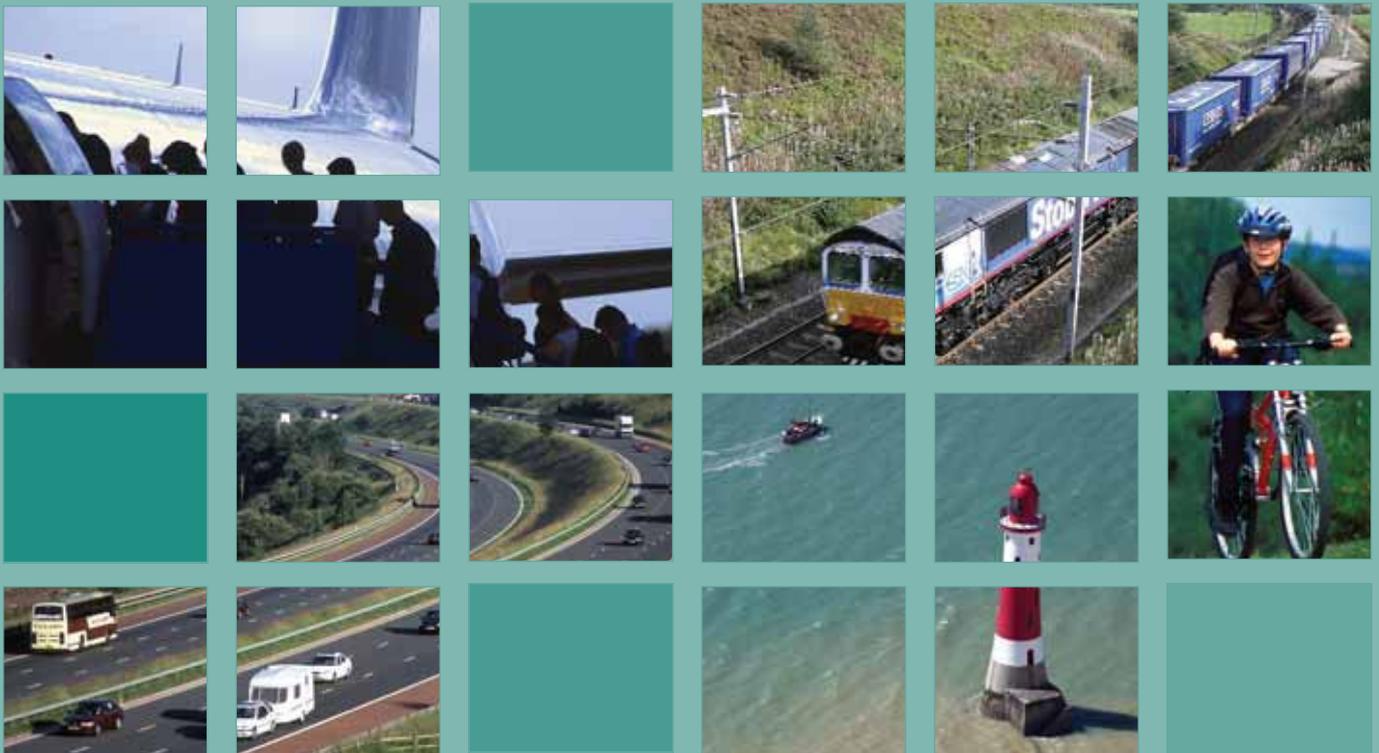


# Annual Report 2007



This document is part of a series of Departmental Reports (Cm 7091 to Cm 7117) which, along with the Main Estimates 2007-08, the document Public Expenditure Statistical Analyses 2007 and the Supplementary Budgetary Information 2007-08, present the Government's expenditure plans for 2007-08, and comparative outturn data for prior years.



# Department for Transport

## Annual Report 2007

Presented to Parliament by the  
Secretary of State for Transport,  
by Command of Her Majesty  
May 2007

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## Introduction and structure

This report tells Parliament how the Department for Transport has spent its money and what it plans to do in the future. It describes our policies and programmes and outlines what we propose to fund in 2007-08. The figures contained in the report are not audited and are subject to change.

### Chapter 1: The year in brief: our key achievements 2006-07

This chapter lists the Department's key activities and achievements over the past 12 months.

### Chapter 2: Responsibilities and organisation of the Department

This chapter describes the structure and functions of the Department and the role of the executive agencies and non-departmental public bodies.

### Chapters 3 to 12

These chapters set out the Department's programmes for each of the main spending areas following the structure of the white paper *The Future of Transport: a network for 2030*, with an outline of current activities and future plans.

## Appendices

### Appendix A: Public expenditure core tables

There is a direct read across between these tables and the main estimates 2006-07 published by HM Treasury.

### Appendix B: Recruitment and public appointment tables

Public appointments and recruitment information

Number of senior civil servants by pay band

Strategic annual public appointments

### Appendix C: Sponsorship

### Appendix D: Public Service Agreement targets

### Appendix E: Expenditure on consultancy and staff substitutes

### Appendix F: Public Accounts Committee recommendations

### Appendix G: Departmental reporting on better regulation

### Appendix H: European Union

### Appendix I: Ministers, Board and committees

## Other key policy documents

The documents listed in this section set out the Department's commitment to delivering results and achieving best value for money. They are a complement to this report.

### The Spending Review 2004

The Government's Spending Review *New Public Spending Plans 2005-2008* (Cm 6237) was published in July 2004. It takes forward the Government's objective of a strong economy and a fair society with stability, security and opportunity for all. It set out spending plans for the next three years and the further improvements in public services that were planned.

### The Public Service Agreement

As part of the comprehensive spending review in 1998, each department entered into a Public Service Agreement (PSA). This identified its aims and objectives and the targets it was committed to achieve with the resources available to it during the three financial years from April 1999. Revised PSAs were agreed in subsequent spending reviews in 2000, 2002 and 2004. A new PSA for the period 2005-08 arising from the Spending Review 2004 came into effect from April 2005. This report describes the Department's performance against the targets in both PSAs. See appendix D for more details.

### The Future of Transport: a network for 2030

The white paper *The Future of Transport: a network for 2030* (Cm 6234) looks at the factors that will shape travel and our transport networks over the next 30 years. It sets out how the Government will respond to those pressures, safeguarding our economic and social well-being and our environment. The white paper builds on progress that has already been made since the implementation of the white paper *Transport 2010: The 10 Year plan*.

### The Future of Rail

The white paper *The Future of Rail* (Cm 6233), published in July 2004, sets out a blueprint for a new streamlined structure for Britain's railways. This will provide a single point of accountability for the network's performance to allow closer working between track and train, and provide greater devolved decision making. Together the changes will ensure that the structure of the railways is fit to deliver the improvements that the public expect.

## The Future of Air Transport

The white paper *The Future of Air Transport* (Cm 6046), published in December 2003, sets out a strategic framework for the development of airport capacity in the United Kingdom over the next 30 years, against the wider context of the air transport sector. In December 2006, we published a report on the progress that has been made over the past three years on implementing the policies and proposals in our 2003 white paper. The progress report makes clear that we continue to support the sustainable development of the aviation sector across the UK, predominantly through making the best use of existing capacity and ensuring that, where new capacity is required, its provision is in line with our environmental obligations.

## Putting Passengers First

The consultation document *Putting Passengers First: the Government's proposals for a modernised national framework for bus services*, published on 12 December 2006, sets out the Government's proposals to re-equip the bus sector for the challenges of the 21st century and is the result of an extensive review of the bus sector undertaken by the Department over the course of the summer and autumn. The document outlines changes aimed to create a modernised framework for bus services and contains a number of measures to improve the quality of service offered to bus passengers.

**Index to information about PSA targets and other objectives for the period 2006-07**

<b>PSA targets</b>	<b>Chapter</b>
By 2007-08, make journeys more reliable on the strategic road network.	Chapter 4 – Roads
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 – Roads
Improve punctuality and reliability of rail services to at least 85 per cent by 2006, with further improvements by 2008.	Chapter 5 – Rail
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 6 – Buses Chapter 7 – Making choices locally and regionally
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 significantly higher incidence in disadvantaged communities.	Chapter 11 – Safety and security
Improve air quality by meeting the Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide particles, sulphur dioxide, benzene and 1,3 butadiene (joint target with Defra).	Chapter 10 – 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 renewals (joint target with Defra and DTI).	Chapter 10 – Protecting the environment
Financial information split by PSA objective	Appendix A
Progress and performance reports by PSA target	Appendix D



# Chapter 1

The year in brief: our key achievements 2006-07

## Chapter 1

### The year in brief: our key achievements 2006-07



- 1.1 This chapter covers major events in transport and the Department's key activities and achievements for the year ending March 2007, arranged under headings that reflect our four strategic objectives. The chapter concludes with a brief look forward to 2007-08.

#### Economic growth and productivity

##### The Eddington study

- 1.2 In December 2006, Sir Rod Eddington published the conclusions of his study into the effects of transport on economic growth, competition and productivity. The study, commissioned by HM Treasury and the Department in 2005, is a rigorous and independent review of the effect of transport policy on economic growth in the UK.
- 1.3 Sir Rod Eddington's work was informed by Sir Nicholas Stern's review on climate change which made a major contribution by demonstrating, on the basis of the most robust and comprehensive evidence available, that economic growth and the environment cannot be considered in isolation. Sir Nicholas Stern also chaired the Eddington study's Academic Friends group.

##### Sustained investment

- 1.4 The local transport capital settlement was announced in December, providing local authorities with £1.25 billion to help them improve transport in their communities. The money funds a range of improvements, including new road safety measures, better street lighting, road maintenance, park and ride facilities and cycle lanes.

- 1.5 This investment was in addition to the funding for major transport projects across the country, announced in July as part of the regional funding allocation process. The Government gave regions a significantly greater say in decision-making about transport schemes that affect them.

### Transport Innovation Fund: congestion

- 1.6 In February 2007, the Department published further guidance for local authorities interested in developing business cases for funding from the Transport Innovation Fund (TIF) for local schemes to tackle congestion.
- 1.7 On 6 November we awarded a further £7.5 million of pump-priming funds to support the development of local TIF packages that combine demand management, including road pricing, with better public transport. From 2008, TIF will make available up to £200 million a year for such packages.

### Transport Innovation Fund: productivity

- 1.8 On 18 December 2006, the Secretary of State updated Parliament on progress in considering schemes for funding from the first round of the Transport Innovation Fund for national productivity. Five strategic freight schemes and three strategic road network schemes show a strong potential to provide a significant benefit to national productivity and demonstrate high value for money.
- 1.9 We are working with Network Rail and the Highways Agency to develop the detailed case for TIF funding.

### Rail improvements

- 1.10 The rail network has met its performance targets – the moving annual average measure of punctuality had reached just over 88 per cent by December 2006. Safety performance continues to improve even after the Grayrigg accident of February 2007 is taken into account.
- 1.11 The average age of the rolling stock fleet also remains encouragingly low. Further progress on the rolling stock front was signalled during the year with the beginning of the procurement process for Intercity Express, the replacement for the existing high speed train fleet and the UK's most significant investment in rolling stock for 30 years. In addition, the Secretary of State announced in March 2007 that the High Level Output Specification (HLOS) would include a commitment to a thousand extra carriages for use on the most congested parts of the network.
- 1.12 There have been significant developments on the re-letting of rail passenger franchises. Stagecoach has been appointed to run the new South Western franchise; the West Coast Main Line franchise has been reinstated after a period when services were operated under a letter agreement; and we have issued invitations to tender for the new East Midlands, West Midlands and Cross Country franchises.

- 1.13 Work has continued on modernising the West Coast Main Line, while section two of the Channel Tunnel Rail Link is now over 97 per cent complete. Track improvements and timetable changes have relieved congestion on lines from London's Marylebone station.

### Highways Agency road schemes

- 1.14 The Highways Agency has delivered 45 out of the 113 schemes in the programme of major motorway and trunk road improvements since 2001. Of the 45 completed schemes, 20 are trunk road bypasses. The Agency is aiming to complete a further 27 improvement schemes by 31 March 2010, of which six will be trunk road bypasses.
- 1.15 In July, the Department commissioned Mike Nichols, Chairman and Chief Executive of the Nichols Group, to review the Highways Agency's approach to cost estimating and project management, and to make recommendations, including on how the Agency should best assess, monitor and report on risks to its cost estimates. The report was published in March and the Department has accepted its recommendations.

### Highways Agency's new role as network operator

- 1.16 The Agency completed roll out of the Traffic Officer Service in October 2006. The Service has taken over managing routine incidents on the motorway network that affect traffic flow, as well as helping the police to manage more serious incidents. Traffic officers will take on additional duties during 2007, allowing police more time to tackle crime on the road.
- 1.17 The latest technology supports the Agency in its network operator role, providing drivers with up-to-date traffic information through the Agency's website and telephone service, roadside variable message signs and traffic information broadcast through the travel media.

### Active traffic management

- 1.18 As part of the innovative active traffic management scheme on the M42 near Birmingham, the Highways Agency successfully introduced controlled use of the hard shoulder as a running lane during congestion or incidents in September 2006. The scheme is being monitored to assess its benefits.

### Progress on air transport

- 1.19 In December 2006, the Government published *The Future of Air Transport* progress report describing progress in implementing the policies set out in the 2003 white paper. It reaffirms the Government's support for the sustainable development of the aviation sector across the UK, predominantly through making the best use of existing capacity and ensuring that, where new capacity is required, its provision is in line with our environmental obligations.

- 1.20 A major milestone was reached on the project for the sustainable development of Heathrow with the completion of two years' work by the air quality panels and the publication of a full technical report in July 2006. This has set the framework for re-assessing air quality impacts in future years, in the event of further airport development.
- 1.21 We are progressively liberalising the international bilateral agreements that govern air travel, giving passengers more choice and airlines greater commercial freedom to operate. Over the past year new agreements have been signed with a range of countries including Australia, Canada, Russia, Japan, Malaysia, and Nigeria.
- 1.22 We succeeded in agreeing a first-stage liberalising air transport agreement between the European Union and the United States. From March 2008 this will remove all restrictions on routes, schedules and fares and end the legal uncertainty surrounding our current bilateral treaty with the US. In addition, the UK secured tough conditions at an EU level, designed to ensure progress towards a second stage agreement by the end of 2010.

### Reducing regulatory burdens

- 1.23 The Department's commitment to cutting red tape was made clear when we published our simplification plan, *Lightening the Load*, in December 2006. The plan includes over 50 proposals to change aspects of transport regulations or administrative and enforcement regimes. These could deliver total benefits estimated at £280 million a year to businesses, citizens and voluntary groups. Several measures are already in place which could save up to £128 million a year from 2007.

## The environment

### Climate change

- 1.24 Sir Nicholas Stern, Head of the Government Economics Service, published his review on the Economics of Climate Change in October 2006. The report is the most comprehensive review on the subject yet published. While it looks in detail at the risks we all face, it concludes that there is still time to avoid the worst impacts of climate change if we act now and act internationally. The report and Sir Nicholas Stern himself informed Sir Rod Eddington's study into the effects of transport on economic growth.

### Renewable fuel

- 1.25 By 2010, fuel suppliers will have to ensure that 5 per cent of all UK fuel sold on UK forecourts comes from a renewable source. The Renewable Transport Fuel Obligation (RTFO) programme will help meet our climate change objectives as well as contributing to other Government objectives, including security of energy supply. The obligation is due to start in April 2008, with the level of obligation rising progressively from 2.5 per cent, and reaching 5 per cent in 2010.

## Sustainable freight distribution

- 1.26 The Department has invested over £27 million in support of sustainable distribution programmes which have led to significant volumes of freight shifting from road to rail and water transport. In 2006-07, the amount of freight moved by rail increased by 7.5 per cent, by inland waterway by 10 per cent and by coastal shipping by 11 per cent compared with the previous year. An additional investment of £1.5 million supports programmes to encourage best practice and helps to train drivers in safer and more fuel efficient techniques, continuing to improve efficiency. The Department will also launch significant new work on the future efficiency of the freight distribution network to see how government can bring about better environmental performance in this sector.

## Cycle funding

- 1.27 In June 2006, the Department provided new investment in cycling, doubling the budget for Cycling England. This will provide more money for a project linking schools to the wider 10,000 miles of the National Cycle Network. It will also help to support Bikeability – the new, more rigorous cycling proficiency test, potentially training a further 100,000 children.

## Managing the local impacts of aviation

- 1.28 A new night flying regime at Heathrow, Gatwick and Stansted came into force in October 2006 and applies until October 2012. It balances the need to protect local communities from excessive noise with the economic benefits that night-time air services can bring. The restrictions now in place mean that there has been no increase in the number of flights permitted at night. However, the total night noise limit will reduce over time, which encourages airlines to introduce quieter aircraft.
- 1.29 The Civil Aviation Act 2006 was passed in November 2006. It gives airports more powers to address the impact aviation makes on noise and local air quality. It also fulfils Government commitments on consumer protection for air travellers and on the health of air crew and passengers.

## Safety and security

### Airport security

- 1.30 A major security alert in August 2006 saw the swift imposition of heightened security measures at UK airports. The Department also engaged rapidly with international partners to get a consistent approach adopted more widely. From 6 November new measures came into effect across the EU, controlling what liquids can be carried through airport security checks, and the International Civil Aviation Organisation has also recommended action in this area by all of its member states. The Department mounted a £1.6 million communications programme to alert people to the new rules.

## Road Safety Act

- 1.31 The Road Safety Act, which received Royal Assent on 8 November 2006, introduces a wide range of measures that will contribute towards meeting the Government's road casualty reduction target. A key theme is improved enforcement of road traffic legislation and higher penalties for certain offences.

## Road Safety Strategy

- 1.32 In February 2007 we published the second three-yearly review of our road safety strategy. The review identifies the key priorities to be tackled over the next four years. We also published a new child road safety strategy.

## Action against unroadworthy foreign vehicles

- 1.33 The Vehicle and Operator Services Agency (VOSA) ran a campaign targeting unroadworthy vehicles on international journeys. The South East pilot scheme has seen more than 18,000 foreign vehicles stopped at ports with approximately 44 per cent being issued with a prohibition. Following this successful pilot, the scheme will be expanded during 2007-08.

## Tougher penalties for using hand-held mobile phones when driving

- 1.34 Tough new penalties for those who break the law by using a hand-held mobile phone while driving came into force from 27 February 2007. The fixed penalty for the first time included the award of three penalty points as well as doubling the fine to £60.

## Child car seat legislation

- 1.35 We expect a new law on child car restraints to save up to 2,000 child deaths and injuries every year. The new regulations came into force from Monday 18 September 2006. Children aged under 12 who also measure less than 135cm (4' 5") have to use the right child restraint when travelling in cars, vans and goods vehicles.

## Rail Accident Investigation Branch

- 1.36 The new Rail Accident Investigation Branch (RAIB) successfully completed its first year of operation. During 2006, RAIB conducted 47 investigations and published 26 reports containing a total of 134 recommendations. To date, 101 recommendations have been accepted, making a real and continuing improvement to the safety performance of Britain's railways.

## Fire fighting at sea

- 1.37 April 2006 saw the Maritime and Coastguard Agency launch the world's first specialised fire and rescue service for dealing with incidents at sea. The Maritime Incident Response Group (MIRG) comprises 15 teams strategically located around the country, each with about 50 fire fighters, 20 paramedics and Coastguard Communications Officers working together. Each team is specially trained to tackle fire in the marine environment and is equipped with the lighter, more compact equipment required when travelling by helicopter to the scene of an incident. The teams not only fight fires but also deal with chemical hazards and freeing trapped personnel.

## Social inclusion and access to services

### Putting Passengers First

- 1.38 The Department published proposals in December 2006 to modernise the national framework for the way buses are run, strengthening the partnerships between local authorities and bus companies to attract more passengers in the long term. *Putting Passengers First* outlines how local authorities and operators can work better together, to achieve better planning for bus routes, timetables and fares. The proposals also aim to give local community transport a bigger role in providing services in areas poorly served by other public transport. We are discussing the proposals with key stakeholders, and the relevant legislative proposals will be published shortly as part of a draft Bill that will support our strategy to tackle congestion and improve public transport.

### Satisfaction with rail services

- 1.39 At a national level, passenger satisfaction with journeys is at the highest level ever recorded by the National Passenger Survey at 81 per cent. This does not mean the Department is complacent about the serious issues that still concern passengers, such as capacity, where we are working to accommodate the dramatic increase in demand we have seen in recent years.

### Rail station improvements

- 1.40 We have made £370 million available to improve a range of stations and make them easier for disabled people to use.
- 1.41 The funding is available until 2015 and is split into two parts:
- £35 million a year targeted at improving access at the busiest stations, to ensure that they have a route that all passengers can use; and
  - funds to make smaller scale improvements at local stations such as installation of lifts, ramps and customer information screens, through a 'small scheme challenge' fund.

- 1.42 Forty-seven stations will initially benefit from the first part of the funding. In 2006-07 the Government allocated £5.8 million to smaller schemes and, with funding from the industry, works totalling £18 million will be completed.

### Protecting disabled people's rights

- 1.43 Regulations extending disabled people's civil rights when travelling on public transport came into effect on 4 December 2006. Since that date, it has been illegal for transport operators to discriminate against disabled people, treat them less favourably or fail to make a reasonable adjustment. The Disability Rights Commission has published a Code of Practice to assist understanding of the new duties which already apply to transport infrastructure and associated services such as booking facilities.
- 1.44 A European Union regulation to strengthen the rights of disabled persons travelling by air was agreed in July 2006. This regulation will take effect in two stages, the first in July 2007 concerning non-discrimination, and the second in 2008 when the rest of the regulation (covering rights to and responsibility for assistance) will take effect.

### Electronic vehicle licensing

- 1.45 Car owners whose vehicles require an MOT are now able to license their vehicle online following the roll-out of the computerised MOT system. Almost eight million on-line transactions had taken place by the end of the year as customers increasingly take up the option of using electronic channels to renew their car tax, a process that takes less than five minutes.

### Intelligent Transport Systems Congress

- 1.46 The Department was proud to host the 13th World Congress and Exhibition on Intelligent Transport Systems (ITS) in London in October 2006. We took the opportunity to announce a new approach to funding highly innovative and wide ranging research into key long term transport issues. Instead of limiting funding to individual organisations, the new approach allows the Government to channel research money to a small number of consortia working in collaboration and with wide ranging expertise.

### Transport Direct

- 1.47 The Transport Direct website reached its target of 10 million user sessions ahead of schedule on 1 December 2006. Transport Direct provides a range of travel information including journey planning for car and public transport. The first website of its kind to be developed in the world, Transport Direct continues to increase its usage month on month and in January 2007 the service was the joint winner of the e-Government Award 2006 for delivering excellence in citizen-focussed online services.

## Efficiency and effectiveness

### Efficiency programme

- 1.48 The Department's Efficiency Programme achieved a total of £531.6 million efficiency gains to the end of December 2006. These gains were reported to the Office of Government Commerce and are above our trajectory target of £527.2 million for the whole of the financial year 2006-07. They represent good progress towards our target of £785 million of savings by the end of 2007-08.
- 1.49 The central Department reported a headcount reduction of 296 full-time equivalents (FTEs) to the end of December 2006, which already exceeds our target of 200 FTE reductions by the end of 2007-08. However, this figure includes some vacancies which the Department intends to fill. The DVLA were on track to at least reach their 2006-07 trajectory target of 365 FTE headcount reductions against a target of 500 by the end of 2007-08.
- 1.50 On the programme's relocation workstream, 49 posts had been relocated away from London at the end of December 2006, against a target of 60 posts by December 2010.

## Looking ahead

### Response to the Eddington study

- 1.51 The Department will publish a response to the Eddington study later this year, alongside the Comprehensive Spending Review. This will take forward the 2004 white paper and set out new plans to minimise carbon emissions and sustain economic growth by delivering improvements to transport at the national, regional and local levels. It will also reflect the conclusions of ongoing work on the long-term development of rail, as well as the conclusions of the ports policy review and further steps on road pricing mechanisms.

### New departmental structure

- 1.52 In the light of the Eddington study and our business priorities for the coming year, the Department will adopt a new organisational structure from the beginning of April 2007.
- 1.53 The new structure makes a Director General responsible for each of Rod Eddington's strategic priorities for transport: congested and growing urban centres and their catchments, key inter-urban corridors and key international gateways. The Department has therefore been restructured into three groups closely mirroring Eddington's priorities but including wider responsibilities: city and regional networks, rail and national networks and international networks and environment. A fourth group takes responsibility for delivering and transforming driver and vehicle

operator services, such as testing and licensing, across five DfT agencies, and for policy on logistics and road and vehicle safety, thus bringing the policy and delivery agendas closer together. Corporate services form the final group.

