduction of the Shared Services Centre and has developed a whole new series of sickness related policies and guidelines.

A new sickness absence strategy was agreed in October 2007. The central Department and four of the agencies' rates were below those found in comparable organisations. By March 2008, the DVLA average had improved to 12.2 days excluding pregnancy, and at DSA to 12.9 days. In the central Department the average is 5.5 days and a 40 per cent reduction by 2010 is the target.

Following analysis of the causes of sickness absences, the Department is now working with HSE to reduce musculoskeletal injuries among driving examiners. Benchmarking and information exchange is carried out with similar local employers. Referrals to occupational health providers have been increased.

The new strategy included review of all potential long term cases within three weeks of start of absence. All old cases at DVLA have been reviewed and proactively managed, with 44 dismissals and seven ill health retirements to November 2007. At DSA, there have been 11 dismissals and five ill health retirements. Every manager at DSA has absence management included in their deliverables. In the central Department, three long-term cases have now left in the last two months and management plans are being put in place for all long-term cases.

Improvement plans for all agencies are now co-ordinated by the central Department and a new group meets to facilitate sharing best practice. Updated management guidelines and training eg on attendance management have been introduced and are mandatory at DSA, together with briefing sessions to promote active management of cases.

All PAC reports and Treasury minutes are available at www.parliament.uk

All NAO reports are available at www.nao.org.uk

Appendix G

Departmental report
on better regulation



Appendix G

Departmental report on better regulation

The Department is committed to better regulation, which in practice means that we strive to strike a balance between reducing existing regulatory burdens on business and local government, and acting to protect the environment and ensure the safety of people using transport. We aim to regulate only when necessary, and ensure a proportionate approach which targets real risks and does not impose unnecessary burdens.

The drive for better regulation is led by the Department's Better Regulation Minister, Jim Fitzpatrick. At Board level, the agenda is championed by Simon Webb, the Director General of the International Networks and Environment Group. We have an active network of policy contacts who promote better regulation initiatives within the Department, our executive agencies and independent transport regulators: the Civil Aviation Authority (CAA) and Office of Rail Regulation (ORR).

Most of the regulatory functions of our executive agencies and the CAA are subject to the new Regulators Compliance Code which came into force in April 2008. Developed in response to the Hampton report *Reducing administrative burdens: effective inspection and enforcement*, the code aims to embed a risk-based, proportionate, targeted and flexible approach to regulatory inspection and enforcement among regulators. This approach will ensure that regulators are efficient and effective in their work, without imposing unnecessary burdens on those they regulate. The Maritime and Coastguard Agency (MCA) will be adopting a risk-based approach to the inspection of vessels visiting UK ports. Targeting those most likely to fail will deliver benefits to compliant operators and be a more effective use of the Agency's resources. We have also set up a new team within the department's Better Regulation Unit to look at assessing our regulators performance in implementing the recommendations arising from the Hampton report.

Improving policy development and impact assessment

Listening to stakeholders is an important part of policy development. We maintain close relationships with industry and a wide range of other stakeholders. We gather their views through formal and informal networks, not only during key stages in policy development, but also as part of routine business. This is particularly important when we are establishing a negotiating position on European and other international proposals.

EU legislation is having an increasing impact on the regulation of transport. When negotiating in Europe we keep better regulation principles to the fore, and insist that Commission proposals are accompanied by a robust impact assessment. We have been influential in ensuring that the Commission takes a less regulatory approach to transport policy (for example, on the Port Services Directive) and will continue to work closely with the European Commission to encourage a light touch, non-regulatory approach as far as possible in the follow-up to the EU Maritime Blue Paper and Urban Transport Green Paper.

We have strengthened our planning and management of stakeholder engagement throughout the organisation and by employing strategic communication managers in our Communication Directorate who are embedded in policy teams.

The Department published 49 consultations during 2007 of which 41 were for 12 weeks or more.

Ministerial approval is sought for consultations that are less than 12 weeks. Of these:

- six were to fit in with a European or Parliamentary timetable; and
- two had previously been consulted on for 12 weeks, or were initial scoping consultations.