- 1.54 In line with Treasury requirements, we are appointing a Director General professionally qualified in finance who will take over responsibility for corporate resources.
- 1.55 Whichever way we divide up our work, there will always be issues that cut across boundaries. For instance, commuter rail services cut across both national networks and city and regional networks.
- 1.56 One senior manager will take responsibility for co-ordinating and driving our strategy in each of nine cross-cutting areas and for ensuring effective working across groups.
- 1.57 The nine areas are: city and regional networks; national networks; international networks; accessibility and equality; environment; security; freight; safety; and service transformation.
- 1.58 The changes will be introduced in April, so business plan objectives, budgets and post allocations are clearly aligned from the beginning of the financial year.

### Proposals for legislative reform

- 1.59 The Queen's Speech in November 2006 announced that the Government would bring forward a draft Bill in the 2006-07 Parliamentary Session to support efforts to tackle congestion and improve public transport.
- 1.60 The draft Bill would enable local authorities to improve the standard of bus services in their areas. It would also reform the existing powers that allow them to develop a local road pricing scheme as a local solution to local congestion problems. A national road pricing scheme covering all roads would not be possible under these proposals.
- 1.61 Other provisions would pave the way for reform of transport governance arrangements in the major English cities.
- 1.62 We have tested emerging proposals with key stakeholders and, in December 2006, published initial proposals on bus services in *Putting Passengers First*.
- 1.63 The draft Bill is due to be published for consultation later in the spring.

### Long term rail strategy

- 1.64 The long term rail framework document is expected to be published in July 2007, setting out what the Government will specify for the rail network over the next five years and how this will be funded.

## Airport expansion

- 1.65 The Government continues to support the sustainable development of the UK aviation sector by making the most of existing airport capacity through a process of improvement and modernisation. The Government also remains committed to supporting two new runways in the South East where pressure on capacity is the greatest.
- 1.66 Following the progress report on the white paper *The Future of Air Transport*, we will be consulting on proposals for a new runway at Heathrow. Those affected will have the opportunity to comment on proposals before any final policy decisions. It would then be for BAA to take forward any development proposals through the planning system as it is doing at Stansted.

## Assessing the climate change impact of aviation

- 1.67 We are also planning to consult in 2007 on a new emissions cost assessment to inform our decisions on major increases in airport capacity. This assessment would consider whether the aviation sector is meeting its external climate change costs.



## Chapter 2

# Responsibilities and organisation of the Department

## Chapter 2

# Responsibilities and organisation of the Department



- 2.1 This chapter sets out the Department's aim, objectives and strategy. It explains its responsibilities and structure, and how we work with others to deliver.
- 2.2 The Department retains UK policy responsibility for a number of functions which relate to Scotland, Wales and Northern Ireland. In all three, it is generally responsible for aviation and shipping. In other policy matters, the position varies. For example, the Department's responsibilities extend to Wales and Scotland for rail safety and for some aspects of road traffic regulation such as vehicle licensing.
- 2.3 The Department for Transport's aim is 'transport that works for everyone'. But this year, with the Eddington study and Stern review in mind, and with our capability review due to begin in spring 2007, the Board decided that it was appropriate to revisit our departmental aim and objectives and make sure we express clearly and consistently what we are here to achieve.
- 2.4 The changes show that tackling congestion is part of contributing to economic growth, rather than an end in itself. They make clear that reducing casualties is about security as well as accident prevention. The changes also clarify that our goals are to promote social inclusion by improving people's access to jobs and services, as well as promoting accessibility in its narrower sense of making travel easier for disabled people.
- 2.5 So the aim 'transport that works for everyone' means a transport system which balances the needs of the economy, the environment and society. And in support of the aim, there are four strategic objectives which focus on the core areas of our business:
  - to sustain economic growth and improved productivity through reliable and efficient transport networks;

- to improve the environmental performance of transport;
  - to strengthen the safety and security of transport; and
  - to enhance access to jobs, services and social networks, including for the most disadvantaged.
- 2.6 To achieve these 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. Its work is focussed around six 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.
- 2.7 The Department strives to carry out its work effectively and efficiently, achieving value for money from its expenditure. It also aims to be a good employer and to innovate in public service, management and delivery.
- 2.8 The new objectives were introduced at the end of January 2007. Detailed reporting of progress reflects the objectives set out at the beginning of the period in the Department's 2006-07 business plan.

## Strategy

- 2.9 Our strategy is described in the white paper, *The Future of Transport: a network for 2030*, published in July 2004. This sets out our understanding of the factors that will shape transport over the next 30 years and how we will respond to those challenges, through a strategy of sustained investment, improved management and long-term planning. The strategy seeks to balance the benefits that transport offers against the costs that it imposes. It aims to provide sustainable solutions to achieve the Department's objectives as efficiently as possible.
- 2.10 The past year has seen the publication of a number of key studies of relevance to long-term transport strategy. The most important of these are the Eddington study, which looked at the contribution of transport to economic growth and productivity, and the Stern review of the economics of climate change.

- 2.11 The Secretary of State has announced that the Department will provide a detailed response to the Eddington study in 2007. This will take forward the 2004 white paper in the light of the evidence provided by Eddington and Stern. It will set out new plans to minimise carbon emissions and sustain economic growth, by delivering improvements to transport at the national, regional and local levels. It will also reflect the conclusions of ongoing work on the long-term development of rail, as well as the conclusions of the ports policy review and the further steps on road pricing mechanisms. The Department expects to publish this response alongside the Comprehensive Spending Review.

### Sustainable development and appraisal

- 2.12 The Department for Transport develops its strategy and policies within the context of the Government's sustainable development framework, which means taking into account the consequences of transport for the health of the economy, of the environment and of society.
- 2.13 To achieve this, the Department uses a rigorous appraisal framework to ensure it achieves the highest net benefit to society for the public funds it spends. This means taking account of the full range of costs and benefits of policies. Costs include not only the monetary cost of the policy itself, but also environmental costs such as carbon emissions and noise. Benefits include time savings from faster and more reliable journeys, and wider benefits such as reductions in pollution.
- 2.14 The Department for Transport's appraisal framework, the New Approach to Appraisal (NATA) assesses the value for money of transport spending by considering its impact against five overarching government objectives and 23 sub-objectives covering the environment, safety, the economy, accessibility and integration.
- 2.15 The environmental sub-objectives are all assessed qualitatively with most using a seven-point descriptive scale, ranging from large adverse to large beneficial impacts. Work has been ongoing to quantify the environmental impacts. Guidance is now available to place a value on the greenhouse gas emissions produced by a transport investment, using official estimates of the social cost of carbon. The Department's long-term aim is to develop the financial valuation of environmental impacts further. Work is currently underway on the financial valuation of the impact of transport schemes on the landscape.
- 2.16 We are currently considering how our appraisal guidance will need to change to reflect the Eddington and Stern recommendations.
- 2.17 In addition, the UK sustainable development strategy required all departments to produce a sustainable development action plan. The Department produced its first plan in January 2006, against which it will publish a progress report in May 2007.

- 2.18 In June 2007, the Department will publish its sustainable development action plan for the year 2007-08, which will replace the previous plan. This includes examples of key commitments to sustainable development, ranging from departmental strategic policy to estates management and recycling. The plan is published on the DfT website. The Department will report progress on this plan in 2008.
- 2.19 DfT's executive agencies will also report separately with their own sustainable development action plans.

### Measuring progress against objectives

- 2.20 To assess its progress in delivering on its objectives, the Department reports against a number of targets, including but not restricted to 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*.

### Public Service Agreements

- 2.21 Public Service Agreements link the allocation of public expenditure to published targets with the aim of delivering modern, responsive public services. PSA targets are set for services or outcomes which the Government sees as key national priorities. They express the outcomes sought by the Government, defining clear, long-term goals to provide ambition and a sense of direction, as well as representing a contract between the public and the Government.
- 2.22 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.
- 2.23 Appendix D of this report provides detailed information on these targets, the performance indicators used to measure progress and performance against targets based on the most recently available data. In addition, each chapter of the report makes clear where the activities contributed to the delivery of PSA targets.

## Partnerships

- 2.24 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 more like that of a stakeholder.
- 2.25 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 the Department of Trade and Industry (DTI) on our shared climate change PSA target;
  - working with Communities and Local Government (CLG) on the development and implementation of their Sustainable Communities Plan;
  - working with the Department of Health, 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 Education and Skills (DfES) and the Department of Health 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;
  - working with the Home Office, police and local authorities to tackle road safety, vehicle-related criminal and antisocial behaviour; and
  - working with other key departments to complete the implementation of the 37 cross-government policies contained in the Social Exclusion Unit's 2003 report, *Making the Connections: Transport and Social Exclusion*. Thirty-four of these policies have now been implemented.
- 2.26 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.

## Role of the executive agencies

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

- the four agencies which form the Driver Vehicle and Operator (DVO) 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
- Highways Agency
- Maritime and Coastguard Agency

2.28 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.

## Driver, Vehicle and Operator Group

2.29 The Driver, Vehicle and Operator (DVO) Group consists of four executive agencies – DVLA, DSA, VCA and VOSA – and a centrally based Strategy and Resources Directorate. Established in its current form in 2003 to deliver a programme of joined-up, modernised services, the Group has recently reviewed and updated its strategy to 2011. The Group contributes to the delivery of a number of departmental and cross-government objectives, making our roads safer, our journeys more reliable and our environment cleaner. The Group is also making its services more accessible through modern and efficient methods.

2.30 The DVO Group financial regime is based primarily on the trading fund model. DSA, DVLA and VOSA are formally designated as trading funds and VCA also operates on commercial lines. Under this arrangement, many of the Group's activities are not funded directly by the taxpayer. Instead, most of its income comes from fees charged to customers.

2.31 The group employs more than 11,400 staff, about 60 per cent of all those in the Department.

## Strategy and Resources Directorate

2.32 The DVO Group's Strategy and Resources Directorate develops strategies and policies for the group as a whole, ensuring the Group's agenda is in line with the broader policies and priorities of the Department and across government. The directorate, which also fulfils a support, sponsorship and advice role to the agencies, has around 40 staff based in London and Bristol.

### Driving Standards Agency

- 2.33 The Driving Standards Agency (DSA) is responsible for promoting road safety through improving driving standards. DSA's mission is 'safe driving for life'. This includes ensuring that learner drivers, motorcyclists and driving instructors are assessed for their skills fairly and efficiently through theory and practical driving tests. It maintains the register of approved driving instructors (ADI) and large goods vehicle (LGV) instructors and supervises training for learner motorcyclists. DSA is a trading fund with around 2,600 employees. DSA is largely based in Nottingham, its call centre is in Newcastle and it has over 400 driving test centres across Britain.

### Driver and Vehicle Licensing Agency

- 2.34 The Driver and Vehicle Licensing Agency (DVLA) is the largest DfT agency. Its principal objective is to maintain an accurate and up-to-date record of all those who are entitled to drive various vehicles, together with a register of all vehicles entitled to use public roads. It is responsible for the collection of vehicle excise duty (VED), collecting around £4.5 billion per year, and it sells over 200,000 number plate registration marks each year. DVLA employs around 6,000 staff at sites in Swansea as well as in a network of 40 local offices throughout Great Britain.

### Vehicle Certification Agency

- 2.35 The Vehicle Certification Agency (VCA) tests and certifies that vehicles and vehicle parts have been designed and constructed to meet internationally 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. During 2006-07, VCA expanded its operations into India. VCA operates in a competitive market and has a remit to meet its full costs from earned income. It employs 140 staff based at sites in Bristol and Nuneaton in the UK, and in the USA, Malaysia, China, South Korea, Japan and India.

### Vehicle and Operator Services Agency

- 2.36 The Vehicle and Operator Services Agency's (VOSA's) main objectives are to raise compliance of the road haulage industry with licensing, roadworthiness, road traffic and environmental regulations and standards through effective testing and training services, and targeted enforcement activities. It also supervises the MOT scheme for private vehicles and supports traffic commissioners in their responsibilities for operator licensing and bus registration services. Its primary focus during 2006-07 has been on improving the effectiveness of its operations to drive up roadworthiness standards of vehicles on our roads. VOSA employs around 2,500 staff working in Bristol, Birmingham, Cambridge, Eastbourne, Edinburgh, Leeds, Swansea and 100 operational sites nationwide.

**Figure 2a: DVO Group spending 2001-02 to 2007-08** £ million

<b>DSA</b>	<b>2001-02 Outturn</b>	<b>2002-03 Outturn</b>	<b>2003-04 Outturn</b>	<b>2004-05 Outturn</b>	<b>2005-06 Outturn</b>	<b>2006-07 Forecast</b>	<b>2007-08 Plan</b>
Income	88	101	113	128	145	154	164
Expenditure (pay)	44	48	56	67	76	87	89
Expenditure (non-pay)	41	48	58	62	62	62	84
<i>Total Expenditure (adjusted for inflation)</i>	98	108	124	137	143	149	173
<b>DVLA</b>	<b>2001-02 Outturn</b>	<b>2002-03 Outturn</b>	<b>2003-04 Outturn</b>	<b>2004-05 Outturn</b>	<b>2005-06 Outturn</b>	<b>2006-07 Forecast</b>	<b>2007-08 Plan</b>
Income	280	312	341	566	586	633	665
Expenditure (pay)	115	108	117	130	160	160	163
Expenditure (non-pay)	174	241	264	279	311	323	357
<i>Total Expenditure (adjusted for inflation)</i>	334	378	416	433	487	483	520
<b>VOSA</b>	<b>2001-02 Outturn</b>	<b>2002-03 Outturn</b>	<b>2003-04 Outturn</b>	<b>2004-05 Outturn</b>	<b>2005-06 Outturn</b>	<b>2006-07 Forecast</b>	<b>2007-08 Plan</b>
Income	91*	115*	136	144	152	170	184
Expenditure (pay)	49*	63*	69	78	86	94	90
Expenditure (non-pay)	40*	49*	58	58	75	90	104
<i>Total Expenditure (adjusted for inflation)</i>	103	126	139	141	166	184	194
<b>VCA</b>	<b>2001-02 Outturn</b>	<b>2002-03 Outturn</b>	<b>2003-04 Outturn</b>	<b>2004-05 Outturn</b>	<b>2005-06 Outturn</b>	<b>2006-07 Forecast</b>	<b>2007-08 Plan</b>
Income	6.8	7.1	7.6	7.5	8.8	10.0	10.9
Expenditure (pay)	3.0	3.4	3.6	3.8	4.4	4.6	5.0
Expenditure (non-pay)	3.7	4.2	4.1	3.9	4.5	5.3	5.8
<i>Total Expenditure (adjusted for inflation)</i>	7.7	8.5	8.4	8.1	9.2	9.9	10.8

\* The 2001-02 figures are for the 'old' Vehicles Inspectorate (VI). 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).

## Government Car and Despatch Agency

- 2.37 The Government Car and Despatch Agency (GCDA) aims to be government's first choice of secure provider for moving people, mail and documents. It does this through two main services, Government Cars and Government Mail. Government Cars provides secure cars and drivers to ministers, senior civil servants and others in government and the wider public sector. It operates a fleet of about 170 cars, all of which are maintained by its own workshops, and managed by its fleet management section.
- 2.38 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 around 300 people and is based in London, with regional depots in Birmingham, Bradford, Cardiff and Runcorn.

**Figure 2b: GCDA spending 2001-02 to 2009-10** **£ million**

GCDA	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Forecast	2007-08 Plan	2008-09 Plan	2009-10 Plan
Expenditure (pay)	8	9	10	10	11	11	12	14	16
Expenditure (non-pay)	6	6	6	7	7	7	9	9	10
Income	14	15	16	17	18	18	21	23	26

## The Highways Agency

- 2.39 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 £81 billion<sup>1</sup> and comprises over 7,300 kilometres of motorway and trunk road.
- 2.40 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 they manage.
- 2.41 The Agency employs around 3,400 staff in London and eight further office locations around the country. This total also includes approximately 1,100 operational traffic officers patrolling motorways across the country, and 400 support staff in seven Regional Control Centres.

<sup>1</sup> Depreciated replacement cost value as at 31 March 2007. Source: Highways Agency.

2.42 The Agency's operations and achievements during 2006-07 are described in detail in Chapter 4 – including the continued roll out of the Traffic Officer Service, developments with traffic management initiatives, maintenance, and its contribution towards delivery of the PSA reliability target for strategic roads.

**Figure 2c: Highways Agency spending 2001-02 to 2007-08<sup>1</sup> £ million**

	2001-02 <sup>2</sup> Outturn	2002-03 <sup>2</sup> Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 <sup>4</sup> Forecast	2007-08 <sup>3,4</sup> Plans
Maintenance	711	760	776	732	852	860	839
Making better use of the existing network including technology	202	229	129	139	170	167	180
Technology			100	165	112	120	132
Major improvements	451	535	365	340	453	845	789
Revenue support for major private investment	201	199	149	163	165	184	197
Traffic Manager	-	-	8	63	100	103	118
Other programmes <sup>5</sup>	2,072	2,402	2,692	3,086	3,469	3,883	4,122
Administration cost <sup>6</sup>	77	84	92	92	96	95	94
<b>Total</b>	<b>3,714</b>	<b>4,209</b>	<b>4,311</b>	<b>4,780</b>	<b>5,417</b>	<b>6,258</b>	<b>6,470</b>

<sup>1</sup> Figures are net of allowable receipts. Totals are capital and resource.

<sup>2</sup> 2001-02 and 2002-03 are on a resource accounting and budgeting (RAB) Stage 1 basis.

Figures from 2003-04 onwards are prepared on a RAB Stage 2 accounting basis and indicative plans include private finance initiative PFI on balance sheet budget treatment. Revenue support for private investment reflects post accounting treatment adjustments position eg less creditor and annually managed budget (AME) interest adjustments.

<sup>3</sup> 2007-08 includes budgets for routes that are due to detrunk from 1 April 2007 and beyond.

<sup>4</sup> Figures for 2007-08 include HA latest estimates of RAB costs, and are subject to review in the Supplementary Estimates.

<sup>5</sup> This includes programme cost of capital (AME), depreciation, write downs and provisions and excludes consolidated fund extra receipts (cfers).

<sup>6</sup> Part of DfT's overall administration cost budget.

## Maritime and Coastguard Agency

2.43 The Maritime and Coastguard Agency (MCA) is responsible for supporting the Department in developing and implementing the Government's maritime safety and environmental protection strategy by:

- promoting safety at sea and on the coast;
- providing a 24-hour maritime search and rescue co-ordination service;
- preventing pollution from ships and minimising the effects of pollution incidents by reacting quickly and effectively;

- maintaining the quality of ships on the UK Ship Register through regular surveys and inspections; and
  - promoting high levels of maritime safety and security.
- 2.44 In the course of a year, MCA's work includes dealing with around 18,000 calls to coastguard co-ordination centres, and sending maritime and aeronautical search and rescue resources to about 8,000 of those, assisting over 25,000 people. MCA carries out around 3,500 surveys of UK-registered ships and over 6,000 inspections of foreign and UK ships, as well as co-ordinating any counter-pollution operations around the UK.
- 2.45 MCA is also responsible for processing 10,000 certificates and other documents that allow seafarers to work at sea and over 80,000 items of correspondence from the general public. The Agency has an enforcement function, and deals annually with around 100 or so breaches of merchant shipping legislation.
- 2.46 MCA manages the UK Ship Register, which is recognised internationally as one of the highest quality shipping registers in the world. The customer service that the Agency provides is encouraging more owners to register their ships in the UK, which is the best way to make sure that they comply with safety standards. 'Safety through partnership' events have been held with the shipping industry to get a shared vision about the importance of policy makers, regulators and ship owners working together to boost the maritime sector of the UK economy.
- 2.47 There are over 1,450 ships on the UK Ship Register.
- 2.48 As category 1 responders, the Coastguard has new responsibilities in relation to the Civil Contingencies Act 2004. The Agency is meeting its obligations in this important area of civil resilience through participation in local emergency planning forums with other emergency services.
- 2.49 Working closely with colleagues in the central Department, MCA also represents UK interests on shipping safety at the International Maritime Organization and the International Labour Organization, both of which are United Nations bodies, and also at the European Union.
- 2.50 Other work includes the management of the hydrographic survey programme to provide up-to-date charts of the seabed, and arrangements with the Meteorological Office to provide navigational warnings and shipping forecasts direct to ships, as well as to the BBC Radio 4 shipping forecast.

**Figure 2d: MCA Spending 1999-00 to 2007-08** £ million

	1999-00 Outturn	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
Safer Lives <sup>1</sup>	46	45	54	55	56	62	64	70	73
Safer Ships <sup>2</sup>	18	25	26	26	29	30	28	26	28
Cleaner Seas <sup>3</sup>	14	11	11	14	14	14	14	15	15
Customer services <sup>4</sup>	9	7	10	12	12	12	13	14	15
<b>Total<sup>5</sup></b>	<b>87</b>	<b>88</b>	<b>101</b>	<b>107</b>	<b>111</b>	<b>118</b>	<b>119</b>	<b>125</b>	<b>131</b>
<b>Total adjusted for inflation</b>	<b>98</b>	<b>98</b>	<b>109</b>	<b>112</b>	<b>113</b>	<b>118</b>	<b>117</b>	<b>120</b>	<b>122</b>

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

<sup>2</sup> 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.

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

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

<sup>5</sup> 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

2.51 The Department sponsors five executive non-departmental public bodies (NDPBs). Figure 2e gives their staff numbers at 1 April 2007, and their gross departmental public support expenditure for 2006-07 and 2007-08.

2.52 Appointments to our executive and advisory NDPBs are made following the Commissioner for Public Appointments Code of Practice for Ministerial Appointments to Public Bodies. From 2006 the Department will publish an annual 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 annual public appointments plan can be downloaded from the DfT website.

### British Transport Police Authority

2.53 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.

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

## Strategic Rail Authority

- 2.55 As foreshadowed in the 2006 annual report, the Strategic Rail Authority (SRA) which had been set up in 2001 to give overall strategic direction to the industry, has been abolished. This was a major part of the streamlining of the industry's structure, achieved through the Railways Act 2005. The SRA had latterly had only one function, which was to meet certain statutory requirements under the railway closures procedures. Transfer of those functions in the course of the year variously to the Secretary of State and the Office of Rail Regulation left the way clear for the SRA to be abolished at the end of November.

## Passenger Focus

- 2.56 Passenger Focus (PF) is the operating name for the Rail Passengers Council. PF 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.

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.

## Railway Heritage Committee

- 2.57 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.
- 2.58 The role of the RHC 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 No. 2905). Copies of their report for 2005-07 and details of the artefacts they have designated can be found on their website.

### BRB (Residuary) Ltd

- 2.59 BRB (Residuary) Ltd is a limited company which was created in 2001 as a subsidiary of the Strategic Rail Authority to manage the majority of 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. Following the decision to wind-up the SRA the company has been transferred to the Department for Transport and is now a wholly owned subsidiary company. 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. As such, BRBR is responsible for managing these companies.
- 2.60 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.

### Trinity House Lighthouse Service

- 2.61 Under Part VIII, Section 193 of the Merchant Shipping Act 1995, Trinity House Lighthouse Service (THLS) 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

- 2.62 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 2e: Executive NDPBs** **£ million**

	Staff in post 31 March 2007	Estimated expenditure 2006-07	Estimated Departmental support 2006-07	Planned gross expenditure 2007-08	Planned Departmental support 2007-08
<b>Strategic Rail Authority</b>	0 <sup>1</sup>	2.4	5.1	Nil	Nil
<b>British Transport Police</b>	4,191 <sup>2</sup>	232	11.7 <sup>3</sup>	249.5	7.5 <sup>3</sup>
<b>General lighthouse authorities<sup>4</sup></b>					
Northern Lighthouse Board	191.1 <sup>5</sup>	24	Nil	24	Nil
Trinity House Lighthouse Service	321	38	Nil	36	Nil
<b>Passenger Focus</b>	42	5.4	5.5	5.6 <sup>6</sup>	5.6
<b>Railway Heritage Committee</b>	1 <sup>7</sup>	0.095	0.109	0.109	0.109

<sup>1</sup> The SRA was formally abolished on 30 November 2006. The residual assets and liabilities of the Authority on that date were transferred to the Department for Transport and BRB (Residuary) Ltd.

<sup>2</sup> Includes 2,818 police officers, 252 police community support officers and 1,121 support staff. Excludes members of the Authority.

<sup>3</sup> Capital grant-in-aid allocation. In addition, the Department is providing working capital of £12.5 million.

<sup>4</sup> The general lighthouse authorities are fully funded by light dues (collected from shipping at UK and Republic of Ireland ports) and investment income.

<sup>5</sup> Total expressed as full-time equivalents. Full-time staff 185, part-time staff 78.

<sup>6</sup> This figure includes ring-fenced expenditure on the NPS in 2006-07 of £942,000.

<sup>7</sup> The RHC Secretary is an employee of BRB (Residuary) Ltd.

## Other NDPBs

### The Commission for Integrated Transport

2.63 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.

2.64 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

2.65 Cycling England is an advisory non-departmental body which co-ordinates the development of cycling across England. It was created in March 2005 and aims to work with local authorities and cycling organisations to create the conditions which will result in more people cycling, more safely, more often.

## Disabled Persons Transport Advisory Committee

2.66 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.

2.67 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, focussed 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.

2.68 DPTAC bases its advice on four underlying principles outlined below.

- 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.
- Those who provide transport services are responsible for accessibility for disabled people.

## The Traffic Commissioners

- 2.69 The seven Traffic Commissioners are appointed by the Secretary of State for Transport and have responsibility in their area for the licensing of the operators of heavy goods vehicles (HGVs) and of 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.
- 2.70 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.
- 2.71 Each Traffic Commissioner is supported by a traffic area office (TAO). TAOs can, in certain routine cases, act on the Traffic Commissioners' behalf under delegated powers.
- 2.72 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.

## Trust ports

- 2.73 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.
- 2.74 In total, there are around 80 ports in Great Britain with trust status, of which some 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.
- 2.75 The Secretary of State for Transport has powers to appoint some board members to five of the larger ports in England and Wales. As part of the public expenditure control system, borrowing by the ports scores against the Department's expenditure limit.

## Civil Aviation Authority

2.76 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 the separation of National Air Traffic Services from the CAA in 2001, 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.

## Useful websites

### **BRB (Residuary) Ltd**

[www.brb.gov.uk](http://www.brb.gov.uk)

### **British Transport Police**

[www.btp.police.uk](http://www.btp.police.uk)

### **Civil Aviation Authority**

[www.caa.co.uk](http://www.caa.co.uk)

### **Commission for Integrated Transport**

[www.cfit.gov.uk](http://www.cfit.gov.uk)

### **Cycling England**

[www.cyclingengland.co.uk](http://www.cyclingengland.co.uk)

### **Department for Transport**

[www.dft.gov.uk](http://www.dft.gov.uk)

### **Disabled Persons Transport Advisory Committee**

[www.dptac.gov.uk](http://www.dptac.gov.uk)

### **Driver and Vehicle Licensing Agency**

[www.dvla.gov.uk](http://www.dvla.gov.uk)

### **Driving Standards Agency**

[www.dsa.gov.uk](http://www.dsa.gov.uk)

### **Government Car and Despatch Agency**

[www.gcda.gov.uk](http://www.gcda.gov.uk)

### **Highways Agency**

[www.highways.gov.uk](http://www.highways.gov.uk)

### **Maritime and Coastguard Agency**

[www.mcga.gov.uk](http://www.mcga.gov.uk)

### **Northern Lighthouse Board**

[www.nlb.org.uk](http://www.nlb.org.uk)

### **Rail Passenger Council**

[www.passengerfocus.org.uk](http://www.passengerfocus.org.uk)

**Railway Heritage Committee**

[www.railwayheritage.org.uk](http://www.railwayheritage.org.uk)

**Trinity House Lighthouse Service**

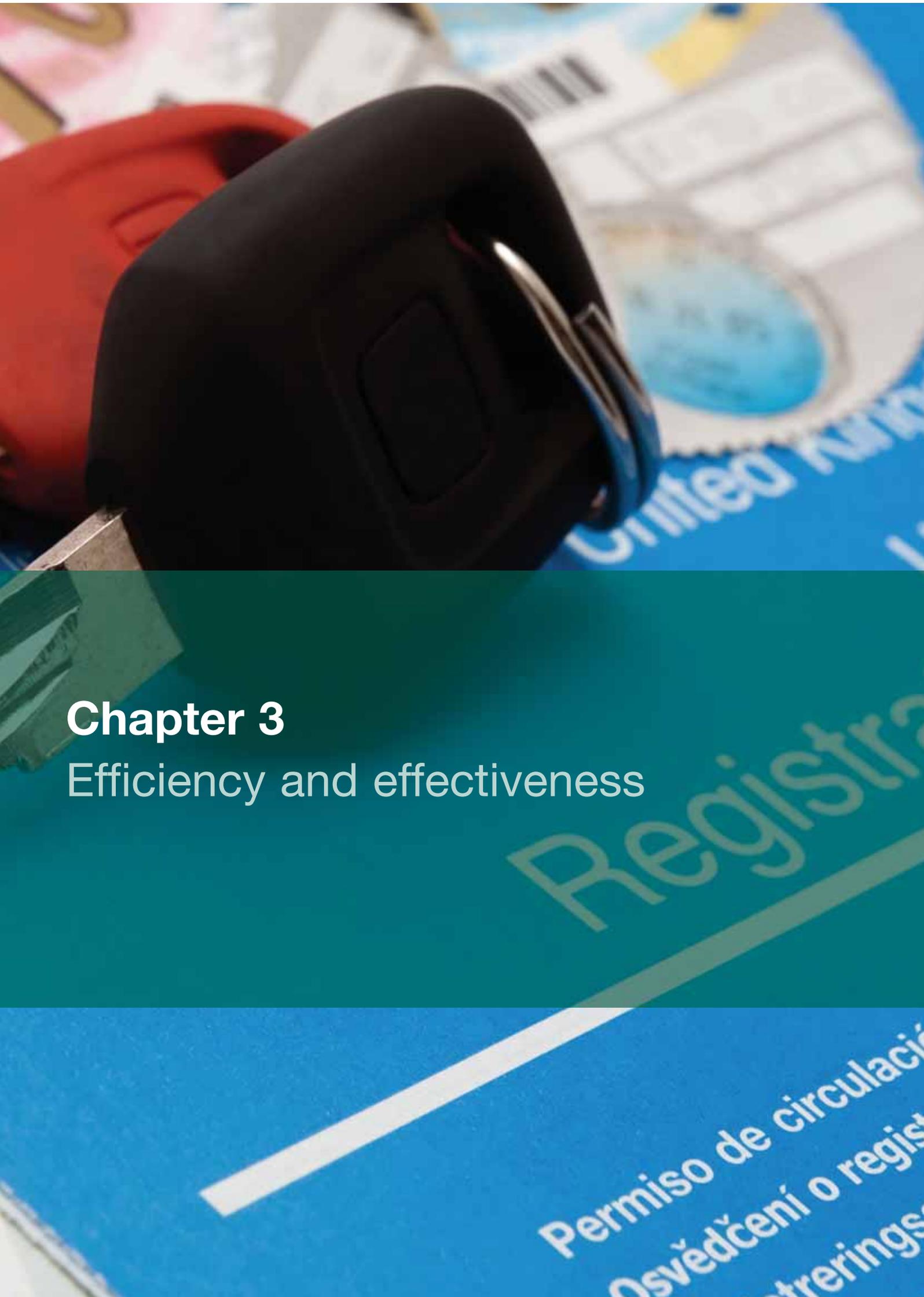
[www.trinityhouse.co.uk](http://www.trinityhouse.co.uk)

**Vehicle Certification Agency**

[www.vca.gov.uk](http://www.vca.gov.uk)

**Vehicle and Operator Services Agency**

[www.vosa.gov.uk](http://www.vosa.gov.uk)



## Chapter 3

### Efficiency and effectiveness

## Chapter 3

### Efficiency and effectiveness



#### Efficiency

- 3.1 In organising to deliver the Department's objectives, we are committed to improving its effectiveness and efficiency. These next sections outline the key departmental plans for efficiency and internal reform.

#### Spending Review 2004 efficiency review target

- 3.2 The Prime Minister and the Chancellor of the Exchequer appointed Sir Peter Gershon to lead an efficiency review of the whole public service in 2003. The findings of the review underpin DfT's efficiency programme for the duration of the 2004 Spending Review (SR2004) period (covering financial years 2005-06 through to the end of 2007-08).
- 3.3 The objectives of the efficiency review, over the SR2004 period and beyond, are to:
- release major resources from activities, which can be undertaken more efficiently, into frontline services that meet the public's highest priorities; and
  - reduce the bureaucracy faced by frontline professionals and free them up to meet the needs of their customers better.

#### Departmental targets

- 3.4 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.
- 3.5 This target represents 2.5 per cent year-on-year gains against the Department's overall budget over the SR2004 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.

- 3.6 Over the same period, the Department has additional targets to:
- reduce full time equivalents (FTEs) by at least 200 in the central Department's workforce, excluding agreed increases in certain frontline activities such as transport security;
  - reduce the workforce in the Driver and Vehicle Licensing Agency (DVLA) by a net 500 FTEs; and
  - relocate 60 posts out of London.
- 3.7 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.
- 3.8 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.
- 3.9 These objectives will also prepare the Department for a wider business transformation agenda. A board oversees and manages the efficiency programme, ensuring that the Department is on track to meet its targets and the wider objectives of the programme.

## Planning

- 3.10 The Department has identified 10 workstreams which will contribute to the target of efficiency gains of £785 million by 2007-08. A description of the major workstreams in the programme and their progress to 31 December 2006 are described below at Figure 3a.
- 3.11 The Department's efficiency technical note (ETN) is published on our website and sets out how each of the workstreams within the programme contributes to the achievement of the overall efficiency target and provides a contingency for the management of the programme. The ETN also contains details of how we will measure each workstream.

## Progress

- 3.12 The Department achieved a total of £531.6 million efficiency gains to 31 December 2006. These gains were reported to the Office of Government Commerce (OGC) and are above our trajectory target of £527.2 million for the whole of the financial year 2006-07.
- 3.13 The table below shows efficiency gains by the Department as at 31 December 2006.

**Figure 3a: Efficiency gains to 31 December 2006**

Agency initiative	Actual position end-December 2006 (£ million)
DVO Group – efficiency and effectiveness	44.3
DVO Group – increase vehicle excise duty (VED) collected and increase in sale of marks income	9.0 <sup>1</sup>
Highways Agency – procurement of strategic roads	99.0 <sup>2</sup>
Local authorities – procurement of strategic roads	106.5 <sup>3</sup>
Local authorities – non-roads transport spending	48.3 <sup>3</sup>
Transport for London	187.0 <sup>4</sup>
Central Department – headcount reduction	6.9
Central Department – minor programmes	30.6
<b>Total</b>	<b>531.6</b>

<sup>1</sup> This relates to increased revenue from sale of marks and cherished transfers. For VED see paragraph 3.17.

<sup>2</sup> Savings reported by the Highways Agency are subject to a time-lag in data reporting. Figures are, therefore, subject to change.

<sup>3</sup> Full year savings reported by local authorities are available annually in July of each year. Figures are, therefore, subject to change.

<sup>4</sup> Savings reported by Transport for London are subject to a time lag in data reporting. There is, therefore, a degree of estimation necessary and figures are subject to change.

## Driver, Vehicle and Operator Group

- 3.14 The Driver, Vehicle and Operator (DVO) Group has a target to increase revenue collected by £75 million a year by 2007-08. The target relates mainly to the collection of vehicle excise duty (VED), and will be achieved by reducing evasion through continuous registration enforcement and through on-road enforcement to target longer-term evaders.
- 3.15 The Group also has a target to deliver £70 million of efficiency and effectiveness gains by 2007-08, mainly through the development of electronic services and by encouraging customers to switch their transactions with the Group's Agencies 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.
- 3.16 At quarter 3, the DVO Group reported gains of £44.3 million in efficiency and effectiveness. Examples of improved efficiency and effectiveness are:

Efficiency	Effectiveness
Providing vehicle owners with the option of electronic vehicle licensing on-line has reduced the cost of collection through the Post Office.	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.
Reducing staff travel, leading to fewer travel and subsistence payments.	

- 3.17 Efficiency gains resulting from a reduction in VED evasion are informed by the results of an annual roadside survey. As the results of the 2006 roadside survey were not published until January 2007, it was not possible to include gains in this area in the December 2006 return to OGC. However, the survey results indicated a significant increase in evasion and it is therefore not possible to record any efficiency gains in this area at this stage. The figures for lost revenue are very sensitive to small changes in the underlying data. Statisticians are reviewing the scope for quality improvements for future years. In addition, the relationship between the annual roadside survey results and the actual level of VED revenue collected over the year is to be reviewed.
- 3.18 The DVO Group also has a target to reduce headcount in DVLA by a net 500 by the end of 2007-08. By 31 December 2006, a reduction in headcount of 212 had been reported.

### Highways Agency and local authority roads procurement

- 3.19 The Highways Agency has a target to achieve total efficiency gains of £200 million through its strategic roads procurement and as a change agent to assist local authorities to achieve gains of £190 million in their roads procurement by 2007-08.
- 3.20 The Highways Agency has developed a framework of performance indicators to measure efficiency improvements in its existing roads procurement and maintenance contracts for strategic roads. Further details of these measurement metrics are included in the Department's efficiency technical note (ETN). The Agency is also working with local authorities to improve collaborative road procurement in order to deliver efficiency gains. Efficiency gains in this workstream are reported via the local authority annual efficiency statement published by Communities and Local Government.
- 3.21 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 chairs the Highways Efficiency Liaison Group (HELG), a unique cross-industry group including representatives of local authorities. This is the main 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

- 3.22 In 2005-06, Transport for London (TfL) reported efficiency gains of over £220 million in its annual report. These were delivered through TfL's own efficiency programme.<sup>2</sup> The December 2006 return to OGC included TfL forecast gains of £187 million<sup>3</sup> for the whole year. In addition to continuing its focus on operational and back office efficiencies, TfL plans include considering how further procurement, bus contracting and rail operations efficiencies can be delivered in 2006-07.

<sup>2</sup> Year-end figures reflect the performance of TfL in an individual financial year. To comply with the requirement in the efficiency programme for gains to be sustainable across the SR2004 years, the sustainable element of gains is reviewed and updated on an ongoing basis.

<sup>3</sup> TfL 2006-07 quarter 2 progress report, page 23.

- 3.23 The Department has secured efficiency gains in 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 Centre of Excellence (NWCE) 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 NWCE 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. Efficiency gains in this local authority non-roads workstream are reported via the annual efficiency statement published by CLG. By December 2006, local authorities had realised efficiency gains of £48.3 million in the non-roads transport spend area.

### Relocation and headcount reduction

- 3.24 The Department has agreed a target to reduce headcount in DfT(C) by 200 full-time equivalents (FTEs) by 2007-08. Headcount had been reduced by over 200 FTEs, producing £6.9 million of cashable savings by the end of December 2006. The Department has also agreed to relocate 60 posts outside London and the South East. By December 2006, 49 posts had been relocated. These comprise 25 Rail Accident Investigation Branch posts to Derby, 12 payroll posts from London to Hastings and Swansea, as well as 10 posts from the Vehicle and Operator Services Agency (VOSA) and two posts from the Freedom of Information (FOI) team from London to Hastings. Plans to relocate the further 11 posts necessary to meet the target of 60 by December 2010 are well in hand. It was agreed that posts could be relocated to Hastings, despite its being in the South East, on the basis that it is a regeneration area.

### Shared services programme

- 3.25 In 2004-05 the Department established the shared services programme to improve the efficiency, effectiveness and integration of the Department's 'back office' support services. After an initial feasibility study, the Department endorsed the concept of employing standardised and simplified business processes for HR, payroll and finance (including some procurement processes) for the central Department and all its agencies. They would use a common IT platform and consolidate the transactional support into a shared service centre (SSC). This, in turn, would enable a reduction in size of the retained HR, payroll and finance functions across the Department's business units, freeing them to concentrate on more value-added, specialist and business-specific tasks.

- 3.26 In April 2006, following completion of the 'blueprint' design for the core new business processes, work began on the configuration of the software at the heart of the SSC. Work also started on the infrastructure to host and test the software system (SAP ERP) and its connections to the business units. This work was undertaken in Swansea, the location chosen for the SSC, and was carried out primarily by DVLA and its business partners. At the same time, migration projects were established within the first business units scheduled to implement shared services – at DVLA and the Driving Standards Agency (DSA) – to manage the business change process and reorganisation of their retained functions.
- 3.27 The SSC building was completed in June 2006 and the first SSC staff and programme teams members moved in during August 2006. To allow more time for testing before roll-out, the Department has rescheduled the target date for DVLA/DSA 'go live' to April 2007. Details on the planning and preparation for the implementation of the central Department and remaining agencies will be available in the Department's Autumn Performance Report.

### Minor programmes and other workstreams

- 3.28 The Department has identified efficiency savings of £30 million a year 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 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.
- 3.29 The Department also has smaller workstreams seeking to realise efficiency gains through better management of its assets and improved procurement practices.

### Effectiveness

- 3.30 The Department aims to be among the highest performing central government departments. The business plan includes objectives to develop our capabilities as an organisation through inspiring the skills and working methods of the people who work here, using the Professional Skills for Government (PSG) framework introduced by the Cabinet Office. This part of Chapter 3 also reports on other corporate support services that contribute to effectiveness, including legal services, human resources, work on increasing diversity and occupational health and safety.

## Leadership

- 3.31 Effective leadership is key to the future success of the Department and is at the heart of the PSG initiative. Earlier staff survey evidence had suggested that leadership was undervalued within the Department and that its leadership needed to be more inspirational and visible.
- 3.32 During 2006-07 the Department has developed and rolled out a programme to improve the quality of leadership and the people management skills of its key leaders, including all staff at pay band 6 (PB6) and above in the central Department, and all senior civil service (SCS) staff.
- 3.33 The design and roll-out of the programme has been informed by wide consultation across the business, including surveys and team meetings. It has included a targeted 360° feedback process, participation in development workshops, and a range of speaker seminars and workshops.
- 3.34 It is too soon to expect to see the full effect of the programme, but our most recent staff survey, carried out in January 2007, shows trends in the right direction. For example, belief that DfT is well managed is up by 7 per cent, putting us 8 per cent higher than the government benchmark. We are reviewing the effectiveness of the programme in the summer of 2007 and will include our evaluation in the 2007 report.

## Improving financial management

- 3.35 Building on the successes of the past few years, we have made further improvements to the financial capability of the central Department in 2006-07. Our achievements are detailed below.
- The Investment Appraisal Framework (introduced last year) has successfully established a three-tier approach for examining business cases. 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.
  - A single core reporting suite, together with renewed performance and conformance measures, has improved financial monitoring and control.
  - New quarterly review meetings between each Director General and the Permanent Secretary have been established to review financial performance and risk management.
  - Resource management and planning teams (RMPTs), led by qualified finance professionals, have been established to improve financial management and skills in each director general led group.
  - A new structure has been developed for Central Finance to provide a more strategic, group-wide focus. Much of the new organisation took effect from 2 April 2007, with the timing for some posts delayed to coincide with the shared services implementation for DfT(C).

- Responsibilities and relationships between all those engaged in financial management in the Department – RMPTs, Planning and Performance Directorate, Finance Directorate and line managers – have been clarified and 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 DfT(C) has been centralised to improve efficiency and standards of processing.
  - A financial skills framework for DfT(C) has been developed to ensure that staff have the necessary skills in financial management.
- 3.36 These improvements have helped to transform the way finance operates across the Department. Looking ahead, the introduction of shared services is likely to result in a further significant enhancement in the finance capability for supporting budget holders/managers with the provision of new finance software.

### Risk management

- 3.37 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

- 3.38 Planning and Performance Division continues to manage the programme and project management (PPM) 'centre of excellence' functions within the Department. Key components of this include:
- continued development and management of a PPM network of practitioners (over 430 members throughout the DfT family), to offer good practice, guidance, support and capability development in PPM competencies across the Department and its agencies;
  - growth in application of internal resource for gateway reviews, leading to increased understanding of the gateway process, increased commitment by project teams and stakeholders to project assurance, leading ultimately to more successful delivery;
  - establishment and release of a business change lifecycle for programmes and projects enabling staff to plan the delivery of projects and monitor progress by following best practice and guidance; and
  - analysis of lessons learned from projects and programmes, including the development of the investment decision making process within DfT.

### Analysis and use of evidence

- 3.39 The Department undertakes and commissions a wide range of analytical work to support our policy and decision making activities. These cover a wide range of disciplines including economic analysis, social research and science and technology related work.

### Evidence and research strategy

- 3.40 We have published a new Department-wide evidence and research strategy covering a whole range of economic, technological, social and environmental factors. The strategy enables the development of a more integrated evidence base, addressing all sources of evidence – monitoring and data collection, analysis, policy evaluation and commissioned research – and ensuring quality by adopting best practices. The strategy sets out what we currently understand our evidence needs are for the next three years and beyond, as well as the areas and activities we plan to develop. The high-level strategy will be developed further to assist 30-year planning and integration with medium-term and business planning. It can be viewed at <http://www.dft.gov.uk/ers>
- 3.41 Our more immediate evidence needs have been assessed against broad policy themes – sustaining economic growth, improving the environmental performance of transport, strengthening safety and security and promoting social inclusion by enhancing access to jobs, services and social networks. Through these themes, many of which have been further informed by recent reviews and studies (for example Stern and Eddington), we are better able to review evidence gaps, priorities, dependencies and synergies.
- 3.42 Development of the evidence base and management of the research funded by the Department are largely devolved to the policy units and agencies responsible for delivery of our objectives. Each appropriate unit is, therefore, required to develop and implement evidence and research strategies to inform their particular responsibilities. These strategies identify and communicate the key evidence needs and how they are to be taken forward. They were published in 2006 and will be refreshed in 2007.

### Evidence and research quality framework

- 3.43 The Chief Scientific Adviser and the Chief Economist assess the unit-level strategies as part of an annual process to develop, scrutinise and approve research programmes. To assist development and scrutiny, we have developed an evidence and research quality framework to put in place a range of standards to ensure the quality of evidence and research management across the Department.

## Economic and social analysis and research

- 3.44 Analysts have provided key contributions to the Eddington study and the Transport Innovation Fund. The development of measures to assess the productivity implications of transport interventions was central to both. Modelling and analysis were used extensively to support the Eddington study conclusions and the published analytical papers demonstrate the strength and breadth of the evidence base.
- 3.45 Substantial contributions were also made to the development of the *Stern Review on the Economics of Climate Change*. In relation to climate change and to energy policy, evaluations of existing measures and appraisals of possible new measures were conducted in line with cross-departmentally agreed guidelines. These contributed to the evidence base and to new measures announced in both the Climate Change Programme 2006 and the Energy Review published in July 2006.
- 3.46 The Department's advice to scheme promoters on analysing transport problems was expanded this year to cover the modelling and appraisal of local road pricing schemes. This advice was based on a range of evidence and the latest research findings. For example, methods used by the Department's National Transport Model in the Road Pricing Feasibility Study and for the Eddington study were detailed. The guidance also covered the social and distributional impacts of road pricing schemes. The guidance forms part of a range of analytical support for local authorities developing business cases to the Transport Innovation Fund involving innovative solutions – including road pricing – to congestion problems.
- 3.47 A body of advice on the analysis of costs was also released in November 2006. Future assessments of scheme costs will include an analysis of optimism bias. Additionally, the valuation of greenhouse gases associated with a transport scheme, using the official estimates of the social costs of carbon, was incorporated both into the Department's analysis guidance and into the software used by scheme promoters applying for departmental funding.
- 3.48 Finally, we have commissioned a number of cross-cutting pieces of social research on the transport needs and priorities of different social groups and have continued to enhance the evidence base on attitudes to key transport issues, including developing better evidence on people's understanding and behavioural responses to climate change. See [www.dft.gov.uk/pgr/sustainable/climatechange/areviewofpublicattitudestocl5731](http://www.dft.gov.uk/pgr/sustainable/climatechange/areviewofpublicattitudestocl5731)
- 3.49 We are in the process of developing a study to explore how social circumstances can be better factored into transport appraisals and how, in turn, transport evaluations can better capture social impacts.