Towards a Sustainable Transport System (TaSTS), the Department for Transport's response to the Eddington Transport Study and the Stern Review of the Economics of Climate Change is a good example of consultation with stakeholders to help the development of a policy proposal. We have sought early views from business and environmental stakeholders and then engaged in more in-depth dialogue to identify the main transport challenges that concern them which will go out for even wider public consultation.

In May 2007 the Better Regulation Executive launched the new impact assessment (IA) process which replaced the regulatory impact assessment (RIA). One of the aims of introducing the new process was to strengthen the evaluation of the economic impacts of regulation. The Department's economists are working closely with central policy teams and our agencies, to provide the appropriate support and economic expertise to develop high quality impact assessments. We have also linked impact assessment to our already established value for money guidance and changed our internal sign-off procedures to raise awareness of the new process. Over the summer we developed a training course for policy officials to develop their understanding of the new process. This has been delivered to over 250 staff; feedback on the training has been very good. In 2008 we will be developing monitoring processes to help us assess and improve the quality of IAs.

The Department maintained a 100 per cent compliance rate for the impact assessment process throughout the year. IAs and RIAs accompanied the 32 consultations that required them. Final RIAs were laid in Parliament with the Concessionary Bus Travel Act 2007 and the 57 pieces of secondary legislation made in 2007 that affected business.

Simplification and administrative burdens reductions

In 2005 a cross-government exercise took place to measure the administrative burdens or 'red tape costs' that regulations impose on business, charities and the third sector. This identified 117 transport regulations which impose 'information obligations' (administrative burdens on businesses and others flowing from form filling, record keeping and inspections). Our baseline measurement of the cost

to business of these transport regulations now stands at £577.8 million, nearly 4 per cent of the total for the whole of government. These burdens should be looked at in the context of the transport sector's total contribution to the economy of some £49.5 billion. We have a target to make a 25 per cent reduction in the burden by 2010.

We published our simplification plan *Transport: Lightening the Load* in December 2006. The plan sets out the measures we are developing to simplify regulations and deliver reductions in policy and administrative burdens for the private and public sectors by 2010. The measures will bring benefits to business drivers and private motorists; manufacturers and shippers of goods; and the aviation, shipping and rail sectors. In December 2007 we published our first update to the plan which shows the good progress we are making towards achieving our target.

We have already delivered £230 million savings this year (including £55 million administrative burdens reductions). Examples include:

- vehicle licensing (£33.9 million annual saving including nearly £14 million administrative burden saving);
- better targeted HGV and PSV inspection (£100 million annual saving); and
- improvements to the rail franchise bidding procedures (£36.7 million administrative burden savings).

We have identified nearly 30 new measures including:

- driver insurance measures (£28 million estimated administrative burdens saving); and
- simplification of the ATOL bonding holiday assurance system (saving business £30.5 million a year, including £12.5 million administrative burden).

Overall we hope to deliver savings approaching £500 million a year by 2010. This includes £150 million reduction in administrative burdens, which exceeds our target of a 25 per cent reduction. We have tried to estimate the effect that new measures, due mainly from Europe, may have on our ability to deliver this target. At present we think that we can keep these new administrative burdens below £5 million.

Some of these measures show that we have worked effectively in EU and international negotiations to reduce burdens:

- dangerous goods measures (with potential savings of over £100 million policy cost and £2.5 million administrative burden a year) are currently being negotiated with EU partners; and
- international 'open skies' air services agreements negotiated bilaterally, and through the EU, have the potential both to increase aviation company revenues (by £100 million), and to benefit customers by increasing the range and lowering the price of flights.

There are also specific proposals that show our commitment to minimise the burden of inspection and enforcement on business:

- inspections targeted on high risk groups; and
- effective data sharing to reduce information requests.

Best practice examples

We are using the increased flexibility provided by the Legislative and Regulatory Reform Act 2006 to develop our programme of Legislative Reform Orders (LRO). Later this year we hope to consult on an LRO which will amend the Water Resources Act 1991 to provide a defence for the intentional release of pollutants into the sea in order to prevent further pollution. This will remove the risk of prosecution for salvage operators acting appropriately to deal with pollution incidents, and speed and simplify the response to pollution. We hope to bring this into force in winter 2008.

We aim to use alternatives to 'classic' regulation wherever possible. For example, we believe that economic instruments are the most efficient means of tackling the climate change impacts of aviation, which is why we have been working with our European partners to include aviation in the EU emissions trading scheme.