## Communications and marketing

### Press, publicity and advertising

- 3.50 Press, publicity, stakeholder and advertising work is led by communication professionals in the Department's Communication Directorate. Our aim is to achieve effective and efficient communication of the DfT's aims and objectives inside and outside the Department, targeting press, transport organisations and other stakeholders, the general public and staff in the Department and our executive agencies.
- 3.51 Good co-ordinated communication is essential to our business. Transport is more often than not a local experience and local or regional issues can create huge interest. That is why we target our messages both nationally and locally.
- 3.52 In 2006-07, 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 through effective planning, speaking engagements, ministerial visits and greater involvement;
  - reviewed the THINK! road safety campaign brand and launched new advertising on motorcycling safety and mobile phones; and
  - developed an 'Act On CO<sub>2</sub>' climate change communication, focussing on motorists and CO<sub>2</sub> emissions.
- 3.53 We continually seek to improve our professional, co-ordinated news, marketing, publishing and corporate communications service for the Secretary of State, his 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.
- 3.54 Considerable work is being done to ensure there are far more effective communications links with stakeholders to guarantee clear and consistent information is given to transport users.
- 3.55 Work is taken forward via a range of frameworks covering advertising, design, typesetting, print and research, to help to deliver the Department's publicity needs cost effectively and in line with EU procurement requirements.
- 3.56 The Department estimates its projected operational publicity spend for 2005-06 is some £25 million.

### Third party support

3.57 As last year, the Department has not received any cash sponsorship. We have, however, received in kind support from a range of organisations, which have linked with the THINK! road safety campaign 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, Sponsorship.

### Information rights

3.58 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.

3.59 Overall in 2006 we met the deadlines for response in over 91 per cent of the 1,178 FOI cases received across DfT, a 4 per cent improvement on the 87 per cent of responses within deadline (1,519 requests received) during 2005. In both years we have been able to provide all the information requested in the majority of cases.

3.60 In the interests of making the information we have disclosed more widely available, we have continued to publish all responses of wider public interest on our website, as well as other new material.

### How we handle complaints

3.61 The Department for Transport aims to provide a high quality of service to the public. We welcome all feedback – both good and bad – to help us continue to improve our service.

3.62 To ensure the fastest possible response, the central Department and each of our seven executive agencies has its own complaints procedure. Information about how to use these can be obtained from the Department's website at [www.dft.gov.uk](http://www.dft.gov.uk) or through the individual agency websites.

3.63 Although the central Department receives only a small number of complaints about its administrative practices – this year only one complaint failed to be resolved at first stage and needed to be referred on to the central complaints officer – we simplified our complaints handling procedures to make them easier for the public to follow and more adaptable to the circumstances of the complaint.

## Legal services

- 3.64 Legal Services Directorate (LSD) of legally qualified and administrative staff provides legal services to DfT and its 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.
- 3.65 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.
- 3.66 In 2006-07, working with Parliamentary Counsel and the rest of DfT, LSD has prepared the Road Safety Act 2006 and the Civil Aviation Act 2006 and is working on several bills in progress, including the Crossrail Bill, the Concessionary Bus Travel Bill and the transport clauses of the Greater London Authority Bill.
- 3.67 Major statutory instruments prepared by LSD lawyers during 2006-07 have included current Air Navigation Orders, the first stage of implementing the Traffic Management Act 2004 and preparation for transposition into UK law of the ILO Consolidated Maritime Labour Convention.
- 3.68 LSD's advisory work during 2006-07 has included much that is cross-cutting:
- playing a proactive role in the formulation of the Eddington proposals for planning reform as set out in the Eddington study and in delivering those proposals, including input into the white paper expected to be published by the summer of 2007;
  - relating to the announcement of the decisions for the Thameslink 2000 rail enhancement project by Network Rail;
  - helping aviation colleagues prepare the progress report on the white paper *The Future of Air Transport*;
  - working on the cases before the European Court of Justice relating to the Ship-source Pollution Directive;
  - considering, with other Government departments, issues relating to the sharing of data collected by the Highways Agency;
  - contributing to the development of the design, build, operate and finance contract in relation to the widening of the M25 and other highways schemes; and
  - advising on passenger rail franchises and the leasing and procurement of rail rolling stock.

3.69 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. Related to this has been LSD's work on renewing the Government Legal Service's statutory instrument drafting guidance.

### Valuing diversity

3.70 The Department recognises that, in order to deliver transport that works for everyone and to meet its 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.

3.71 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 its diverse talent;
- launched the corporate five-point diversity action plan setting out how it aims to achieve the Department's and civil service diversity targets. The plan focusses more energy on adding value and understanding how diversity can help towards delivering and meeting key business priorities;
- appointed Board-level champions for each of the equality strands covering, race, disability, gender and sexual orientation;
- involved disabled staff in developing the HR disability action plan to ensure practices and processes met the requirements as outlined in the disability equality scheme;
- developed an HR gender action plan to ensure practices and processes met the requirements as outlined in the gender equality scheme with the aim of making the Department a more attractive place for women to work;
- continued to use assessment centres to test suitability for promotion at middle and senior levels, which has improved the success rate of women in securing promotions;
- continued to run 'valuing diversity' events on a quarterly basis, 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 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.
- 3.72 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 3b: Performance against civil service 10-point plan diversity targets**

Improvements to be made	DfT position as at 31 March 2007	DfT April 2008 targets
Women in senior civil service (SCS)	22.8%	30%
Ethnic minority staff in SCS	2.5%	4%
People with disabilities in SCS	1.5%	3.2%
Top 600 civil service posts to be filled by women	23.8%	30%

**Figure 3c: Diversity make-up of the Department's staff (including agencies)**

Staff in post as at 31 January 2007	SCS staff	Non-SCS staff	Total staff
Total male staff	152	9,783	9,935
Total female staff	45	9,406	9,451
Total staff	197	19,189	19,386
<b>Ethnicity of staff (numbers)</b>			
White	151	15,993	16,144
Mixed ethnic background		145	145
Asian	3	426	429
Black	1	281	282
Chinese		37	37
Other	1	115	116
Ethnicity unknown	41	2,192	2,233
<b>Disabled staff (numbers)</b>			
Declared a disability	3	1,171	1,174
<b>Part-time staff (numbers)</b>			
Total part-time staff	18	1,986	2,004
<b>Age profile of staff (numbers)</b>			
Under age 20		136	136
Age 20-24		1,375	1,375
Age 25-29		2,221	2,221
Age 30-34	7	1,910	1,917
Age 35-39	21	2,242	2,263
Age 40-44	22	2,730	2,752
Age 45-49	45	3,054	3,099
Age 50-54	52	2,492	2,544
Age 55-59	42	2,129	2,171
Age 60 or over	8	900	908

The figures are staff in post, so two part-time 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.

## Occupational health and safety

- 3.73 The Department's occupational health and safety policy statement and management arrangements clearly define responsibilities for both line managers and individual staff members. We produce an annual report on occupational health and safety that details progress and performance across the Department and agencies.
- 3.74 A Driving at Work policy was published in July 2006 and further publicity to promote this issue is being considered.
- 3.75 To meet a Government commitment, all smoking rooms across the Department were closed by the end of 2006.

3.76 Current issues include:

- continuing to promote greater awareness of the Department's occupational health and safety arrangements;
- monitoring and managing sick absences in line with the reduction targets set to 2010;
- developing and publishing a DfT smoking at work policy statement;
- reviewing attendance management policy and procedures; and
- reviewing the Department's stress policy and guidance to staff.

3.77 All departments have been asked to set sick absence reduction targets to achieve a 30 per cent reduction by 2010. Based on the 2004 figures, an overall 30 per cent reduction for DfT requires a target of 7.5 days' absence per staff year. Overall across DfT, sick absence for the Department and its agencies for the 2006 calendar year was recorded as an average 10.6 days per staff year. This shows a slight increase from the 2005 figure of 10.4 days. The figure is based on working days lost for all sick absence recorded. In previous years sick absence data was collated on a calendar year basis across government but from 1 April 2007 this is changing to financial year reporting to bring it in line with other business functions.



# Chapter 4

## Roads

## Chapter 4

### Roads



- 4.1 The road network in England provides an essential service to commerce and industry and to the lives of individuals and communities. England has almost 300,000 kilometres of public road, over 75 per cent of the total for Great Britain. Most journeys in England are by road.
- 4.2 Car ownership and traffic growth continue to rise in the context of a growing economy. The substantial increase in the number of licensed cars is reflected in an increase in the proportion of households having access to one or more cars. In 1980, 41 per cent of households did not have access to a car. By 2003, however, this had fallen to 26 per cent.

Figure 4a: Household car ownership – 1980 to 2003



Source: Transport Trends, DfT, 2005

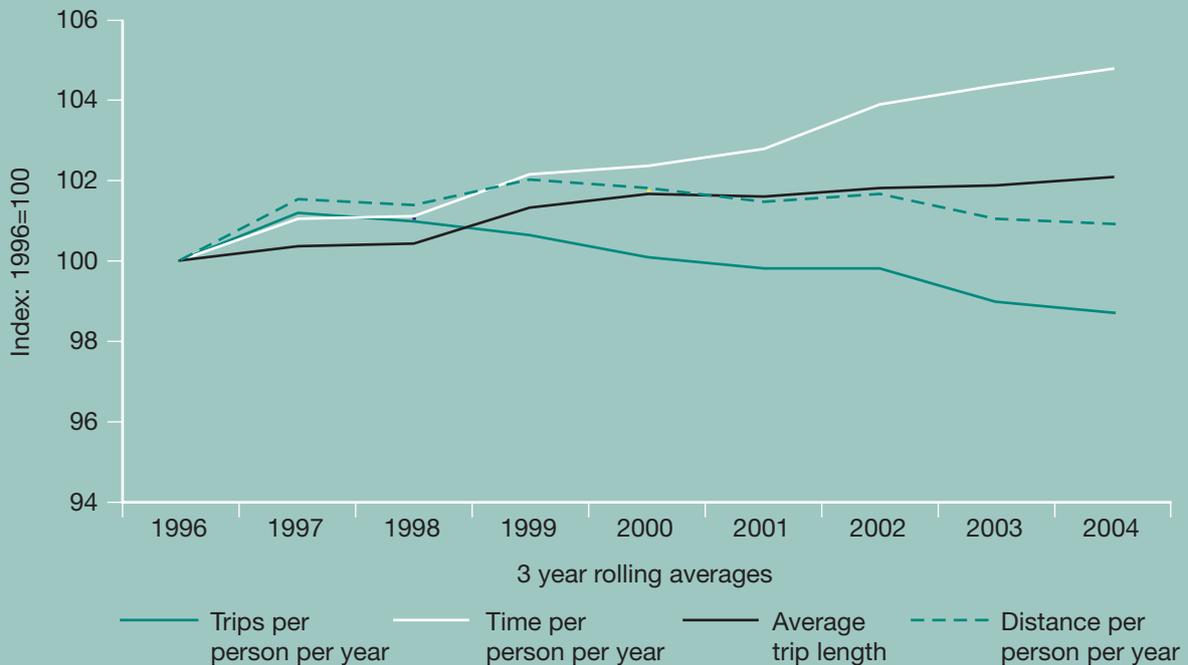
- 4.3 This puts additional pressures on the road network's capacity as people travel more, and more goods are transported. Congestion on all roads is a serious problem. It causes delays and unpleasant driving conditions for all road users, and lost time and additional costs for businesses. However, not all roads are congested all of the time.
- 4.4 This chapter describes the work undertaken by the Government during 2006-07 on tackling congestion, and on moving towards the goal of a road network that provides a more reliable and freer flowing system for all road users. Travellers would have access to better information so they could make choices about how and when they travel, and so minimise the adverse impacts of road traffic on the environment and other people.

### Strategy and objectives

- 4.5 The strategic policy framework for roads in England is set out in *The Future of Transport*<sup>1</sup>. It describes a strategy that includes:
- continuing to improve the safety of the road network and of vehicles – through better education and information, enforcement of penalties for road users who break the law, better road design and engineering and better vehicle safety standards (see Chapter 11);
  - delivering additional road capacity where justified – balancing road users' needs against impacts on the wider environment;
  - getting greater performance out of the road network through improved and innovative network management;
  - facilitating smarter individual choices about how and when to use roads – including offering alternatives to car use; and
  - supporting choices by continuing to develop new ways of paying for road use so they become practical options.

1 *The Future of Transport – a Network for 2030*: Cm6234; Published 20 July 2004. ISBN 10: 0101623429.

Figure 4b: Trends in road travel – 1996-2004



Source: Travel Statistics, Department for Transport

### Delivering on objectives

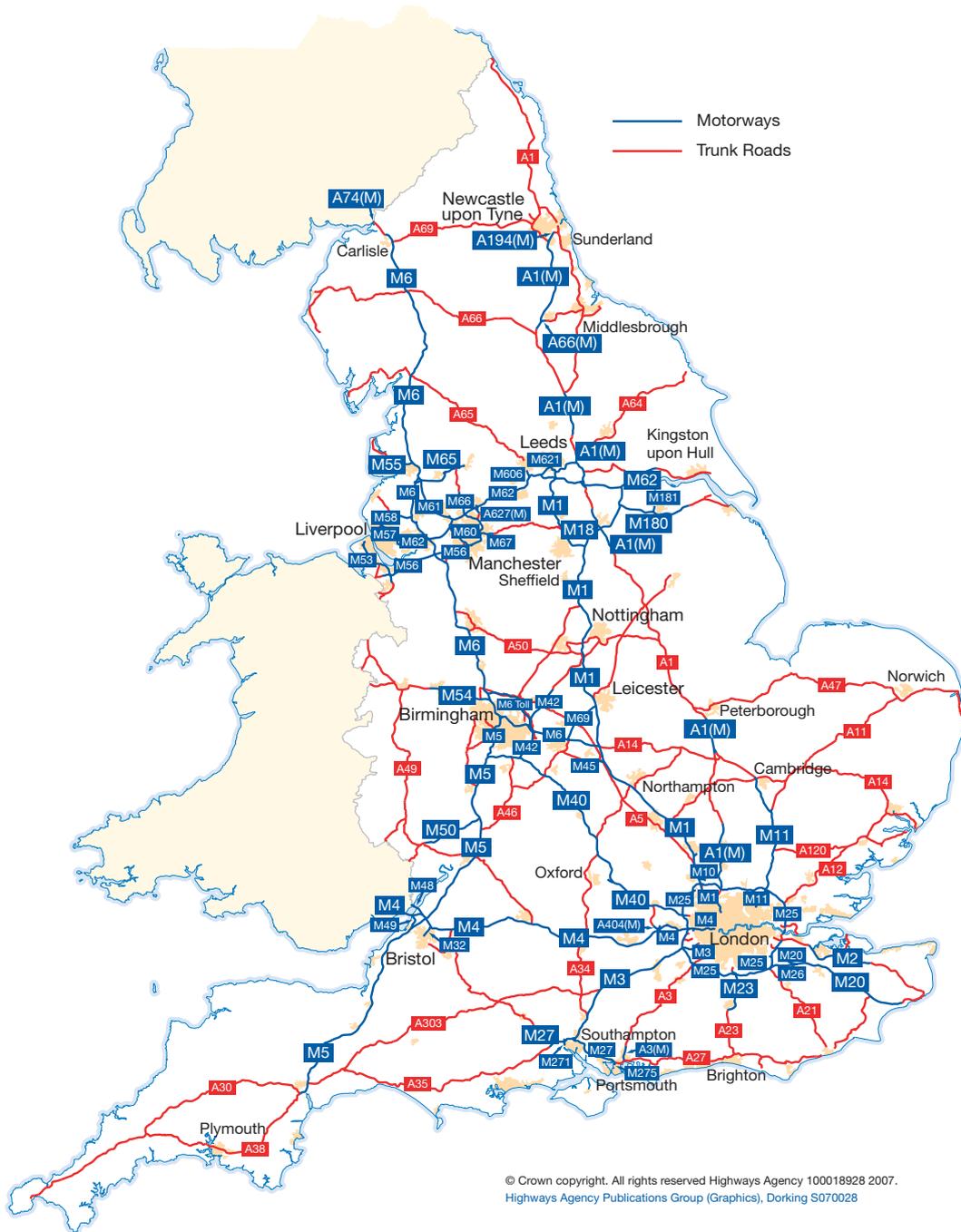
- 4.6 There are three Public Service Agreement (PSA) targets relating specifically to roads. The target on safety is dealt with in Chapter 11. The two targets on tackling congestion on strategic roads and roads in urban areas, published in July 2005, are covered in this chapter. Additional targets on air quality and greenhouse gases are dealt with in Chapter 10. A summary of the progress on all PSA targets is included in appendix D.
- 4.7 The Government remains committed to tackling congestion by implementing the strategy outlined in *The Future of Transport*. Developments over the past year are set out in this chapter.

### Responsibility for delivery

#### Strategic roads

- 4.8 The strategic road network of motorways and all-purpose trunk roads in England comprises over 7,300 kilometres of motorways and trunk roads. It accounts for approximately 2 per cent of the total road length in England, but carries nearly one third of all road traffic and two thirds of all road-based freight.

**Figure 4c: The strategic road network as at 1 January 2006**



Source: Highways Agency

- 4.9 Strategy and policy for the strategic road network are set by the Secretary of State for Transport, advised by the DfT Board and what up until 31 March 2007 was DfT's Road Transport, Aviation and Shipping Group. From 1 April, the relevant group became known as National Networks.
- 4.10 Responsibility for operational management and maintenance of the strategic network lies with the Highways Agency, an executive agency of DfT. The Agency's Chief Executive is a member of the Department's Board and reports on the Agency's performance. A description of the Agency's overall roles and responsibilities appears in Chapter 2.

### Detrunking programme

- 4.11 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. This programme, known as 'detrunking', has had the effect of reducing the length of the network for which the Agency is responsible. It allows the Agency to concentrate on the operation of strategic trunk roads while enabling local authorities to consider their own priorities for the improvement of non-core routes. The aim has been to transfer some 3,200 kilometres – 30 per cent of the trunk road network as it was in April 1999 – to local authorities. So far more than 85 per cent (around 2,731 kilometres) of the programme has been completed. During 2006-07, 103 kilometres of non-core trunk roads were detrunked.

**Figure 4d: Public road lengths in England – by class of road, 2005**

Type of road	Length (Kilometres)
<i>Motorways:</i>	
Trunk	2,938
Principal	54
<i>Dual Carriageway:</i>	
Trunk urban	206
Trunk rural	2,428
Principal urban	2,356
Principal rural	1,579
<i>Single Carriageway:</i>	
Trunk urban	102
Trunk rural	1,594
Principal urban	7,006
Principal rural	16,944
<i>B roads</i>	19,863
<i>C roads</i>	64,294
<i>Unclassified roads</i>	178,548
<b>Total</b>	<b>297,911</b>

**Notes**

- A number of minor revisions have been made to the length of major roads from 1993 onwards.
- Figures for trunk and principal 'A' roads in England, from 2001 onwards, are affected by the detrunking programme – see paragraph 4.11.
- Urban roads: major and minor roads, from 1993 onwards, are defined as within an urban area with a population of 10,000 or more.
- Rural roads: major and minor roads, from 1993 onwards, are defined as being outside an urban area. Revisions have been made to the minor road length figures for 2004.

Source: Transport Statistics Great Britain 2006

## Local roads

- 4.12 Local roads in urban and rural areas are the responsibility of the local highway authority in which they are situated. As detailed in paragraph 4.11, local highway authorities have also assumed responsibility for more non-core interurban trunk roads under the detrunking programme. However, as described later in this chapter, local highway authorities rely on the Department for guidance, advice and standards to help build new roads and manage their existing networks effectively and safely.
- 4.13 Responsibility for London's strategic roads falls to Transport for London (TfL), and for urban roads, to the London local authorities. More details about developments with London's roads appear later in this chapter.
- 4.14 The Traffic Management Act 2004 has conferred new duties and powers on local authorities to take practicable measures to manage local roads and keep traffic moving. Details of local authorities' new traffic management responsibilities are set out in paragraph 4.24.

## Drivers and vehicles

- 4.15 Policy affecting the licensing, roadworthiness and insurance of drivers and vehicles is the responsibility of DfT's Driver, Vehicle and Operator (DVO) Group. Information about the agencies within the DVO Group can be found in Chapter 2, and details of the DVO Group's activities during 2006-07 are included in Chapters 11 (Safety and security) and 12 (Electronic services).
- 4.16 An important continuing priority is to strengthen the role and position of these agencies, ensuring that they are fully engaged in shaping as well as delivering policy. The Director General of the DVO Group is responsible for monitoring the performance of these agencies and reporting to the Department's Board.

## Capacity

- 4.17 Following the outcome of the 2004 Spending Review, the Government announced in December 2004 a total investment of £1.9 billion for the three-year period 2005-06 to 2007-08. This £1.9 billion allocation was an increase on the previous three years, compared to £1.2 billion in 2002-03 to 2004-05. It included £1 billion of improvements for strategic roads of national importance and a £900 million programme for routes of regional importance.
- 4.18 The Government also announced in December 2004 that the strategic road network will now be considered as consisting of two categories:
- roads which are key trade routes of predominantly national and international importance; and
  - routes of predominantly regional rather than national importance.

- 4.19 In the former category, decisions will continue to be taken on the basis of national priorities. In the latter category, decisions on schemes starting after 2007-08 will take account of advice from regions, which will consider these schemes alongside proposed transport investment by local authorities. In each case new road schemes are added to the programme only after the Secretary of State for Transport has approved them.
- 4.20 During 2006-07 the Highways Agency completed 11 major schemes as part of its targeted programme of improvements on the strategic road network, bringing to 45 the total of strategic road schemes completed since 2001. Twenty major schemes are currently under construction, with a further 21 schemes planned to start construction between April 2007 and March 2010.

**Figure 4e: Major road schemes completed during 2006-07**

Scheme	County	Completed
M60 Junctions 5-8 widening	Lancashire	June 2006
M5 Junctions 19-20 southbound climbing lane (Naish Hill)	Gloucestershire	June 2006
M5 Junctions 19-20 northbound climbing lane (Tickenham Hill)	Somerset	June 2006
A249 Iwade – Queenborough improvement	Kent	July 2006
A421 Great Barford Bypass	Bedfordshire	August 2006
A63 Melton Grade-separated junction	Yorkshire	October 2006
A500 City Road and Stoke Junction improvement	Staffordshire	November 2006
A30/A382 Merrymeet Junction	Cornwall	December 2006
A419 Commonhead Junction	Wiltshire	February 2007
A11 Attleborough Bypass	Norfolk	February 2007
M40/A404 Handy Cross Junction improvement	Buckinghamshire	March 2007

Source: Highways Agency

- 4.21 The Highways Agency also has an ongoing programme of over 90 road improvement schemes, the majority costing under £5 million per scheme. The Agency expects to address at least 60 of these by April 2008.

## Roads procurement

- 4.22 The Highways Agency is acting as a change agent to work with local authorities to secure, through road procurement, approximately 50 per cent of the Department's efficiency target. Agency procurement experts are working with local authorities to find opportunities for efficiency gains through collaboration. Following consultation with local authorities, suppliers and other stakeholders, a *Strategy for Achieving Efficiency Gains from Collaborative Roads Procurement* was published in September 2005. A cross-industry group, the Highways Efficiency Liaison Group, steered development of the efficiency strategy and has continued to help drive further collaborative initiatives. These include the development of a

consistent approach across all highway authorities to efficiency measurement. The Agency is also exploring various initiatives to drive local and regional efficiency gains including through collaborative contracts and joint supplier/client communities.

### Network management

4.23 In addition to adding capacity where appropriate, the Government is implementing policies to make better use of the roads that we already have.

### The Traffic Management Act 2004 – new traffic management roles

4.24 The Traffic Management Act 2004 seeks to tackle congestion and disruption through the effective management of activities on the road network. During 2006-07 the Government began to implement the following elements of the Act, including the activities detailed below.

- Encouraging local highway authorities to meet their new network management duty, which is to do all that is reasonably practicable to manage local road networks effectively and keep traffic moving. All local highway authorities have now appointed traffic managers to spearhead the development of the network management duties. A National Traffic Manager Forum has been established and held its first meeting in June 2006.
- Developing criteria for intervention powers that would allow the Secretary of State (or the National Assembly for Wales) to take action if an authority were failing or appeared to be failing in its traffic management duties. The order to which the criteria are appended is likely to come into force in early 2007.
- Strengthening provisions for local authorities to have greater control mechanisms to manage when and where utility companies carry out street works, including a new regime of permit schemes, fixed penalty notices and changes to the notice requirements. The Department has completed consultations on three sets of regulations to improve the regulatory regime for street works, along with a separate one on the new permit scheme. The consultation responses have been considered and the regulations will be made later in 2007, along with the publication of an associated statutory code of practice.
- Providing local authorities outside London with more powers to take over enforcement of parking restrictions, bus lanes, and some moving traffic offences from police forces. Work to implement the parking provisions of the Act was delayed by the publication of the Transport Committee's report in June 2006 on parking policy and enforcement. The Government welcomed the report and the proposals are largely in line with those contained in the parking consultation that it launched in July 2006. A good response to the consultation was received and the regulations and

statutory guidance have been redrafted in the light of comments made. The regulations will come into force in 2007-08. Work is progressing to implement the remaining provisions, covering bus lanes, certain moving traffic contraventions and the London lorry ban.

- Regulations to allow the police, traffic wardens, parking attendants and local authority civil enforcement officers to inspect blue badges came into force in September 2006.
- Designating certain London Borough roads as 'strategic roads' and giving TfL new powers of co-ordination (see roads in London, later in this chapter).

### Traffic officers on Highways Agency roads

- 4.25 The Highways Agency's Traffic Officer Service was set up to deliver three core objectives:
- to reduce incident-related congestion on motorways;
  - to reduce injury-related incidents; and
  - to release police time to concentrate more on criminality on the motorway network.
- 4.26 During 2006-07 patrols by traffic officers on the motorway network steadily increased as each region reached full capability. All seven regional control centres (RCCs) are now fully operational and around 1,100 traffic officers are deployed on all motorways in England.
- 4.27 The Traffic Officer Service is now routinely dealing with minor incidents on the motorways, and is increasingly taking the lead in dealing with larger incidents that do not involve injury or loss of life. In the second half of 2006-07 traffic officers attended an average of 1,000 incidents a month across the motorway network.
- 4.28 Traffic officers also assist the police and other emergency services at the scene of major incidents on the motorway network.
- 4.29 A set of key performance indicators (KPIs) has been designed for the Traffic Officer Service. These indicators were refined during 2006-07 as a result of early experience and will be used to develop the best set of targets to feed into the PSA reliability target and deliver the financial benefits of the service in 2007-08.
- 4.30 The Traffic Officer Service is working to complete the transfer of some on-road functions previously carried out by the police, with full handover scheduled for spring 2007. Details of the new distribution of roles and responsibilities are set out in the table below.

**Figure 4f: Division of on-road roles and responsibilities – police and Highways Agency**

*i) On-road responsibilities prior to the establishment of the Highways Agency Traffic Officer Service*

	Police	Highways Agency	Shared responsibility
<b>General on-road duties</b>	Managing criminal activity  Managing fatal and serious accidents  Managing minor collisions  Enforcing road traffic offences  High visibility patrols		
<b>Controlling traffic flow</b>	Dealing with abandoned vehicles  Removing damaged/broken down vehicles  Providing mobile/temporary road closures	Repairing and improving road infrastructure	Clearing debris and animals
<b>Other services</b>	Escorting certain vehicles  Escorting abnormal loads  Monitoring road works Handling special events Educating road users		

*ii) On-road responsibilities once the Traffic Officer Service is fully operational (from spring 2007)*

	Police	Highways Agency	Shared responsibility
<b>General on-road duties</b>	Managing criminal activity  Managing police-led incidents  Enforcing road traffic offences	Managing minor collisions and providing traffic management support for police-led incidents	High visibility patrols
<b>Controlling traffic flow</b>		Dealing with abandoned vehicles  Removing damaged/broken down vehicles	

### M42 active traffic management scheme and other traffic management initiatives on strategic roads

- 4.31 In September 2006 controlled use of the hard shoulder as an additional running lane during congestion and incidents was successfully launched as the latest phase of the active traffic management (ATM) programme on the busy M42 motorway east of Birmingham. Early indications are that controlled use of the hard shoulder has increased capacity by around 13 per cent, average journey times at peak periods have been reduced, and weekday journey time reliability has improved. 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.
- 4.32 The Highways Agency is now planning to introduce motorway access management measures – traffic signals on slip roads operating during congested periods to regulate the amount of traffic joining the motorway – on the M42 ATM section during 2007.
- 4.33 Motorway access management schemes were also introduced on slip roads at a number of locations on the M6, M60 and M62 in the North West from spring 2006 onwards, and on the M1 and M62 in Yorkshire during the autumn.
- 4.34 More information on motorway access management measures is included in Chapter 1.

### Maintenance on strategic roads

- 4.35 The Highways Agency continues to use a broad measurement index for road surface conditions that covers rutting, unevenness, cracking and skid resistance. The index enables the Agency to report against the road surface condition target established on the basis of whole-life cost, and takes account of the fact that it is not practical or sustainable to maintain the whole road network in an as new condition. The target condition at which the road network is to be maintained each year is equated to a road surface condition index score of 100. It allows for year-on-year small variation in the actual condition, which would occur because of the whole-life cost regime. The target for 2006-07 – for the percentage of the network in good condition to be 94.6 per cent at the end of the year – has been achieved.

### Traffic management on local roads

- 4.36 In addition to major new initiatives such as the implementation of the Traffic Management Act 2004, the Department continues to work with local authorities to identify, develop and share good practice in traffic engineering and management techniques. The Department's research programmes include studying these new techniques and testing new technology. The research leads to the distribution of evidence-based guidance through publications such as local transport notes, traffic advisory leaflets, good practice guides and manuals. These publications

cover a wide variety of traffic management issues ranging from traffic lights and signs to balancing the needs of different road users and improving the quality of the street environment.

- 4.37 Developments in 2006-07 included publication of the following guidance.
- Publication of good practice guidance with the County Surveyors' Society for Puffin pedestrian crossings and mini-roundabouts.
  - Publication of a local transport note on traffic calming.
  - The joint DfT/CLG launch of *Manual for Streets*. The manual replaced former design guidance for residential streets and will help bring about a transformation in the quality of new and existing streets.
  - Review of Local Transport Note 1/97, *Keeping Buses Moving*, as required by the Government's motorcycle strategy, leading to the publication of a traffic advisory leaflet on *Motorcycles in Bus Lanes*. The leaflet removes the presumption that motorcycles cannot use bus lanes and gives advice to local authorities on factors to consider when deciding whether to permit motorcycles to use their lanes.
  - Publication of a traffic advisory leaflet on high-occupancy vehicle lanes.

## Roads in London

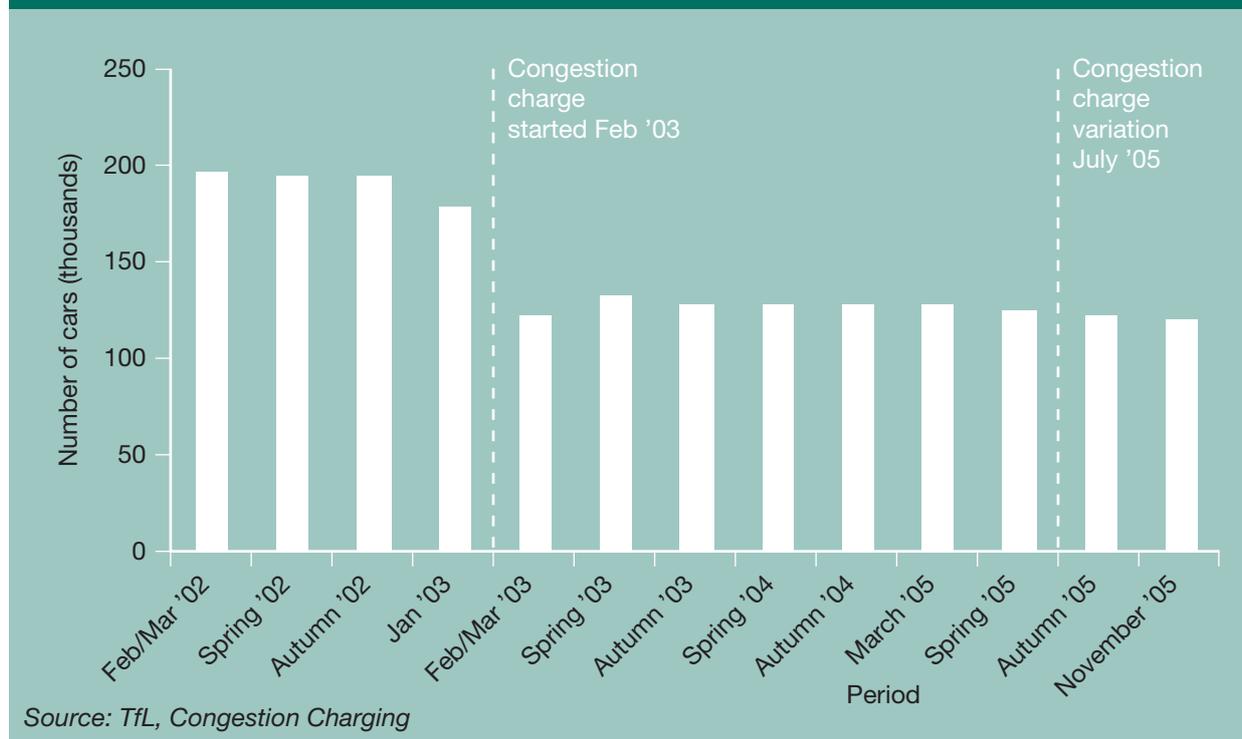
- 4.38 Transport for London (TfL) is responsible for all aspects of maintenance and renewal of its road network. This comprises 580 kilometres of London's roads, about 5 per cent of the total network, carrying about a third of London's traffic. Apart from those sections of motorway (M1, M4, M11 and M25) in London – which are the responsibility of the Highways Agency – the remainder of London's roads are the responsibility of individual London boroughs.
- 4.39 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.

## London congestion charge

- 4.40 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, in September 2005 the Mayor approved plans to extend the central London congestion charging zone westward to cover most of Westminster and parts of Kensington and Chelsea, and to amend charging hours to end earlier, at 6pm. The extended zone became operational in February 2007. 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 4g: Cars entering the London congestion charge zone during charging hours



### London Low Emission Zone

- 4.41 At the Mayor's request TfL has developed detailed proposals for a Low Emission Zone (LEZ) for London, affecting heavy goods vehicles over 3.5 tonnes, buses, coaches and taxis from 2008, and heavier light goods vehicles from 2010. The scheme will cover most of Greater London, and will involve a charge being imposed on affected vehicles that are not compliant with emissions-based criteria. TfL's consultation on a proposed detailed scheme order for the London LEZ concluded on 2 February 2007 and TfL reported to the Mayor on the consultation responses received in April.
- 4.42 On the 9 May 2007, the Mayor confirmed the Scheme order for the London LEZ. The Scheme is to be implemented using the Mayor's powers under the GLA Act 1999 and he has requested that parts of the strategic trunk road network (excluding M25) that fall inside the London boundary be included in the Zone. The Secretary of State has now considered this request and has consented to the inclusion of trunk routes in the London LEZ scheme, on the basis that this will ensure air quality improvements are not undermined by making the scheme more complicated.
- 4.43 The Mayor's proposal is consistent with the Government's own objectives to improve air quality and protect the environment (details of which appear in Chapter 10). The Government will continue to work with the Mayor and TfL as proposals are developed.

## New ways of paying for road use

- 4.44 Investment in the road networks, and innovative traffic management, will be part of the strategy to tackle congestion. However, even with these measures congestion will continue to increase unless further action is considered. Current trends suggest congestion could get 25 per cent worse by 2015, with 80 per cent of that congestion in major towns and cities. The *Eddington Transport Study* estimated that by 2025 congestion could cost an extra £22 billion in wasted time per year; around half of this being direct costs on businesses.
- 4.45 Research shows that a national road pricing scheme, as one part of a wider transport strategy, could cut congestion significantly through small changes in overall travel patterns. The 2004 *Future of Transport* white paper stated that the Government would lead the debate on road pricing and seek a political consensus in tackling congestion – including examining the potential for moving away from the current system of motoring taxation towards a national system of road pricing.
- 4.46 In February 2007 the Prime Minister responded directly to almost 1.8 million people who had signed an on-line petition against road pricing<sup>2</sup>. The response made clear that no decisions have been made on any national road pricing scheme. A lot more work needs to be done, including on the technical challenges presented by pricing. In the first instance, the Government is working with interested local authorities to bring forward local schemes, as local solutions to local problems.
- 4.47 The Government is making available substantial funding – up to £200 million a year – from the Transport Innovation Fund to support these local schemes (see paragraphs 7.34-7.47). This funding will help in start-up costs and the associated transport improvements, including enhancements to public transport. Improving public transport will be a key part of the package alongside any road pricing scheme and the Government is expecting any authorities who bid to TIF to include proposals on smarter choices – building on the existing sustainable travel towns pilots.
- 4.48 The Government is providing up to £18 million to help local authorities fund some early preparatory work investigating the viability of local road pricing schemes to address local congestion problems. In November 2006 three additional areas were granted funding to help with the costs of developing proposals, taking the number of local authorities or groups of authorities that we are supporting in this way to 10 (see paragraphs 7.43-7.47).
- 4.49 The Department is providing advice and support via the Road Pricing Local Liaison Group. Representatives of the 10 authorities and two others (Transport for London, and Cardiff) attend meetings of the group.

- 4.50 We envisage that, subject to suitable proposals coming forward from local authorities, a local road pricing scheme could be established within four to five years. It is only on the evidence we get from established schemes that any decision on national road pricing would be made. The current legislation makes clear that any money raised by local schemes would be used by the local authorities concerned to improve transport within their communities.
- 4.51 The Department is putting in place an appropriate legal and technical framework to ensure local schemes can be implemented effectively, and are interoperable and consistent. Our aim is to ensure that users of several schemes need only one account and a single unit in their vehicle.
- 4.52 The November 2006 Queen's Speech announced that the Government would publish a draft Bill in the 2006-07 Parliamentary Session to support its efforts to tackle congestion and improve public transport (see paragraphs 1.59-1.63). Parts of the Bill would propose reforming the existing powers that allow local authorities to develop local road pricing schemes. The proposed Bill would not make possible a national road pricing scheme; any such scheme would require further legislation. The draft Bill is due to be published later in the spring.

### Smarter choices

- 4.53 The Government believes that there is considerable scope for providing better information, so that people can make smarter, well informed decisions about the trips they make. This includes a wide range of initiatives, from information about the general performance of the road network through to real-time travel news. Initiatives are also in hand to improve the reliability of the network, being better prepared and able to respond quickly to the events that cause disruption.

### Better information for road users

- 4.54 The Highways Agency's National Traffic Control Centre (NTCC) provides journey advice and real-time information about conditions on England's motorway and trunk road network. It helps road users 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. Analysis of this data and information is carried out by a computer system that enables operators, on duty 24 hours per day, to provide responses that keep road users informed and minimise delay.

- 4.55 Further data collection points are being added and existing ones reviewed, to build towards comprehensive coverage of the network. The NTCC makes live information available to road users through the Agency's Traffic England website ([www.highways.gov.uk/trafficinfo](http://www.highways.gov.uk/trafficinfo)), and its traffic information telephone service (08700 660115) which is automatically updated as road conditions change. The Traffic England website received over 22 million hits during 2006, while use of the traffic information telephone service increased by a third in 2006-07, compared with the previous year.
- 4.56 Information is also supplied via travel news media reports, on-road electronic message signs, and independent and third-party information providers. In addition the NTCC feeds information to the Transport Direct website [www.transportdirect.info](http://www.transportdirect.info) which contains journey planning information for all modes of transport, as well as estimated journey times for road travel taking into account historical congestion levels.
- 4.57 The Agency currently has four further driver information services under trial, using information provided by the NTCC:
- a radio service provides real-time traffic information, updated every 15 minutes. Run in association with Traffic link, this service is currently available on the Traffic Radio website ([www.trafficradio.org.uk/indexPDA.htm](http://www.trafficradio.org.uk/indexPDA.htm)) and broadcasts will be extended to DAB digital radio;
  - variable message signs (VMS) showing estimated journey times are being trialled on parts of the M5 and M6 and this project has been submitted for ministerial approval;
  - trials of information points in selected service stations and truck stops continue; and
  - real-time CCTV footage to mobile phones will provide high-quality moving images for TV travel news bulletins and lower-resolution, static images over the internet.
- 4.58 During 2006-07 the Agency completed the transfer of all the motorway control room functions from police control offices to the seven regional control centres (RCCs) operated by the Traffic Officer Service. The RCCs are now responsible for setting all the variable message signs and signals on the motorway network. Working closely with the NTCC, the RCCs are developing their procedures and systems to make the most effective and efficient use of variable message signs to provide more frequent and accurate information to road users during their journey. A particular feature of the transfer of responsibility is the development of performance measures to ensure that the signs and signals are updated as soon as traffic conditions change.

- 4.59 The Agency's 10-year, £490 million National Roads Telecommunications Services (NRTS) project, announced in September 2005, is upgrading 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. Recabling of the M4, M62 and M3 is now substantially complete and the installation of new telecommunications equipment well advanced.

### Better preparedness

- 4.60 The Highways Agency has improved provisions to tackle disruption to the motorway and trunk road network caused by bad weather and other risks. Preparations for the 2006-07 winter season focussed on improving its winter service plans by increasing standardisation, better governance, establishment of a liaison group with the salt industry to ensure continuity in road salt supply, and putting an effective system in place to learn lessons from severe weather-related incidents.
- 4.61 At the same time the Agency has improved its reporting system for supplying road users with up-to-date information on the condition of the road network. Developments include a dedicated road weather information service at the NTCC, better provision of advance warning information on electronic variable message signs, and working with the Meteorological Office to ensure that messages to drivers are consistent. The Agency tested the preparedness of its staff and service providers in 'snow desk' exercises at the start of the 2006-07 winter season, and reviews of non-severe weather events are aimed at testing procedures to improve the Agency's response to severe weather events.
- 4.62 The Agency has continued to strengthen emergency and contingency planning arrangements. There is now a family of plans at a local service provider, regional, and national level. These have been developed to achieve the Civil Contingencies Act 2004's aims of 'integrated emergency planning', and take into account changes in the Agency brought about by the introduction of the Traffic Officer Service. The plans have been tested with other partners by way of exercises and, in some cases, by real events. In order that the plans can be revised to reflect lessons learned, the Agency has developed a 'cold debriefing' process which was rolled out across the network during 2006.
- 4.63 In addition diversion routes between key nodes of the network are being reviewed and improved in liaison with local authorities, to decrease the delays to road users following incidents.

## Influencing travel behaviour

- 4.64 The Highways Agency's Influencing Travel Behaviour programme aims to shift emphasis from providing additional road network capacity towards managing demand to help smooth congestion during peak periods. It contributes towards improving journey reliability by the use of 'smarter choices' designed to exploit sustainable travel solutions.
- 4.65 The programme is being implemented primarily through developing travel plans with employers and developers. The travel plans aim to reduce the overall traffic impact of existing or new business and residential areas by encouraging staff or residents to adopt more sustainable travel patterns.
- 4.66 During 2005-06, the Agency implemented three demonstration travel plan schemes – Barclaycard Northampton, The Mall at Cribbs Causeway (Bristol) and Solent Business Park (Whiteley), meeting the 2005-06 business plan target. These were followed in 2006-07 by a further eight sites, as set out below. The Agency is now taking account of air quality conditions in its travel plan site selection. Reflecting this, three of this year's schemes are adjacent to air quality management areas (AQMAs).

Fifth Avenue – Gateshead	A1
Birchwood Park	M6, M62
Northampton General Hospital	A45
Birmingham Business Park (AQMA)	M6, M42, A446
Grove Park – Leicester (Priority AQMA)	M1, M69
Cornwall College (close to AQMA)	A30
Cambridge Science Park	A14
Surrey Research Park	A3

- 4.67 Other initiatives influencing travel behaviour include:
- work with tourism authorities to smooth peak traffic flows on motorways and major roads;
  - encouraging modal shift initiatives with freight and coach operators; and
  - liaising with local authorities and developers to ensure that where appropriate, travel plans are implemented as part of planning conditions.

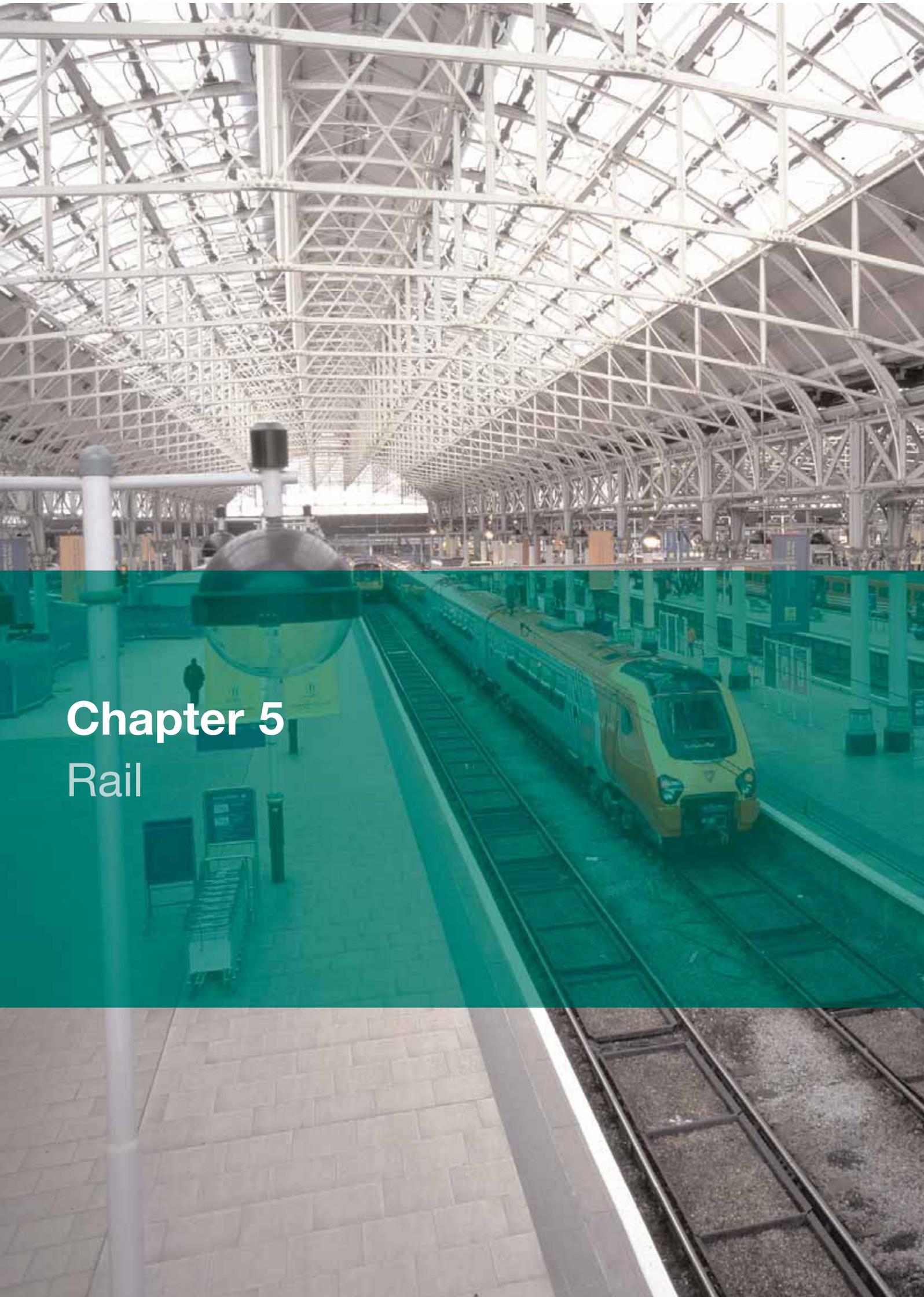
## Measuring progress with new targets

- 4.68 The Government has invested in new performance information and indicators, allowing new targets to be set for the strategic road network and major urban areas. More importantly the new performance information allows road performance to be better understood than before, and the management of the network to be improved.