Where alternatives to regulation do not work we use regulation to deliver an improvement. For example, a voluntary agreement to reduce EU-wide CO₂ emissions from new cars has not delivered the desired reductions and so the Department has been supportive of moving to a regulatory system of mandatory targets at the EU level. Where regulation is introduced, it is important to build in better regulation principles at every stage. We support the European Commission's approach of setting CO₂ targets at the manufacturer level rather than by individual car, as this allows emissions to be reduced in a more flexible and cost-effective manner. We will work to ensure that a derogation is in place for small-volume manufacturers who do not affect overall CO₂ emissions but could be faced with disproportionate costs.

Appendix H

European Union



Appendix H

European Union

Developments in the EU Council of Ministers

This report reflects the fact that a number of important issues in transport policy go through the Environment Council. This is indicated where appropriate.

There was unanimous support in the Council for signature of the first stage EU-US Air Services Agreement negotiated by the European Commission, which came into effect on 30 March 2008. The Council now looks forward to rapid progress in the Commission's negotiations towards a full Open Aviation Area.

Looking to the possibility of other aviation agreements, the Council granted mandates for the Commission to open negotiations on comprehensive agreements with Canada and Jordan.

We welcomed agreement in the Environment Council to include aviation in the EU Emissions Trading Scheme. We were glad to see movement towards a broad scope, higher levels of auctioning and no hypothecation of auctioning revenue. It is hoped that final agreement will be reached by the end of 2008.

The Council agreed to extend the role of the European Aviation Safety Agency to flight operations, personnel licensing and the safety of third-country aircraft.

The Council reached agreement on updating and consolidating the 1992 Regulations which established the aviation single market.

Agreement was reached on a directive on airport charges, with the aim of setting common principles for the levying of charges for aircraft landing and take-off, and the handling of passengers at Community airports.

The Council agreed a number of legislative proposals in maritime transport, on:

- vessel traffic monitoring;
- port state control;
- investigation of maritime accidents;
- liability of carriers of passengers in the event of accidents, incorporating the main provisions of the Athens Convention 2002 into EC law; and
- the activities of ship inspection and survey organisations (classification societies).

In the rail sector, the Council agreed three proposals on rail interoperability and safety, key elements in helping to improve cross border railway operation.

The Council agreed the general principles covering governance, funding, and public sector procurement of the Galileo satellite navigation programme, so enabling the programme to proceed.

Agreement was reached on a directive bringing up-to-date the rules on transport of dangerous goods by road, rail and inland waterway.

On the basis of debates in the Transport and Environment Councils on the renewed EU Sustainable Development Strategy, the Portuguese Presidency prepared input to the conclusions of the December European Council.

The Commission presented its green paper on urban transport, entitled *Towards a new culture for urban mobility*. Following consultation with Member States, the Commission intends to publish an action plan in autumn 2008.

Towards the end of the year the Commission adopted proposals to reduce CO₂ emissions from new passenger cars. DfT will support Defra in taking this important initiative through the Environment Council.

Appendix I

Ministers, Board and committees



Appendix I Ministers, Board and committees

Ministers



Rt Hon Ruth Kelly
Secretary of State for Transport



Tom Harris
Parliamentary Under
Secretary



Rt Hon Rosie Winterton
Minister of State



Jim Fitzpatrick
Parliamentary Under
Secretary

Board



Robert Devereux
Permanent Secretary



Bronwyn Hill
Director General



Simon Webb
Director General



Mike Mitchell
Director General



Stephen Hickey
Director General



Barbara Moorhouse
Director General



Ann Hemingway
Non-Executive



Archie Robertson
Chief Executive, Highways
Agency



Deborah Williams
Non-Executive

Board

The Board focuses on strategic issues and delivery across the entire DfT family. It regularly reviews progress against, and risks to, the Department's PSA targets, business and delivery plans; and progress against the Department's development programme, 4Ward, which encompasses our response to the Capability Review.

The Board is chaired by the Permanent Secretary and receives objective challenge from its non-executive members, Deborah Williams and Ann Hemingway; from Andy Friend, DfT's Commercial Advisor and from Professor Brian Collins, DfT's Chief Scientific Advisor. It meets about 10 times a year (usually the last Friday of each month, except for August and December). Some papers or submissions may be circulated to the Board for clearance by correspondence.