- 4.69 New PSA targets were published in July 2005 for tackling congestion on the strategic road network, and on selected principal roads operated by local authorities in the 10 largest urban areas. The new targets use more meaningful measures of congestion, provide improved information for drivers about the roads they use, and will focus road managers' attention on identifying and targetting improvements in road performance where they will be most effective in delivering better journeys.
- 4.70 The target for strategic roads (PSA1) is to make journeys more reliable on the strategic road network by 2007-08. The target focusses on journey time reliability, since unpredictable journey times are one of the most important consequences of congestion. It does this by looking at the worst journeys for each road and for each time of day. While it is possible to predict when journeys are likely to be slower and make allowances for that, it is when a journey is unusually slow that people arrive late. Improving the worst journeys will improve journey time reliability overall. The target covers the vast majority of the strategic road network managed by the Highways Agency, and information is available for individual, recognisable routes.
- 4.71 The Highways Agency is responsible for delivery of the target. The network management initiatives described earlier in this chapter will help improve the worst journeys and improve reliability on strategic roads. For example, the traffic officers clear incidents and keep traffic moving, and the active traffic management scheme controls traffic flow during busy periods. Infrastructure improvements and information to support journey planning are also expected to contribute towards improved reliability.
- 4.72 Latest performance information is included at Appendix D. Analysis of the data suggests that the challenge inherent in the increased demand for travel is greater than we had originally anticipated. The Highways Agency is using performance data analysis to inform the further development of its delivery plan for the target, identify what works best on the network to improve traffic flow and improve reliability in the context of increased demand. The Agency is putting in place significant additional measures in recognition of the increased challenge, with more diversion routes, ramp metering sites and increased use of surveying equipment to speed up police investigation of accidents.
- 4.73 The target for urban roads (PSA4) was published in outline in 2005 and fully specified in July 2006. It is about improving the management of key routes in the largest urban areas in England. Its focus is, therefore, consistent with the priorities recommended by the Eddington study. It is based on a set of local targets in each of the 10 largest urban areas. Each area set its local target in the context of the expected increased demand for travel, influenced in part by increased economic activity in their area. The targets are about managing the impact of growing underlying demand on the journey times that people experience. The PSA target, built from the 10 local targets, is set out below.

- 4.74 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.
- 4.75 The other urban areas with congestion targets included in the national congestion target are Tyne and Wear, Merseyside, West Yorkshire, South Yorkshire, Nottingham, Leicester and Bristol. Across these areas a total of 168 routes are included in the target.
- 4.76 The target relates to the movement of people rather than vehicles, because, in the urban context, it is the people and the goods that the vehicles are moving around – rather than the vehicles themselves – that are important.
- 4.77 Local authorities in these 10 urban areas are responsible for delivering the local targets that make up the national target. Each area has produced a delivery plan for how their target will be met. The Department is contributing through providing authorities with traffic management powers under the Traffic Management Act 2004, and establishing a congestion performance fund of up to £60 million over four years for authorities that manage to exceed their local targets.
- 4.78 More details about the DfT's PSA targets appear in Appendix D.





# Chapter 5

## Rail

## Chapter 5

### Rail



- 5.1 Implementation of the proposals in the white paper *The Future of Rail*, and of the Railways Act 2005 which gives effect to many of them, is now essentially complete. The result is a new, simpler and more streamlined industry structure, built on the principle of public and private partnership. The new structure recognises rail's status as a public service, specified by the Government and delivered by the private sector.

#### Developing a longer-term strategic framework

- 5.2 One of the most significant challenges facing the Department and the industry now 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 their needs.
- 5.3 Work has continued during the year on preparation of the first High Level Output Specification (HLOS), to be published alongside a long term strategic framework for rail in summer 2007. HLOS will specify what the Secretary of State wants the railway to deliver in terms of capacity, performance and safety during the five years from 2009. At the same time, it will indicate the level of investment in the industry during that period.
- 5.4 The strategic framework will respond to a range of other issues, including:
- how to accommodate anticipated passenger growth;
  - the role of high-speed inter-city trains, including the case for a new north-south high-speed line;
  - improving the environmental performance of the rail network to ensure it maintains its advantage over other forms of transport; and
  - responding to passenger needs in the context of an ageing and more culturally diverse population.

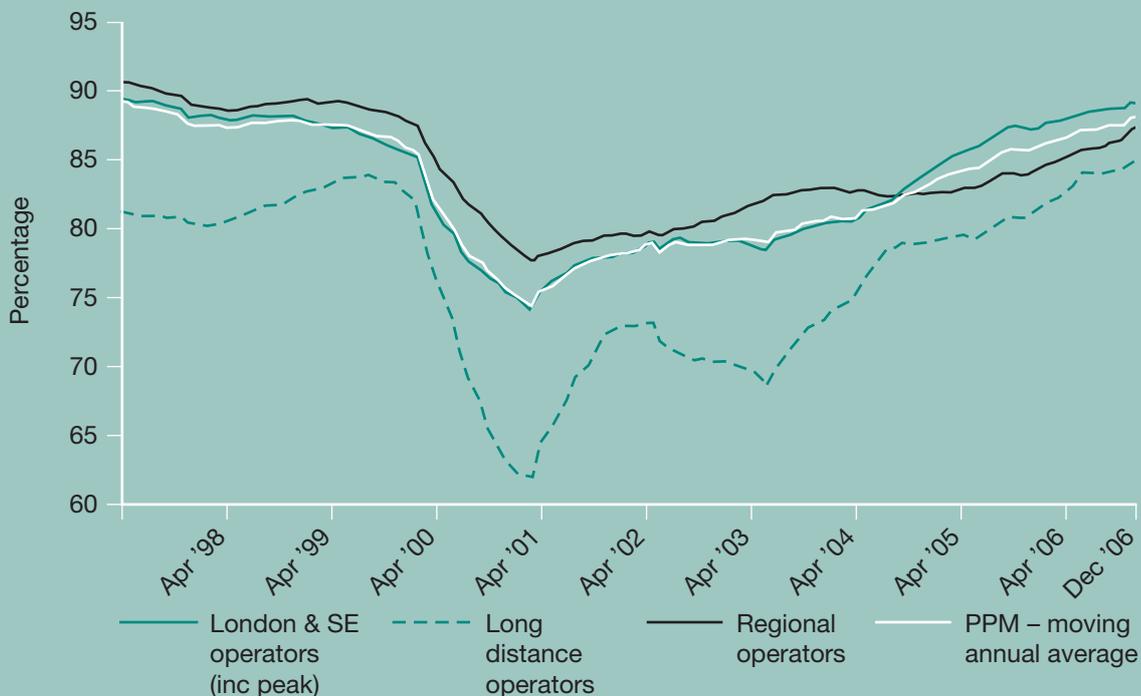
- 5.5 This work will also link closely to the Department's response to Sir Rod Eddington's study on transport's role in sustaining the UK's productivity, the outcomes of the 2007 Comprehensive Spending Review and wider transport and spatial planning.

## Delivering the service

### Punctuality and reliability

- 5.6 Punctuality and reliability continue to improve. The moving annual average for punctuality at December 2006 was 88.1 per cent, up 2.4 per cent on the previous year. Performance has improved in all sectors compared with last year. In London and South East sector, the moving annual average was 89.0 per cent for the year to the end of December 2006, an increase of 1.7 percentage points. This maintains the figure above the level achieved prior to the Hatfield accident in 2000. The overall regional sector figure was 87.5 per cent, up 3.6 percentage points, and the figure for the long distance sector was 84.6 per cent, up 3.6 percentage points. Figure 5a shows more detail.

Figure 5a: **Public Performance Measure (PPM) moving annual average percentage: April 1998 to December 2006**



- 5.7 Network Rail was established as the single point of responsibility for industry performance on 4 April 2005, as set out in *The Future of Rail*. Network Rail's task is to ensure more effective management of the network as a whole.
- 5.8 Network Rail and the train operating companies continue to work together to make services more punctual through their joint performance improvement plans.

### Passenger use

- 5.9 Between the end of 2005 and the end of 2006, total passenger journeys and total passenger kilometres had increased in all sectors. In passenger kilometres, long distance operators saw an increase of 7.0 per cent, regional operators saw an increase of 2.9 per cent and London and South East operators saw an increase of 6.7 per cent. Figure 5b shows recent passenger use of the railway.

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



## Franchising

- 5.10 Progressive introduction of the new standard model franchise agreement continues. This implements the white paper commitments.
- 5.11 Significant franchising developments during the year included:
- the start of three new franchises – Integrated Kent, Thameslink/Great Northern and Greater Western;
  - the award ahead of schedule in September 2006 of a new south western franchise, incorporating the previous South West Trains and Island Line operations (the new franchise began operations in February 2007);
  - the publication of invitations to tender for three franchises – New Cross Country, East Midlands and West Midlands. We expect to award all three in summer 2007 and operations to begin in November 2007;
  - re-franchising of the Intercity East Coast Main Line franchise; and
  - reinstatement in December 2006 of the franchise agreement with Virgin Rail Group for operation of the West Coast Main Line.

## Quality of service

- 5.12 Findings from the Passenger Focus autumn 2006 satisfaction survey showed that 81 per cent of rail passengers were fairly or very satisfied with the journey just completed. This figure has increased from 80 per cent in the autumn 2005 survey.
- 5.13 Nationally, the increase in the percentage of passengers satisfied with their journeys is small but it does take the total to the highest level ever recorded. There have also been modest improvements in punctuality and reliability and in the provision of information. The proportion of passengers satisfied that their tickets represent value for money is low but shows a small improvement from earlier in the year.

**Figure 5c: Passenger satisfaction – percentage satisfied**

	Autumn 2006	Spring 2006	Autumn 2005
Overall satisfaction	81	80	80
Punctuality/reliability	79	79	77
Frequency of trains	77	76	77
Value for money	43	41	45
Train information	78	77	77

## Investment and capacity enhancement

### Rolling stock

- 5.14 The average age of passenger rolling stock continues to mirror investment over the last 10 years. At the end of 2000 it stood at 20.67 years and by the end of 2006 it had reduced to 13.47 years. This reflects in particular the complete replacement of a number of train fleets. These include Cross Country, West Coast, Transpennine Express fleets and elimination of slam door carriages on lines south of the Thames.
- 5.15 The number of new trains ordered in the last 10 years is 4,800 of which over 4,500 are now in passenger service. This equates to investment in the region of £4.8 billion in rolling stock.
- 5.16 The Department is leading a project to procure a modern, high-quality replacement for the existing high-speed train fleet used for long distance services in the Greater Western, East Coast and Midland Main Line franchises. We will continue to work closely with the rail industry and passenger groups to scope and test the new design so that it can be introduced smoothly and with no loss of reliability. We expect the first replacement trains to enter service during the lifetime of the new Greater Western franchise.

### Freight

- 5.17 Under Network Rail's leadership, the industry has worked cooperatively to produce a very thorough and useful draft of the Freight Route Utilisation Strategy (Freight RUS). The Freight RUS considers existing freight capacity and capability. It also considers the potential for increasing freight capacity on key freight routes, based on industry forecasts. This work has fed into the development of HLOS and the finalised Freight RUS will be used to inform the line-specific RUSs (for more on freight see Chapter 9).

### Future capacity

- 5.18 The SRA's strategic role for the sponsorship of network capacity has now passed to the Department. However, Network Rail is now responsible for identifying and developing minor enhancement schemes, as a part of its stewardship and renewals role. The Department will continue to develop and oversee major projects, such as the construction or upgrade of major lines, and will determine the approach and the method of delivery. Schemes currently in hand or in development include:
- West Coast Route Modernisation;
  - Channel Tunnel Rail Link (CTRL, but also known as 'High Speed One');
  - Crossrail;

- the Thameslink programme; and
- the King's Cross station re-development.

The following sections set out further details of each.

## West Coast Route modernisation

- 5.19 The West Coast Main Line is the busiest and most important trunk route on Britain's railway system. Substantial progress is being made on renewing and upgrading it. This is a £8.125 billion project led by the Department, delivered through Network Rail and the various passenger and freight operators. Such teamwork has already led to the successful implementation of key stages of the project, with sound progress on the remainder. High standards of performance are being achieved with traffic growing substantially over the past 12 months.
- 5.20 The project reached its major milestone at the end of September 2004, with the upgrading of infrastructure to allow trains running at 125 miles an hour south of Crewe. This meant faster services to the North West and Manchester. The second major stage saw the 125 mile an hour railway extend to Scotland with correspondingly faster journey times to and from Glasgow. In addition to Virgin West Coast's successful introduction of Pendolino trains, a fleet of 100 mile an hour air conditioned inter-regional electric trains has been successfully commissioned. These currently provide various London commuter services as well as the service between Birmingham and Liverpool.
- 5.21 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 there. All these are due for completion in December 2008 when a further significant improvement to journey times and frequencies is also due. This will include 'turn up and go' frequencies between London, Birmingham and Manchester. The Department is also looking at the situation after 2008 and how best to accommodate further growth in traffic. This investigation includes longer Pendolino trains and a solution to a 'bottleneck' at Stafford.

## Channel Tunnel Rail Link

- 5.22 Section one of Channel Tunnel Rail Link (CTRL) from the Channel Tunnel to North Kent opened in 2003, reducing the journey time from London to Paris and Brussels by 20 minutes. It has also improved the punctuality of Eurostar services. The construction of section two from North Kent to St Pancras is now more than 94 per cent complete and it is expected to open in November 2007, reducing the journey time by a further 15 to 20 minutes. A new depot for Eurostar trains is being built at Temple Mills, Stratford, to replace the North Pole Depot in West London. It will be completed in time for the opening of section two.

## Crossrail

- 5.23 Crossrail is a major new cross-London rail link project. The project includes the construction of a twin-bore tunnel on a west-east alignment under central London between Paddington and Whitechapel and the upgrading of existing lines to the east and west of central London.
- 5.24 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.
- 5.25 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.
- 5.26 The Government introduced a hybrid Bill into Parliament in February 2005 to provide the powers to implement the scheme. The Bill was given its second reading in July 2005. A number of petitions have been lodged against the Bill and a Select Committee of the House of Commons has been considering these since January 2006. In March 2007 the Committee concluded hearing from petitioners against the bill and three groups of amendments.
- 5.27 On 22 March 2007, the Secretary of State announced that he would bring forward an additional provision to provide powers for a Crossrail station at Woolwich. The Committee will reconvene in due course to consider petitions on this issue.
- 5.28 Funding and affordability remain a challenge, as is to be expected for a multi-billion pound project such as Crossrail. Funding will be considered further by the Government and the Mayor of London in the context of Sir Michael Lyons's recommendations on local government financing, which will inform the Comprehensive Spending Review.

## Thameslink

- 5.29 The project 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. Ministers announced in October 2006 that legal powers and planning consent had been granted to Network Rail for the scheme.
- 5.30 The scheme is a major programme, both financially and strategically. The Department will consider it in the context of the forthcoming Comprehensive Spending Review, and the Department's strategic framework for rail due in summer 2007. In the meantime, we continue the planning and development

of the project so that we can make a more informed decision about the case for funding the project.

### King's Cross station

- 5.31 Major re-development and expansion of King's Cross Underground and rail stations are currently underway by both London Underground Ltd (LUL) and Network Rail. LUL works at King's Cross will enable the Underground to cope with increased passenger numbers generated by the neighbouring CTRL international station at St Pancras once it is operational in 2007.
- 5.32 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 2007.
- 5.33 Phase two will see the construction of a new underground northern ticket hall, and associated tunnelling, built north of phase one between King's Cross and St Pancras stations. The northern ticket hall will be under a new NR western concourse. It will handle CTRL passengers and provide new underground links to the Victoria, Piccadilly and Northern Lines.
- 5.34 Network Rail is building a new western concourse at Kings Cross. This will replace the southern concourse, for which planning consent has expired. The new 3,000m<sup>2</sup> concourse is three times the size of the existing one and will be built on top of the new LUL northern ticket hall. It will finally bring the suburban and intercity stations together properly. It will give a greater circulation space as well as easier access to St Pancras, whose Kent domestic platforms will be opposite.
- 5.35 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 for the 2012 Olympics.

### Community rail

- 5.36 The Department has continued to implement the Community Rail Development Strategy during the year and on 30 March published a review of progress with implementation. The publication of the review demonstrates a continued commitment to the community rail strategy and a desire to see it implemented. The review formally adds regeneration as a further objective of the strategy. During the year we designated six lines as community rail lines, allowing greater flexibility in the management of both the infrastructure and train services. We also extended the strategy during the year to allow for the separate designation of services only. This applies where there is little or no scope for modifying how the infrastructure is managed but scope remains for more flexibility over the running of the service itself. During the year, six<sup>1</sup> services were designated, bringing the total (service only or line-with-service) to 19.

<sup>1</sup> Excluding the Derwent Valley, where the designation was initially for the service only but was later extended to the line as well.

## Accessibility

- 5.37 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 4,500 compliant vehicles had been introduced by the end of 2006. In addition, thousands more rail vehicles that predate the RVAR have had access enhancements as they are refurbished. Major ongoing projects include the large scale refurbishments of the First Great Western and GNER Inter City 125 fleets.
- 5.38 The introduction in the near future of the European Technical Specification for Interoperability – Persons of Reduced Mobility (PRM TSI) will significantly affect the accessibility of stations and rolling stock on the heavy rail network. The Department is considering how to reconcile the requirements of the PRM TSI with domestic regulations, and we will consult on proposals in summer 2007.
- 5.39 Accessible vehicles are only part of the solution however. Stations and other 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 (£35 million a year) is targeted at providing accessible routes at the busiest stations. Network Rail is delivering this investment. In addition, up to £7 million a year is available as small schemes funding for train operating companies, local authorities, PTEs and other bodies. They can bid for this on a match-funded basis to improve local stations.
- 5.40 In 2006-07 the Department announced that 92 stations in England and Wales would benefit from Network Rail's Access for All works up to 2011. We chose them according to the criteria consulted upon in the Railways for All Strategy. Also in 2006-07, we held two bidding rounds for the small schemes funding and allocated £5.6 million to 29 organisations to deliver works totalling £18.5 million at over 400 stations. For the financial year 2007-08 £6.28 million of small schemes funding has been allocated to 22 organisations to deliver works totalling £21.5 million at 161 stations.

**Figure 5d: Railways expenditure 2001-02 to 2008-09<sup>1</sup>**

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 Estimated outturn	2007-08 Plans	2008-09 Plans
Net Direct Support for Passenger Rail Services	738	930	1,225 <sup>3</sup>	878	813	847	713	766
Grants to PTE's	214	245	294	277	199	313	312	324
Direct Grants to Network Rail	499	792 <sup>2</sup>	1,448	2,058	1,984	3,103 <sup>6</sup>	3,154	3,024
CTRL Grants	342	1,362	1,295	312	385	102	156	83
Freight Grants <sup>4</sup>	57	49	32	26	5	0	0	
Other <sup>5</sup>	273	390	394	296	104	84	82	83
<b>Total</b>	<b>2,134</b>	<b>3,768</b>	<b>4,688</b>	<b>3,747</b>	<b>3,490</b>	<b>4,449</b>	<b>4,417</b>	<b>4,280</b>

<sup>1</sup> 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.

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

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

## Network Rail

- 5.41 Network Rail is a company limited by guarantee, owned by and accountable to its members. Members represent passengers and those who deliver rail services, such as train companies. Network Rail is also accountable to the Office of Rail Regulation (ORR) under its licence. ORR produces regular monitoring reports on key aspects of Network Rail's performance.
- 5.42 In July 2007, the Government will publish its first HLOS setting out what it wants the railway to deliver in terms of capacity, performance and safety, together with a statement of the rail funding available for the five years from April 2009. It remains however for ORR to determine, on the basis of the funds available, what Network Rail should deliver and how much income it needs to do so. ORR also remains responsible for monitoring how well Network Rail is doing, and acting on any poor performance.
- 5.43 ORR modified Network Rail's network licence in June 2005. The regulator required Network Rail to prepare route utilisation strategies (RUSs) across the network, as part of the rail review reforms. RUSs seek to balance capacity, passenger and freight demand, operational performance and cost. They aim to simplify timetables and deal with the requirements of funders and stakeholders. Engagement and consultation with stakeholders is central to their development. The first two RUSs – for the South West Main Line and Cross London – were published in March and August 2006 respectively.

- 5.44 Network Rail is now also responsible for punctuality across the whole rail network. It is forecasting an annual total for 2006-07 of 9.8 million delay minutes as against a regulatory target of 10.6 million minutes. This compares with almost 23.8 million delay minutes in 2000-01, the year of the Hatfield accident. ORR's November monitoring report concluded that Network Rail remains on course to exceed its regulatory targets.
- 5.45 Network Rail's latest forecast for operations, maintenance and renewal expenditure in 2006-07 is £5.146 million. 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.
- 5.46 ORR set Network Rail a 31 per cent efficiency savings target over the five year regulatory control period to 2008-09. At the mid point of the period the company is well on course to meeting the target.

### The Office of Rail Regulation

- 5.47 ORR is an independent non-ministerial government department responsible for the regulation of the railways in Great Britain. It aims to apply independent, fair and effective regulation so that the railway is safe, well maintained and efficient and provides value for money for users and funders.
- 5.48 In April 2006 ORR took on responsibility for railway health and safety regulation. This had previously been the remit of the Health and Safety Commission (HSC)/Health and Safety Executive (HSE). In January 2007, the Secretary of State confirmed the appointment to the ORR Board of three new executive members from the ORR senior team, including the Chief Inspector of Railways. This reflected ORR's new responsibilities and will help to make the organisation more effective.
- 5.49 Following publication of its Corporate Strategy 2006-09, ORR further consulted in November on its detailed priorities for 2007-08. This included seeking views on how it can continue to become more focussed and effective in its combined safety and economic regulation of the railway industry.
- 5.50 As part of ORR's new role, Her Majesty's Railway Inspectorate is enforcing new safety regulations that came into effect in April 2006. HSE Rail developed the Railways and Other Guided Transport Systems (Safety) Regulations 2006 (known as ROGS) before it merged with ORR. The Regulations simplify and consolidate the legislative framework for rail safety. They reduce bureaucracy and provide continued public assurance that railway safety will be properly and proportionately regulated.

- 5.51 In June 2006, the Department for Transport asked ORR to refer the passenger rolling stock leasing markets to the Competition Commission for investigation. Following a market study, ORR announced in April 2007 that it was referring the markets to the Commission for further investigation.
- 5.52 ORR also concluded its investigation under the Competition Act 1998 into complaints made in 2001 and 2002 against English Welsh & Scottish Railway (EWS). The complaints alleged that EWS had abused its dominant market position. ORR found that EWS had concluded contract terms that excluded competitors from the market for coal haulage by rail. ORR also found that EWS had pursued discriminatory and predatory pricing practices in the same market. ORR announced in November that it was fining EWS £4.1 million.
- 5.53 During 2006, ORR published further consultation documents on the Periodic Review 2008. This is the process of resetting the terms of the regulatory contract for the control period starting in April 2009. In particular, ORR speeded up work on the freight charges element of the review. This was at the industry's request and with Network Rail's full co-operation, to reduce commercial uncertainty. ORR also published proposals on a new framework to align industry incentives.
- 5.54 Other key outputs included:
- publication of *ORR Annual Report on Railway Safety 2005*, ORR's first annual report on railway safety since the merger with HSE Rail;
  - publication of the final report by the independent investigation board set up to oversee HSE's investigation into the Hatfield train derailment in 2000;
  - publication of guidance for managing fatigue in safety-critical work on the railways;
  - publication of criteria and procedures for ORR's consideration of track access contracts;
  - providing information about ORR's approach to disposals of land by Network Rail;
  - proposals for more effective delivery of ORR's sustainable development and environment duties;
  - proposals for revising public liability insurance requirements for licence holders;
  - conclusions on encouraging third-party investment in large-scale infrastructure enhancements; and
  - continued monitoring of the industry, and Network Rail in particular, through publication of the *National Rail Review* and the *Network Rail Monitor*.

## European Union (EU)

- 5.55 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 2006-07 has been the Third Railway Package.
- 5.56 The package consists of three separate measures relating to international passenger service liberalisation, international rail passengers' rights and train driver licensing.
- 5.57 These will:
- provide important new commercial opportunities for train operators, while protecting public services;
  - strengthen rights for international rail passengers on matters such as compensation for delay, the provision of travel information and help for persons of reduced mobility; and
  - make it easier for drivers to drive trains in different countries, while safeguarding safety by standardising train driver licences.
- 5.58 Political agreement was reached on the Third Railway Package in December 2005. During 2006-07 it was taken through the European Parliamentary (EP) procedures. The package as amended by the EP was debated and voted on in plenary session in January 2007. The resulting text is likely to go to the conciliation procedure.
- 5.59 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. They 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.

## Useful websites

### EU legislation

<http://europa.eu.int/scadplus/leg/en/s13002.htm>

### Network Rail

[www.networkrail.co.uk](http://www.networkrail.co.uk)

### Office of Rail Regulation

[www.rail-reg.gov.uk](http://www.rail-reg.gov.uk)

### Strategic Rail Authority

[www.sra.gov.uk](http://www.sra.gov.uk)



# Chapter 6

## Buses and taxis

## Chapter 6

### Buses and taxis



- 6.1 Buses are the most commonly used form of public transport. They account for two thirds of all public transport passenger journeys – currently four billion passenger 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.