There are a range of committees and other groups associated with the Board that report to it as necessary.

Audit Committee

The DfT Group Audit Committee is a sub-committee of the DfT Board and supports the Department's principal accounting officer in his responsibility for issues of risk, control and governance and associated assurance. The committee meets at least four times a year to review the comprehensiveness of assurances, by reviewing reliability and integrity of assurances through review and challenge of reports on process and policy from external audit, internal audit and management.

The Audit Committee is chaired by Deborah Williams, a non-executive member of the Department's Board, and has three members, currently:

Alex Jablonowski, the non-executive chair of the Highways Agency Audit Committee; John Burdett, the non-executive chair of the Driver and Vehicle Licensing Agency; and John Mayhead, until summer 2007 the non-executive chair of the Driver and Vehicle Operation Group.

The Audit Committee chairperson also leads the Department's Chairs of Audit Committee Forum, which meets quarterly to bring together issues and best practice from each of the Department's seven agencies' individual audit committees. The Shared Services Audit Committee was a sub-committee of the Audit Committee up to January 2008, after which DfT Shared Services issues fed directly to the Audit Committee. The chair of the Group Audit Committee reports their view on the effectiveness of internal control to the Board regularly throughout the year.

Executive Committee

The Executive Committee focuses on issues which either affect the central Department only, or which require detailed scrutiny by executive members of the Board (such as the departmental business plan). The Permanent Secretary chairs the Executive Committee and it usually meets weekly, (except the week of Board meetings and during August).

The Executive Committee tracks progress of: the implementation of DfT's strategy *Towards a Sustainable Transport System (TaSTS)*; issues within the cross-cutting themes; and 4Ward. Each meeting covers two or three specific topics, such as DfT group issues, DfT(C) issues, staff issues, and items that may go to the Board, such as innovation and business planning.

Remuneration Committee

The Remuneration Committee is responsible for agreeing pay awards for senior civil servants and non-executive directors. The Permanent Secretary chairs the committee and it meets once or twice a year.

Succession Management Committee

The Succession Management Committee is responsible for overseeing succession planning for the senior civil service and the Department's talent management strategy. It is chaired by the Permanent Secretary and meets every two months.

Bibliography

This bibliography lists significant publications that have been produced during the past year, together with some earlier key documents that are referred to frequently in the text. We have included internet addresses with entries where appropriate.

Individual entries show where publications are available. Main addresses are listed below.

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PO Box 236, Wetherby, West Yorkshire LS23 7NB

Tel 0870 1226 236

Fax 0870 1226 237

Email dftinf@capita.co.uk

The Stationery Office (TSO)

TSO, PO Box 29, Norwich NR3 1GN

General enquiries tel 0870 600 5522

Email customer.services@tso.co.uk

Web www.tsoshop.co.uk

When ordering, whether by phone, letter or email, please give the title of the publication, its product code or ISBN and the address to which it should be sent.

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List of abbreviations

A

AAIB	Air Accidents Investigation Branch
AC	alternating current
ACL	Airport Co-ordination Limited
ACPO	Association of Chief Police Officers
AEA	AEA Energy and Environment
AEU	Accessibility and Equalities Unit
AIS	automatic identification system
ALSF	Aggregates Levy Sustainability Fund
ANASE	Attitudes to Noise from Aviation Sources in England
APC	ATOL Protection Contribution
AQMA	air quality management area
ASSI	Air Safety Support International
ATA	Air Transport Auxillary
ATM	Active Traffic Management
ATOL	Air Travel Organisers' Licensing
ATTF	Air Travel Trust Fund

B

BAA	BAA plc (formerly British Airports Authority)
BCS	British Computer Society
BEA-TT	Bureau d'Enquêtes sur les Accidents de Transport Terrestre
BERR	(Department for) Business, Enterprise and Regulatory Reform
BMF	British Motorcycle Federation
BRB	British Railway Board
BRBR	BRB (Residuary) Ltd
BSOG	Bus Service Operators Grant
BTP	British Transport Police

C

CAA	Civil Aviation Authority
CCTV	closed circuit television
CE	Cycling England
CERS	Consolidated European Reporting System
CFER	Consolidated Fund Extra Receipts
CfIT	Commission for Integrated Transport
CIF	Community Infrastructure Fund
CIL	Community Infrastructure Levy
CLG	(Department for) Communities and Local Government
CoE	Centre of Excellence
COINS	Combined On-line Information System (HM Treasury)
CONOPS	Concept of Operations
CONTEST	(Government) counter-terrorist (programme)
CoT	Committee on Toxicity
CPSO	Counter Pollution and Salvage Officer
CPT	Confederation of Passenger Transport
CRO	Coastguard Rescue Officer
CSM	Common Safety Methods
CSR07	Comprehensive Spending Review 2007
CTRL	Channel Tunnel Rail Link

D

DAB	Digital Audio Broadcasting
dBA	'A'-weighted decibels
DCSF	Department for Children, Schools and Families
Defra	Department for the Environment, Food and Rural Affairs
DfT	Department for Transport
DfT(C)	Department for Transport (Central)
DH	Department of Health
DLR	Docklands Light Railway
DPTAC	Disabled Persons Transport Advisory Committee
DSA	Driving Standards Agency
DVD	digital versatile disc

DVLA Driver and Vehicle Licensing Agency
DVO Driver, Vehicle and Operator Group

E

EASA European Aviation Safety Agency
EBSR electronic bus service registration
EC European Community
ECAC European Civil Aviation Conference
EMSA European Maritime Safety Agency
EP European Parliament
ERA European Railway Agency
ESC electronic stability control
EST Energy Saving Trust
ESTAC Energy Saving Trust Advice Centre
ETN efficiency technical note
ETS emission trading scheme
EU European Union
Euro NCAP European New Car Assessment Programme
EVL Electronic Vehicle Licensing

F

FBP Freight Best Practice (programme)
FFG Freight Facilities Grant
FOI freedom of information
FREM Financial Reporting Manual
FTE full-time equivalent

G

GCDA Government Car and Despatch Agency
GDP Gross Domestic Product
GFAD Group Financial Accounting Division
GHG greenhouse gas
GLA General Lighthouse Authority

GLA	Greater London Authority
GMPTE	Greater Manchester Passenger Transport Executive
GMS	Government Motorcycle Strategy
GO	Government Office
GPS	global positioning system
GRIP	Guide to Rail Investment Projects

H

HA	Highways Agency
HELG	Highways Efficiency Liaison Group
HGV	heavy goods vehicle
HLOS	High Level Output Specification
HNS	hazardous and noxious substances
HOV	high occupancy vehicle (lane)
HR	human resources

I

IA	Impact Assessment
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organisation
IHIE	Institute of Highway Incorporated Engineers
ILO	International Labour Organization
INEG	International Networks and Environments Group
IPC	Infrastructure Planning Commission
IMO	International Maritime Organization
ISPS	International Ship and Port Facility Security
ISSC	International Ship Security Certificates
IT	information technology
ITS	intelligent transport systems
ITSO	Integrated Transport Smartcard Organisation

J

JU joint undertaking

K

km kilometre

KSI killed or seriously injured

L

LAA local area agreement

LCR London Continental Railways

LCTIS Low Carbon Transport Innovation Strategy

LEC low emission certificate

LEZ Low Emission Zone

LLEZ London Low Emission Zone

LRO Legislative Reform Order

LSD Legal Services Directorate

LTP local transport plan

LUL London Underground Limited

M

MAA moving annual average

MAA multi area agreement

MAG Motorcycle Action Group

MAIB Marine Accident Investigation Branch

MARPOL Marine Pollution Convention

MAVIS Mobility Advice and Vehicle Information Service

MCA Maritime and Coastguard Agency

MEPC Marine Environment Protection Committee

MIDAS motorway incident detection and automatic signalling

MLC Maritime Labour Convention

MMO Marine Management Organisation

MoD Ministry of Defence

MOU Memorandum of Understanding

mph	miles per hour
MPTC	Multi-Purpose Test Centres
MSA	motorway service area
Mt	million tonnes
MtCO ₂	million tonnes of carbon dioxide