#### Strategy and objectives

- 6.2 Tackling congestion in our towns and cities continues to be a priority for the Department and we have a Public Service Agreement (PSA) target to increase bus and light rail use in England by 12 per cent, with growth in every region.
- 6.3 The Department’s overall strategy encourages operators and local authorities to work in partnership to improve bus service provision and to ensure that buses play their full part in achieving wider objectives. Our aim has been to encourage improved services and patronage within the existing regulatory framework while keeping under review the case for changing that framework.
- 6.3 During the summer and autumn of 2006 ministers undertook a review of buses. The review looked at the issues and factors affecting buses and generated a number of important proposals aimed at reversing the current downward trend outside London in the number of bus journeys. Our proposals are informed by the views of the industry, local authorities and, crucially, the travelling public. The report *Putting Passengers First: the Government’s proposals for a modernised national framework for bus services* was published on 12 December 2006 and sets out our thinking on the future direction of bus policy. It includes proposals on:

- punctuality – increasing powers for the Traffic Commissioners to hold both operators and local authorities to account for the performance of local bus services;
- partnership between local authorities and operators – making it easier for them to make arrangements covering bus frequency, timetables and fares;
- quality contracts (bus franchising) – making it a realistic option for local authorities to introduce schemes tailored to local needs;
- local community transport – giving them a bigger role in providing services in areas poorly served by other transport; and
- the environment – making sure that current bus subsidies help to support the Government’s environmental objectives.

6.4 The Department is now implementing these proposals.

6.5 We have also delivered on a number of specific objectives:

- leadership of the Bus Partnership Forum, for instance in developing guidance on statutory quality partnerships;
- free concessionary fares for older and disabled people began in April 2006;
- making it easier for local authorities to implement and enforce bus lanes;
- implementation of the 43 Kickstart schemes announced in November 2005;
- a step change to the ability of local authorities to plan an efficient and effective strategy for delivering accessibility and social inclusion; and
- ongoing administration of the Bus Service Operators Grant (BSOG), providing nearly £400 million in 2006-07 to over 2,000 bus operators and community transport providers.

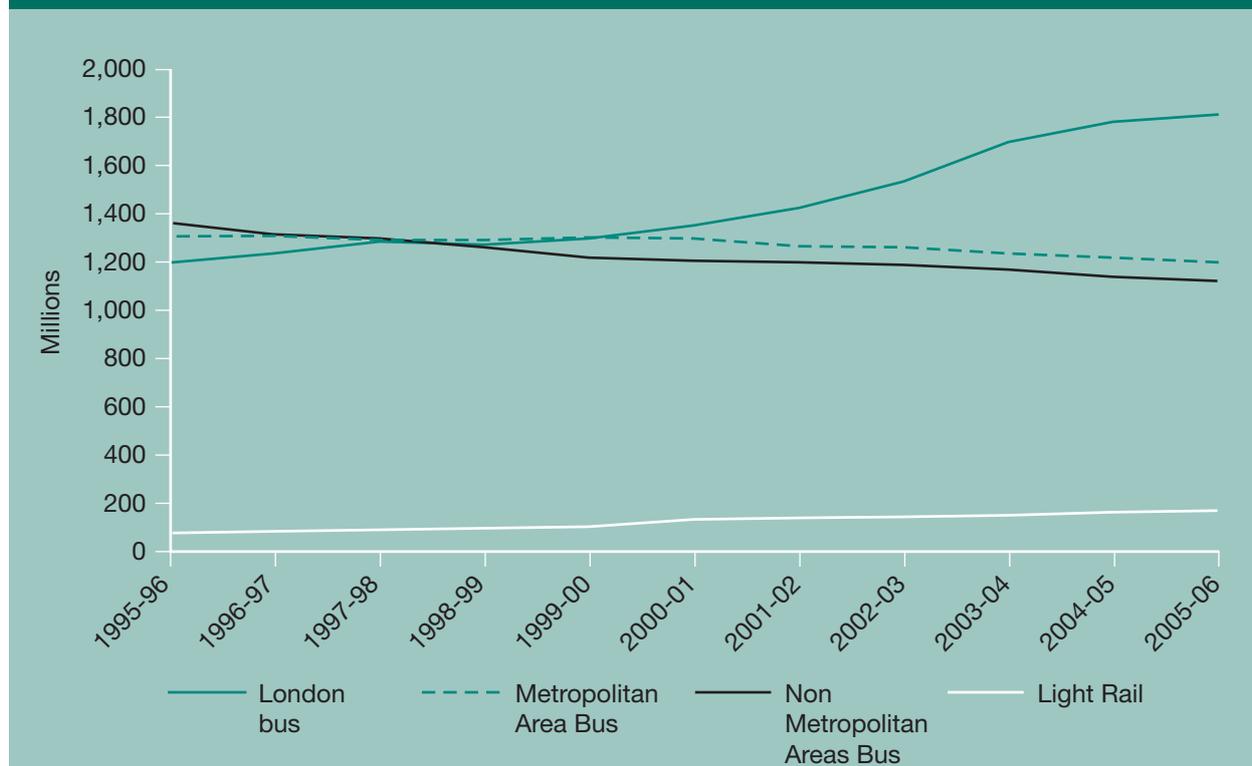
### Responsibility for delivery

6.6 While the Department is responsible for the overall regulatory and policy framework for bus services in England, most bus services outside London (some 80 per cent of the network) are provided commercially by companies responding to market demand. Local authorities put in place a bus strategy for their area, as part of their local transport plan (LTP). They also specify and subsidise that part of the network (currently around 20 per cent) which is socially necessary but which is not provided commercially. Local authority highways and traffic management responsibilities are also very relevant to improving bus services. The Department funds local authorities’ transport capital schemes, many of which assist bus operation.

## Progress in delivering objectives

- 6.7 In relation to the PSA target, bus patronage in 2005-06 remained the same as the previous year and light rail use grew by 2 per cent.
- 6.8 The picture regionally is mixed. Patronage continued to increase in London, though less than previous years, up 1.4 per cent in 2005-06. Outside the capital, bus use continued to decline in most regions. However, slight increases in patronage in three regions (Yorkshire and the Humber, East Midlands and South East) may suggest that a corner has been turned.
- 6.9 Across every region, the evidence continues to be that where bus patronage is increasing, operators and local authorities have developed a strong partnership based on commitment to mutually-beneficial objectives. Such partnerships have been key to reducing car use, coupled with a high-quality, reliable and affordable public transport alternative. The Department will work with authorities across the country, in particular those in key urban areas, to ensure that they pursue similar working relationships. Bus and light rail patronage over the last 10 years is shown in Figure 6a. For more on light rail, see Chapter 7.

Figure 6a: **English bus and light rail passenger journeys 1994-95 to 2005-06**



## Spending to support bus services

- 6.10 The bus industry is supported in various ways. Central and local government provide revenue support – see below. Capital funding to local authorities supports bus priority measures and other infrastructure such as bus stations and shelters. Figure 6b sets out details of central Government revenue spending on local bus services.
- 6.11 Central and local government help to fund bus services in a number of ways. In summary, these are:
- DfT pays BSOG to all local bus services in England that are open to the general public;
  - DfT pays Rural Bus Subsidy Grant (RBSG) to local authorities with rural areas, which they use to fund tendered bus services that are not provided commercially, and funds projects under the Bus Challenge and Kickstart schemes;
  - local authorities outside London make discretionary payments for contracted socially necessary services that are not provided commercially;
  - DfT meets its existing commitments for payments to local authorities under the Rural and Urban Bus Challenge (RUBC) schemes;
  - Transport for London (TfL) subsidises all contracted London bus services; and
  - local authorities across England reimburse bus operators for providing concessionary travel to older and disabled people and, in some areas, to children.

**Figure 6b: Bus spending by central Government<sup>1,2</sup> £ million**

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Forecast outturn	Plans						
Bus Service Operators Grant <sup>3</sup>	277	301	304	317	341	362	369	380	405
Other bus grants <sup>4</sup>	35	45	50	75	80	84	73	73	67
<b>Total</b>	<b>312</b>	<b>346</b>	<b>354</b>	<b>392</b>	<b>421</b>	<b>446</b>	<b>442</b>	<b>461</b>	<b>478</b>

<sup>1</sup> Excludes local authority expenditure on concessionary fares and other public transport support for socially necessary bus services that is funded by the Revenue Support Grant. Total revenue support for buses exceeds £1 billion a year.

<sup>2</sup> Figures include local transport spending in London until the end of June 2000 but exclude London thereafter.

<sup>3</sup> England only from 2000-01. The Bus Service Operators Grant was formerly known as the Fuel Duty Rebate.

<sup>4</sup> Includes Rural Bus Subsidy Grant, Rural Bus Challenge, Urban Bus Challenge and 'Kickstart' bus projects.

- 6.12 The Department pays BSOG to all operators of local bus services for the general public and, since May 2002, to a wide range of community transport services. It reimburses 80 per cent of the fuel duty on ultra-low sulphur diesel (100 per cent for new, cleaner fuels). BSOG amounts to a forecast £380 million in England in 2006-07. This reduces operators' costs, making more services available and helping to keep fares down.
- 6.13 RBSG was increased to £54.3 million in 2006-07 compared with £53 million in the previous year. In 2005-06, it supported about 2,000 services on which passengers made some 32 million journeys.
- 6.14 In 2006-07 the Department paid some £19 million to local authorities as grants to meet commitments made from awards under the RUBC schemes. The Department will continue to fund all the awards to existing projects, although the 2003 Bus Challenge competitions were the last held under these schemes. Monitoring has shown that many of the projects have been successful and are being continued after departmental funding ends.
- 6.15 As part of the 2003 Bus Challenge competitions, 18 pilot schemes were awarded Kickstart funding. Kickstart encourages new and improved services that can clearly contribute to the growth in bus use and to become self supporting after an initial period. All these schemes have been taken forward by operators and local authorities and the initiative is delivering encouraging examples of significant patronage growth. A further competition was held in 2005 and 43 local authority schemes developed in partnership with bus operators were awarded £20 million funding, typically to be spent over three years.
- 6.16 In 2006 the Department commissioned research jointly with the Scottish Executive to evaluate the Kickstart initiative. This research has shown that Kickstart encourages patronage growth and partnerships between operators and local authorities. The final report of this research will be published on the Department's website.

### Putting Passengers First

- 6.17 *Putting Passengers First*, published on 12 December 2006, sets out the Government's proposals to re-equip the bus sector for the challenges of the 21st century. It is the result of an extensive review of the sector by the Department over the course of the summer and autumn.
- 6.18 The document outlines changes to modernise the framework for bus services. It contains a number of measures to improve the quality of service offered to bus passengers, including:
- greater partnership working between bus operators and local authorities with better planned and co-ordinated services;

- making quality contracts/franchising a more realistic option for local authorities, so they can introduce schemes tailored to local needs;
  - ensuring better punctuality, with increased powers for the Traffic Commissioners to hold both operators and local authorities to account for the performance of local bus services; and
  - giving local community transport a bigger role in areas poorly served by other transport.
- 6.19 The Department is working closely with bus operators and local authorities to develop these proposals further. We will include legislative proposals in a draft Bill, which we intend to publish later in the spring.
- 6.20 *Putting Passengers First* also makes clear that we are considering with stakeholders whether there is a case for reforming bus subsidy to focus it more closely on the Government's priorities, such as congestion, the environment and accessibility. As part of this, we are looking at whether there is scope for reforming BSOG to tie this grant more directly to bus operators' performance and/or environmental outcomes, and the practical issues that would involve.

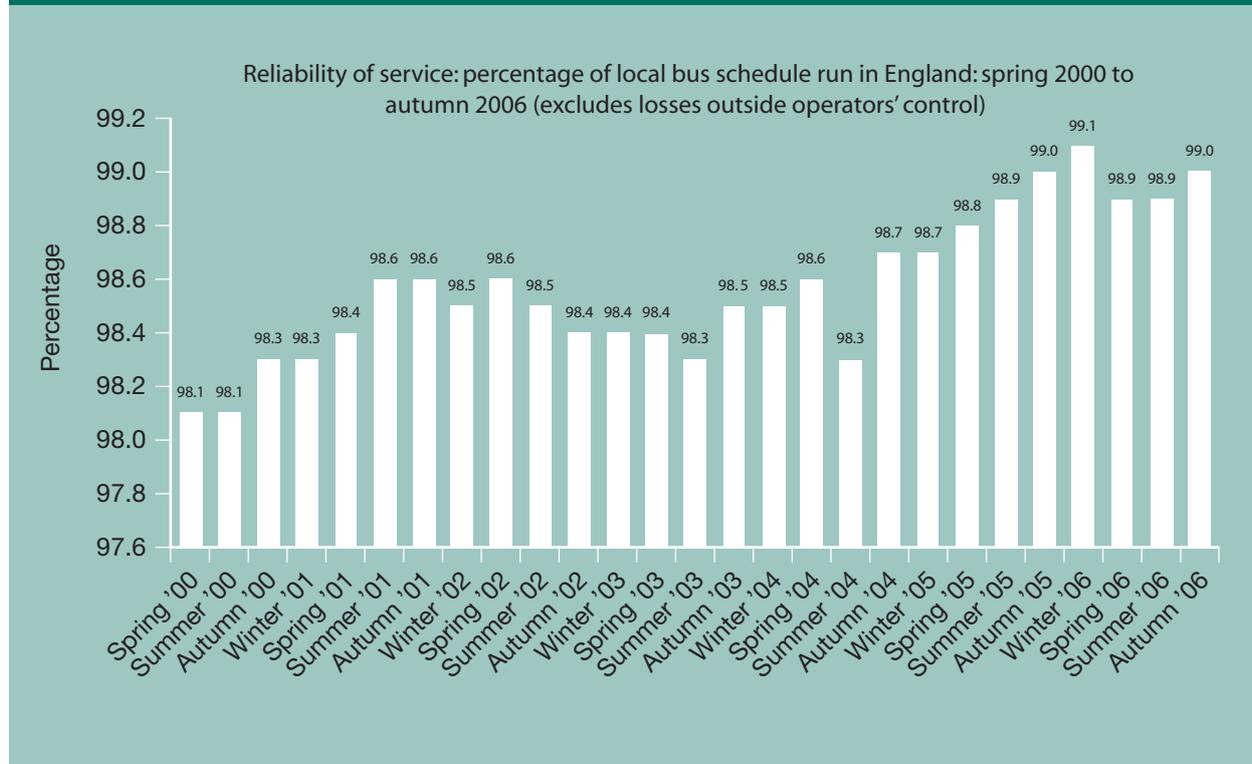
### Concessionary travel

- 6.21 In line with the commitment given by the Chancellor in the 2005 Budget, the statutory entitlement to concessionary travel was raised in April 2006. All people aged 60 and over and disabled people are now entitled to free off-peak travel on local bus services. The local government finance settlement confirmed an extra £350 million to local authorities for 2006-07, rising to £367.5 million in 2007-08 to cover the additional costs of this entitlement.
- 6.22 The Chancellor announced in the 2006 Budget that this local entitlement to free bus travel would be extended from April 2008 to provide a national bus travel concession for older and disabled people in England. For those eligible it will guarantee free off-peak local bus travel anywhere in England. The Government is making available up to £250 million additional funding each year to pay for the national concession. We are consulting with local authorities, bus operators, and other interested parties on the best framework for delivering this.

### Reliability

- 6.23 The Department collects data on bus service reliability – the percentage of scheduled services run, excluding losses for reasons outside the operator's control. This data, seasonally adjusted, is shown in Figure 6c. Bus reliability has improved from the baseline of 98.2 per cent in 2000-01 to 99 per cent in the year to autumn 2006.

Figure 6c: Percentage of local bus mileage run in England



## Punctuality

6.24 Punctuality varies significantly across the country, with services outside London less punctual on average. Figures for punctuality on non-frequent bus services in England (excluding London) for 2005 show that overall only 74 per cent of buses left stops on time. The equivalent figure for London (adjusted to make them easier to compare) is 79 per cent, an improvement of about nine percentage points over the previous three years. The amount of time spent waiting at stops or on slow-moving buses are key influences when people decide whether to travel by bus or other means.

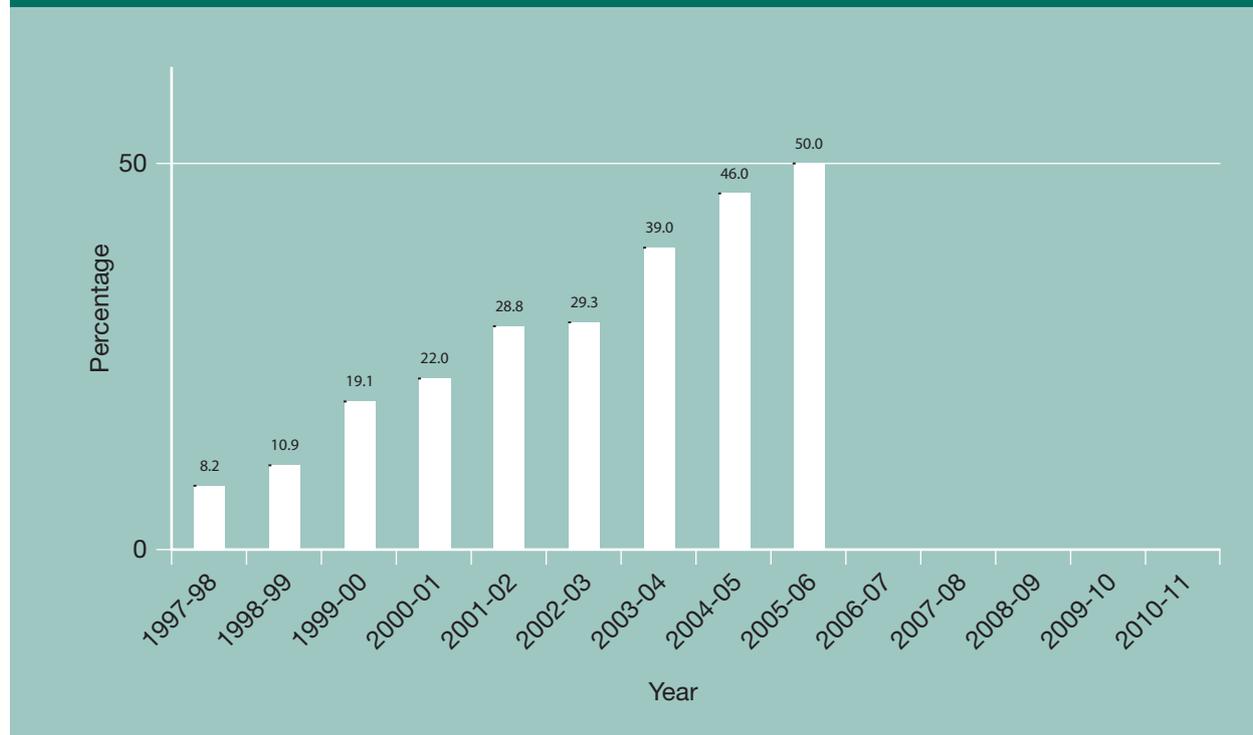
## Bus lanes

6.25 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 will allow local authorities outside London to enforce bus lanes themselves using evidence from approved cameras. The regulations apply currently to any local authority that has decriminalised parking powers under the Road Traffic Act 1991. This option should encourage local authorities to provide more bus lanes, and use existing ones more effectively.

## Accessible buses

- 6.26 Addressing the transport and mobility needs of disabled people is a key area. The Department continues to build on progress made following the introduction of accessibility regulations for buses, coaches and trains under the Disability Discrimination Act 1995.
- 6.27 The PSV Accessibility Regulations 2000 (PSVAR 2000) require buses and coaches that can carry more than 22 passengers, used on local or scheduled services, to be accessible to disabled people, including wheelchair users. This applies to new buses over 7.5 tonnes from 31 December 2000 and new buses under 7.5 tonnes and new coaches from 1 January 2005. It will apply to all buses from 2015-17 (depending on size) and all coaches from 2020.
- 6.28 We have agreed with the Confederation of Passenger Transport that half of all full-size buses in Great Britain will be accessible to wheelchair users by 2010. Figure 6d shows that this percentage has risen from 8 per cent in 1997-98 to 50 per cent in 2005-06 across Great Britain. The London fleet is now 100 per cent accessible.

Figure 6d: **Percentage of full-size fleet that is wheelchair accessible**



## Quality of service

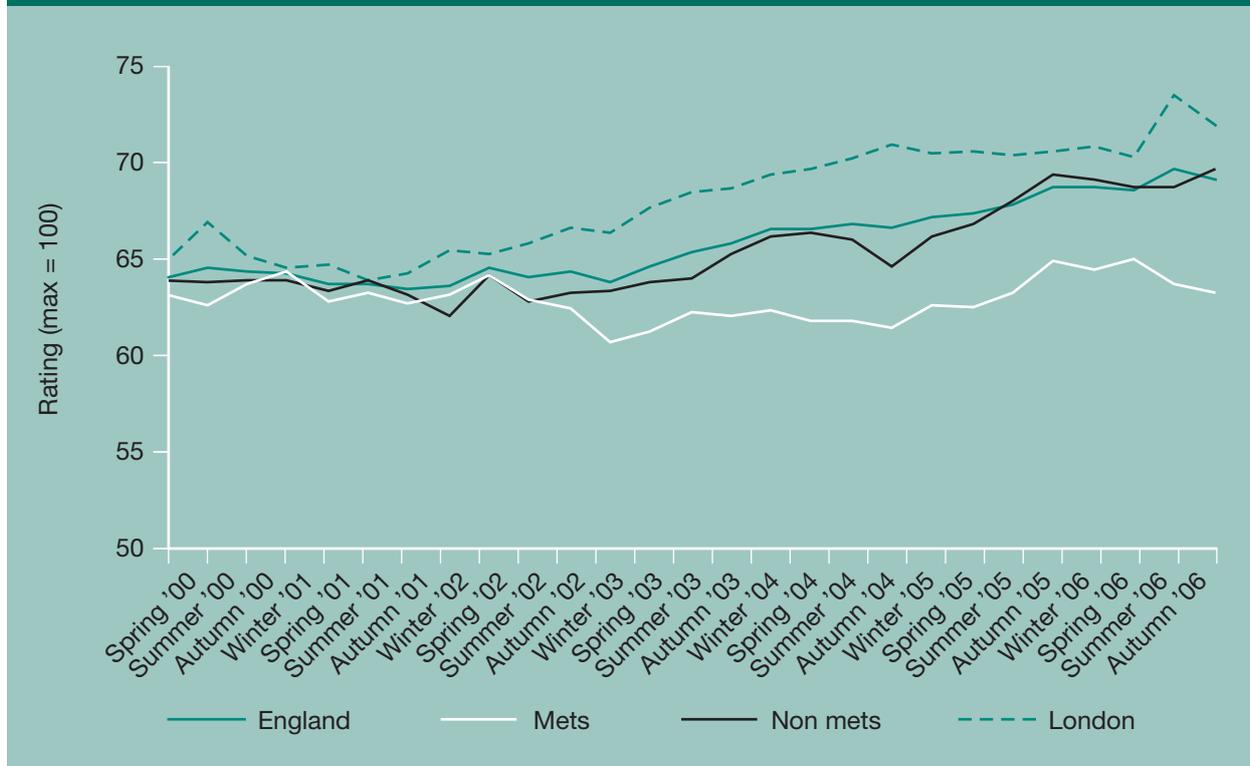
6.29 The Department carries out a series of quarterly interviews to measure bus passenger satisfaction in England. Passengers are interviewed as they get off local buses and are asked, among other things, to rate their satisfaction with various aspects of the journey they have just completed. Seasonally adjusted scores for satisfaction with overall service and satisfaction with reliability, between spring (April-June) 2001 and autumn (October-December) 2006, are shown in figures 6e and 6f respectively.

6.30 Between 2000-01 and 2005-06, overall satisfaction has risen from 79 to 80 out of 100 in England. Satisfaction with reliability has risen from 64 to 68 out of 100 in England. For this measure, London has witnessed a five point increase and non-metropolitan areas a four point increase in ratings between spring 2001 and summer 2006. Satisfaction with bus stop information has also improved noticeably, rising steadily from 61 to 69 out of 100 in England. This measure of satisfaction improved most in areas outside London. All data is seasonally adjusted. Further data on the bus passenger satisfaction survey can be found in the Department's bulletins on bus and light rail statistics.

Figure 6e: **Bus passenger satisfaction rating: overall service spring 2000 to autumn 2006**



Figure 6f: **Bus passenger satisfaction rating: reliability spring 2000 to autumn 2006**



## Personal security

6.31 Crime and anti-social behaviour (and the negative perceptions that they generate) contribute to declining bus use and staff retention problems for operators. The Department chairs and supports the Safer Travel on Buses and Coaches Panel (STOP), bringing together key stakeholders such as bus operators, local authorities, trade unions and the police. STOP's task is to develop and spread best practice on tackling crime and anti-social behaviour. The Department also aims to update its guidance on improving personal security for passengers and staff.