N

NAO	National Audit Office
NaPTAN	National Public Transport Access Nodes
NASC	National Aviation Security Committee
NATA	New Approach to Appraisal
NATS	National Aerospace Technology Strategy
NATS	National Air Traffic Services
NBTN	National Business Travel Network
NCP	National Car Parks
NDPB	non-departmental public body
NHS	National Health Service
NLB	Northern Lighthouse Board
NMC	National Motorcycle Council
NPS	National Policy Statement
NRF	Neighbourhood Renewal Fund
NRSI	Neighbourhood Road Safety Initiative
NRTS	National Roads Telecommunications Services
NSIP	nationally significant infrastructure project
NTCC	National Traffic Control Centre
NWRCE	North West Regional Centre of Excellence

O

ODA	Olympic Delivery Authority
OGC	Office of Government Commerce
ONS	Office of National Statistics
ORR	Office of Rail Regulation

P

PAC	Public Accounts Committee
PCF	Project Control Framework
PE	preliminary examination
PEC	Pilotage Exemption Certificate
PF	Passenger Focus
PFI	Private Finance Initiative
PHV	private hire vehicle
PMSC	Port Marine Safety Code
POS	point-of-sale
PPD	Performance and Planning Division
PPG	Planning Policy Guidance
ppl	pence per litre
PPM	programme and project management
PPM	public performance measure
PPP	Public Private Partnership
PPS	Planning Policy Statement
PRM TSI	Persons with Reduced Mobility – Technical Specification for Interoperability
PSA	Public Service Agreement
PSND	Public Sector Net Debt
PSV	public service vehicle
PSVAR	Public Service Vehicle Accessibility Regulations
PTE	passenger transport executive

Q

QMB	quick movable barrier
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R

RAIB	Rail Accident Investigation Branch
RBSG	Rural Bus Subsidy Grant
RCC	Regional Control Centre
REPS	Rail Environmental Benefit Procurement Scheme
RFA	Renewable Fuels Agency
RHC	Railway Heritage Committee

RIA	Regulatory Impact Assessment
RICA	Research Institute for Consumer Affairs
RMPT	resource management and planning team
RMT	(National Union of) Rail, Maritime and Transport (Workers)
ROGS	Railways and Other Guided Transport Systems (Safety Regulations)
ro-ro	roll-on, roll-off
RPC	reduced pollution certificate
RSG	Revenue Support Grant
RSPCA	Royal Society for the Prevention of Cruelty to Animals
RTFO	Renewable Transport Fuel Obligation
RUS	route utilisation strategy
RVAR	Rail Vehicle Accessibility Regulations

S

SAFED	safe and fuel efficient driving
SAR	search and rescue
SDF	Sustainable Distribution Fund
SES	Single European Sky
SESAR	Single European Sky Air Traffic Management Research
SFN	Strategic Freight Network
SHARP	Safety Helmet Assessment and Ratings Programme
SOFA	Statement of Funds Available
SMMT	Society of Motor Manufacturers and Traders
SOM	sale of (cherished) marks
SORN	statutory off-road notification
SOSREP	Secretary of State's Representative (for Maritime Intervention and Salvage)
SPAD	signal passed at danger
sq km	square kilometre
SR04	Spending Review 2004
SRA	Strategic Rail Authority
SSC	Shared Service Centre
SSDL	Safety, Service Delivery and Logistics Group
STOP	Safer Travel on (Buses and Coaches) Panel
SVD	Single Vessel Database

T

TAO	Traffic Area Office
TaSTS	<i>Towards a Sustainable Transport System – Supporting Economic Growth in a Low Carbon World</i>
TEU	twenty-foot equivalent (container) unit
TfL	Transport for London
TIF	Transport Innovation Fund
TOC	train operating company
TPWS	train protection and warning system
TRANSEC	Transport Security and Contingencies Directorate
TSI	Technical Specification for Interoperability
TSO	The Stationery Office
TTS	Transport Technology and Standards Division

U

UNCITRAL	United Nations Commission on International Trade Law
UNECE	United Nations Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change

V

VAT	value added tax
VCA	Vehicle Certification Agency
VED	vehicle excise duty
VfM	value for money
VMS	variable message sign
VOSA	Vehicle and Operator Services Agency

W

WAML	West Anglia Main Line
WEEE	Waste Electrical and Electronic Equipment (Directive)
WFG	Waterborne Freight Grant
WRVS	Women's Royal Voluntary Service

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