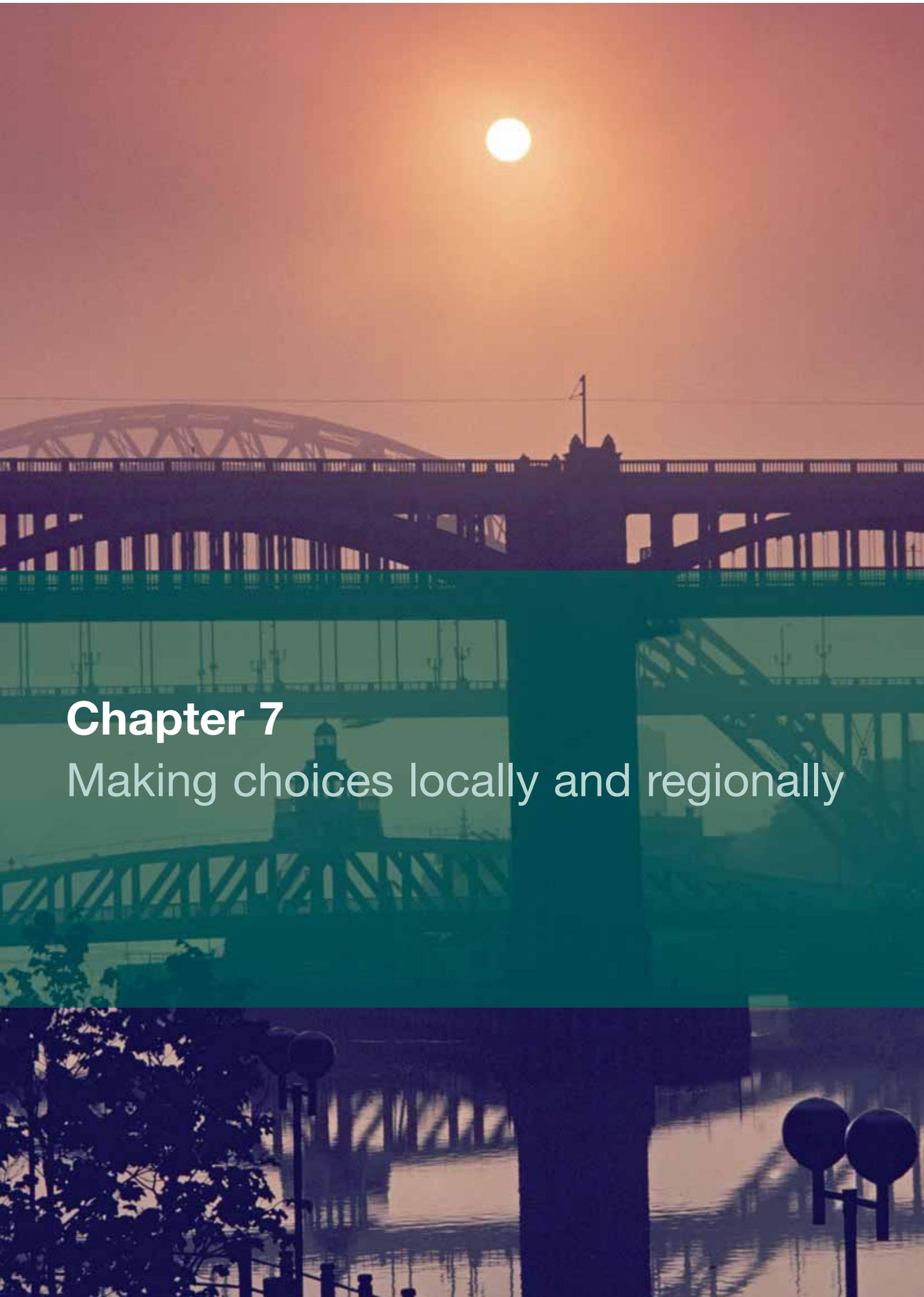
## London's bus network

6.32 London's bus services are run on a franchise basis on behalf of TfL. 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 1.8 billion passengers a year. Operational mileage in London is now higher than at any time since 1957 (68.8 million kilometres in 2005-06). By the end of December 2005 all buses had been fitted with CCTV, and by the end of March 2006, the average London bus was just 4.8 years old.

- 6.33 London bus patronage grew by 44 per cent between 1996-97 and 2004-05, and increased by a further 2 per cent in 2005-06. 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, and buses continue to experience significant gains in reliability in and around the charging zone. Excess waiting times within the charging zone have fallen by 46 per cent. The policy to reduce cash collection on buses continues. This reduces boarding times and improves bus operating and road network efficiency.
- 6.34 TfL introduced free travel on buses and trams for all under-16s in September 2005. This was extended to under-18s in full-time education in September 2006.
- 6.35 For the year 2005-06, overall customer satisfaction for London buses stood at 78 per cent, reliability at 70 per cent, personal safety and security at 82 per cent and bus stop information at 74 per cent. These factors all affect the quality and provision of bus services. There are, of course, other significant factors such as accessibility, journey times, and comfort which are of concern to passengers.

## Taxis

- 6.36 The Road Safety Act 2006 includes three changes to taxis and private hire vehicle (PHV) legislation to ensure the safety of passengers. The Act:
- introduces a power which came into force on 16 March 2007 to allow licensing authorities to suspend or revoke a taxi or PHV driver's licence with immediate effect for safety reasons;
  - repeals from January 2008 the exemption from PHV licensing (in England and Wales outside London) for vehicles which are used on contracts lasting not less than seven days; and
  - amends 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. This provision will come into force by March 2008 at the latest.
- 6.37 In October 2006, the Department published best practice guidance to help local licensing authorities decide on a range of taxi and private hire vehicle (PHV) licensing issues. The aim was 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. The Office of Fair Trading recommended publication of this guide in its market study into the regulation of taxi and private hire vehicle services. The guidance is on the Department's website.



## **Chapter 7**

### Making choices locally and regionally

## Chapter 7

### Making choices locally and regionally



- 7.1 This chapter sets out how the Department is helping local authorities and regional stakeholders to make the right choices in planning transport investment, and to plan, deliver and manage quality transport networks.
- 7.2 The Department has set out through the white paper *The Future of Transport* the Government's strategy for achieving sustained improvements to the transport system. We are working in partnership with local authorities to ensure improvements in the following areas:
- road safety;
  - levels of congestion;
  - public transport;
  - air quality;
  - local road maintenance; and
  - walking and cycling routes.
- 7.3 This chapter also includes details about the light rail element of the local public transport Public Service Agreement (PSA) target and the performance of London Underground. Information about the bus element of the local transport PSA target and the road safety PSA target can be found in Chapters 6 and 11 respectively.
- 7.4 The following are some of the highlights of 2006-07.
- In July 2006 the Government responded to advice from the regions about priorities for transport schemes, having given regions a say for the first time in this decision making. It confirmed the schemes expected to be funded over the next three years and indicative lists of schemes to be taken forward for the longer term (to 2015-16).

- In October 2006 the Government published *Strong and Prosperous Communities – The Local Government White Paper*. This was aimed at giving local people and communities more influence and power to improve their lives. One of the key transport priorities in the white paper is to ensure the right arrangements are in place to plan and deliver transport subnationally.
  - In December 2006, the Department allocated £3 billion of capital investment to local authorities to deliver their second local transport plans (LTPs). This included indicative integrated transport funding up to 2010-11.
- 7.5 All this shows that the sustained levels of investment for local transport of £8 billion between 2001-02 and 2005-06 are continuing. The Government sought (and responded to) advice from the regions about priorities for major local authority and Highways Agency schemes of regional significance. A set of short-term and long-term priorities is now in place.
- 7.6 The Government has therefore set the conditions for local authorities to deliver real improvements to local transport. Local authorities have the responsibility to develop LTPs, which help people to live better lives by finding better ways to work, shop, study, exercise and enjoy their spare time. Local authorities, through the delivery of successful LTPs, also put in place the conditions for local public services to succeed, while making their communities safer, more prosperous, more attractive and more sustainable.

### Local transport funding

- 7.7 There are two main ways in which the Government provides financial support for local authorities for transport. The bulk of funding is channelled through the Revenue Support Grant (RSG) which is used to support day-to-day expenditure. Financial support for investment (capital projects) is allocated on the basis of LTPs.

### Revenue funding

- 7.8 Many transport services (such as routine highways maintenance and support for bus services) are funded locally, with the Government providing revenue support for the whole spending of individual councils. It is for local authorities to take decisions about the right priorities for their spending in the context of their responsibilities and duties.
- 7.9 RSG provides local authorities with funding support so that they can maintain their highways satisfactorily, implement concessionary fares for bus travel at least to the national minimum standards and support socially necessary but economic bus services (outside London). Allocations of RSG are made by Communities and Local Government and are not service specific. Figure 7a shows English local authorities' revenue expenditure for 2005-06 (latest available figures) and Figure 7b shows a breakdown of the net current expenditure for highways maintenance and public transport.

**Figure 7a: English local authorities' revenue expenditure 2005-06<sup>1</sup>**

2005-06 outturn £million	Expenditure	Income	Net current expenditure	Net total cost <sup>2</sup>
Total highways maintenance	2,556	473	2,083	2,739
Parking <sup>3</sup>	727	1,217	-490	-355
Public transport	2,576	227	2,349	2,474
Concessionary fares	571	39	532	532
Other roads and transport	770	404	366	1,293
<b>Total</b>	<b>7,200</b>	<b>2,360</b>	<b>4,840</b>	<b>6,683</b>

<sup>1</sup> These figures are the latest published by the Government (Local Government Finance Statistics).

<sup>2</sup> Includes capital charges, but excludes specific grants.

<sup>3</sup> Parking income includes income from parking charges and, where relevant, penalty charge notices.

**Figure 7b: Expenditure for highways maintenance and public transport**

Item	2005-06 outturn £million
Structural maintenance – principal roads	91
Structural maintenance – other local authority roads	346
Environmental, safety and routine maintenance – principal roads	292
Environmental, safety and routine maintenance – other local authority roads	593
Roads – public lighting	364
Winter service	155
Bridges – structural maintenance and strengthening	59
Highways maintenance – planning, policy and strategy	183
<b>Total highways maintenance</b>	<b>2,083</b>
Expenditure on bus services	939
Payments on local rail services	946
Other public transport	463
<b>Total public transport</b>	<b>2,349</b>

Figures are the latest available

## The local transport capital settlement

7.10 The Department allocates capital funding between authorities (outside London) on the basis of their LTPs. These reflect the priorities for and pressures on transport in an area. Some funding is targeted towards authorities that have demonstrated particularly effective delivery and/or planning. Until April 2007, some of the funding allocated on the basis of LTPs had supported specific large projects. Other funding was allocated for smaller projects. With the confirmation of the regional funding allocations in July 2006, funding for large projects moved outside the scope of the LTP process and has therefore not been included in the 2007-08 settlement.

7.11 In December 2005, the Department announced a £1.6 billion capital settlement for local transport in 2006-07. This marked the first tranche of the capital settlement for the second LTPs. The settlement honours the Government's commitment to sustained investment. Figure 7c sets out central Government's spending on local transport.

**Figure 7c: Local transport funding by central Government<sup>1,2</sup> £ million**

	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimate	2007-08 Plans
Local transport plans (LTPs)								
Major schemes <sup>3</sup>	116	125	318	348	321	315	395	481
Road maintenance	264	548	571	566	650	660	672	683
Integrated transport block <sup>4</sup>	426	562	597	612	658	553	547	571
Other <sup>5</sup>	1	1	0	0	0	1	1	1
<b>LTP Total</b>	<b>807</b>	<b>1,236</b>	<b>1,486</b>	<b>1,526</b>	<b>1,629</b>	<b>1,529</b>	<b>1,615</b>	<b>1,736</b>
Community Infrastructure Fund (joint with CLG) <sup>6</sup>								
Local Transport <sup>7</sup>	6	17	27	38	61	33	47	48
<b>Total</b>	<b>813</b>	<b>1,253</b>	<b>1,513</b>	<b>1,564</b>	<b>1,690</b>	<b>1,562</b>	<b>1,716</b>	<b>1,930</b>

<sup>1</sup> Excludes day to day local transport expenditure on highways maintenance, concessionary fares and other public transport support that is funded by the Revenue Support Grant (see Figure 7a). Also excludes Bus Service Operators Grant (BSOG) and other bus grants, details of which can be found in Chapter 6.

<sup>2</sup> Figures include local transport spending in London until the end of 2000 but exclude London thereafter.

<sup>3</sup> Transport infrastructure projects funded by the Department through the LTP major projects programme.

<sup>4</sup> Figures for 2003-04 do not include a 5 per cent discretionary element for the Single Capital Pot in England only.

<sup>5</sup> Covers the Industrial Development Act grant.

<sup>6</sup> The Community Infrastructure Fund will support local and regional transport projects that will help to deliver faster housing growth in the growth areas of Thames Gateway; Milton Keynes-South Midlands; London-Stansted-Cambridge-Peterborough; and Ashford.

<sup>7</sup> Includes Transport Statistics Personal Travel, Promoting Sustainable Travel initiatives, International Subscriptions, Metropolitan Railway Passenger services grant other than that related to support for heavy rail schemes, Home Zones, Consultancies, Revenue Support for PFI schemes, Transport Research and Centres for Excellence. Excludes expenditure of £183 million for 2000-01, in respect of the Metropolitan Railway Passenger Services Grant relating to support for heavy rail schemes. Expenditure for this programme appears in Chapter 5.

7.12 In December 2006 the Department announced much of the capital settlement for 2007-08, the second year of the second LTPs. It allocated funding for £683 million of highways capital maintenance and £571 million for integrated transport projects.

7.13 The Department has also announced indicative allocations to local authorities for the integrated transport block for the period up to 2010-11. The integrated transport block is funding support for investment projects to improve highways and public transport, each generally costing less than £5 million. Typical examples are bus lanes, traffic calming, cycle lanes, pedestrian crossings, traffic signals and junction improvements.

## Local transport plans

- 7.14 LTPs are the key mechanism for planning and delivering better transport at the local level in England outside London. The first LTPs were submitted in July 2000 and set out targets and objectives for the five-year period between April 2001 and March 2006. As part of the LTP process, local authorities were required to produce a delivery report at the end of the five-year period, setting out the progress made against these targets and objectives. This allowed the Department to consider their achievements, as well as their management of their scheme delivery programmes and LTP spending programme.
- 7.15 Reports on 82 LTPs were submitted in July 2006.
- 19 have been assessed as excellent.
  - 63 are in the good to satisfactory range:
    - 18 were very good
    - 32 were good
    - 13 were satisfactory
  - No reports were assessed as weak.
- 7.16 In December 2004, following a consultation, the Department issued new guidance to help local authorities prepare their second LTPs. The guidance set out what the Government expects from local authorities in their new LTPs. It encouraged them to develop high-quality plans that effectively deliver local transport through:
- setting transport in a wider context;
  - setting locally relevant targets;
  - identifying best value for money solutions; and
  - indicating how progress will be monitored.
- 7.17 Local authorities were also expected to demonstrate their high quality of planning and effective delivery by focussing on the Department's PSA targets and identifying priorities that contribute to:
- tackling congestion;
  - delivering accessibility;
  - improving road safety;
  - achieving better air quality; and
  - improving other quality of life issues.

- 7.18 The second LTPs were submitted in March 2006, to cover the period from April 2006 to March 2011. The Department assessed their quality, classifying 22 as excellent, 40 as good, 19 as fair and one as weak.
- 7.19 The Department used its assessments of plan quality and delivery to reward the better authorities with an increase of up to 25 per cent of their annual local transport capital allocation for 2007-08.

### Major schemes

- 7.20 Within the LTP process, local authorities may bid for funding for major schemes costing more than £5 million to improve the local road network. These schemes are designed to tackle safety and congestion problems, to relieve communities of through traffic and to provide access to new developments. The schemes are expected to be consistent with the authority's LTP.
- 7.21 The schemes are subject to full appraisal against the Government's objectives for the environment, the economy, safety, integration and accessibility. Local authorities are expected to consider alternative options in reaching a decision on their preferred scheme.
- 7.22 In July 2005, the Department sought advice from the English regions on their priorities for major transport projects up to 2015-16. In July 2006 Ministers announced that they had broadly accepted this advice. A programme of public transport and road schemes has been identified that will tackle congestion and other issues in each region.
- 7.23 Forty local authority major road schemes have been completed and opened to traffic since 2000. The following six schemes were completed in 2006:
- South Lowestoft Relief Road (Suffolk);
  - Scotswood Road Dualling (Newcastle);
  - Oakham Bypass (Rutland);
  - A612 Gedling Integrated Transport Scheme (Nottinghamshire);
  - A58 Blackbrook Diversion (St Helens); and
  - A1198 Papworth Everard Bypass (Cambridgeshire).
- 7.24 A further 26 schemes have been fully approved. They are currently under construction or are expected to start construction shortly.
- 7.25 Thirty-four local road schemes are at an earlier stage in the approval process, either programme entry or conditional approval. Programme entry is approval in principle but subject to affordability and the progress of legal and planning procedures. Conditional approval is a firmer commitment when planning and legal procedures have been completed but before tenders to build have been sought. The Department expects to fund these schemes in future years, subject to the schemes securing statutory powers, delivering good value for money and controlling their costs.

## Accessibility planning

- 7.26 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 jobs and key services such as education and health care. Drawing on guidance issued by the Department in December 2004, local authorities have submitted accessibility strategies within their final LTPs. The Department assessed these as part of the overall LTP assessment process.
- 7.27 The majority of authorities have used the DfT-commissioned software tool 'Accession' when developing their accessibility strategies. The software identifies areas with poor transport access to services and can model the impacts of options to improve access. The Department's core accessibility indicators for 2005 have been calculated and will be sent to local authorities by spring 2007.
- 7.28 The National Public Transport Data Repository was updated with a snapshot of public transport data from October 2006 and this was made available to local authorities in January 2007. This can be used with Accession. The 'Withinreach' project, which provided training and support on accessibility planning to local authorities, has now ended. Apart from the provision of structured training courses and seminars on specific topics, the project also developed a learning toolkit, which local authorities have taken up to develop their accessibility strategies.

## Funding for highways maintenance

- 7.29 The Government has provided £683 million for local highways maintenance in 2007-08 as part of the LTP capital settlement. Capital funding is provided for structural maintenance on local authority principal and non-principal roads. This includes structural footway maintenance, where the footway forms part of the highway (footpaths are the responsibility of the Department for the Environment, Food and Rural Affairs (Defra)). Capital funding is also provided for structural maintenance and the strengthening of bridges that form part of the local authority highway network.

## Private finance

- 7.30 In July 2006 the Government made £700 million Private Finance Initiative (PFI) credits available. This followed a bidding round by 15 local authorities who prepared outline business cases for their proposals for a PFI street lighting scheme. This will lead to brighter streets, help to reduce crime and road accidents, and ensure that street lighting across the country is not only renewed, but also improved.

- 7.31 A second bidding round involving a further £600 million of PFI credits closed in September 2006. These were for schemes to cover an authority's entire highway maintenance management function. These will help local authorities to modernise and update their local roads leading to better and safer roads for drivers and pedestrians alike. These two bidding rounds demonstrate the Government's continuing commitment to help local authorities maintain transport assets appropriately.
- 7.32 Funding is allocated through PFI bidding rounds to those local authorities that demonstrate a business case and the best proposals for a PFI project. PFI credits are allocated when a contract is signed. This helps local authorities to meet their contractual payment obligations.

### The Community Infrastructure Fund

- 7.33 The Department is supporting 25 transport projects from the £200 million Community Infrastructure Fund (CIF) in 2006-07 and 2007-08. These projects will help planned housing development in the growth areas of Thames Gateway; Milton Keynes-South Midlands; and the London-Stansted-Cambridge-Peterborough and Ashford.

### The Transport Innovation Fund

- 7.34 *The Future of Transport* set out the Government's intention to establish a Transport Innovation Fund (TIF) to give our delivery partners incentives to develop and deploy smarter, innovative, local and regional transport strategies.
- 7.35 Further information on the objectives and operation of TIF were announced on 5 July 2005 in a statement to the House by the Secretary of State and in the paper *Transport Innovation Fund*. The Department published detailed guidance on the operation of TIF on 26 January 2006 in the paper *Transport Innovation Fund: Guidance January 2006*.
- 7.36 TIF will operate as a single pot of money but it will have two entry points: one for congestion schemes and one for productivity schemes.
- 7.37 The fund will help us and our delivery partners in achieving our key objectives of tackling congestion through demand management and better public transport, and contributing to national productivity by:
- supporting the costs of smarter, innovative local transport packages that combine demand management measures, such as road pricing, with modal shift and better bus services; and
  - supporting the funding of regional, inter-regional and local schemes that are beneficial to national productivity.
- 7.38 Decisions on the first round of allocation of TIF funds to congestion and productivity schemes will be taken against the criteria set out in *Transport Innovation Fund: Guidance January 2006*.

7.39 Money from the fund will become available from 2008-09. The fund is forecast to grow from £290 million in 2008-09 to over £2 billion by 2014-15.

**Figure 7d: Allocation of TIF funds**

2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
£290m	£600m	£930m	£1,300m	£1,680m	£2,100m	£2,550m	£9,450m

## Congestion TIF

7.40 Through this entry point, we are seeking bids for schemes which contribute to the achievement of the demand management objectives set out in *The Future of Transport* and to the Government's objectives on road pricing.

7.41 Up to £200 million a year will be available to fund TIF packages involving demand management between 2008-09 and 2014-15, if local authorities develop suitable packages. Further funding may be available if high quality schemes costing more than this are proposed.

7.42 The guidance published on 26 January 2006 outlines the TIF process. For congestion schemes, this largely mirrors the established major schemes process, but with an additional optional 'TIF partnership' stage. This allows the Department and the local authority to work closely together to develop a bid. Bespoke timetables will be arranged through the TIF partnership agreement. The fund is open to all English local authorities.

7.43 As a precursor to Congestion TIF the Department earmarked up to £18 million during the period 2005-06 to 2007-08 (£3 million/£5 million/£10 million) to support initial scheme development by local authorities.

7.44 On 28 November 2005 the Secretary of State announced that seven bids had been successful in the first round:

- Greater Bristol (former Avon unitary authorities);
- Cambridgeshire;
- Durham;
- Greater Manchester;
- Shropshire (for Shrewsbury);
- Tyne & Wear; and
- West Midlands conurbation.

7.45 On 6 November 2006, six of these were awarded further funding to allow them to complete their scheme development. Three further areas were awarded funding:

- Nottingham, Leicester and Derby and the surrounding counties;
- Norfolk (for Norwich); and
- Reading.

- 7.46 No decisions have been taken on whether to run a further round of pump-priming. However, authorities that have not been awarded pump-priming can still seek TIF funding to implement eligible projects, and can work with the Department at a later stage to develop bids.
- 7.47 We see the way forward as collective working with all the successful local authorities and areas (see Chapter 4, paragraph 4.48).

### Productivity TIF

- 7.48 Productivity TIF will support national, inter-regional, regional, inter-urban (and, in exceptional cases, local) transport schemes which are expected to make a substantial and sustainable contribution to national productivity. TIF will fund productivity schemes which:
- improve the mobility of people and goods for business;
  - help in the concentration of business activity;
  - support the mobility and flexibility of the labour market;
  - increase international competitiveness and trade; and
  - improve network resilience and choice for business users.
- 7.49 The Department is not holding a bidding process for first round Productivity TIF funding. Instead, we have developed a list of potential schemes, taking account of the views of the English regional development agencies, our own knowledge of the transport networks, and of pre-existing transport schemes.
- 7.50 On 18 December 2006, the Secretary of State announced that the following schemes showed strong potential to provide a significant benefit to national productivity and to demonstrate high value for money, and that further work would be undertaken on them.

### Strategic freight schemes

- Reinstatement of Olive Mount Chord, Liverpool.
- Humber Ports/Immingham – East Coast Main Line rail capacity enhancement.
- Peterborough to Nuneaton rail gauge enhancement.
- Gospel Oak – Barking rail gauge enhancement.
- Southampton – West Coast Main Line rail gauge enhancement.

### Strategic network schemes

- Birmingham Motorway Box – active traffic management.
- M62 Leeds Bradford traffic management.
- A14 corridor traffic management.

- 7.51 Although these schemes have demonstrated good potential, there are still issues which need development before we can make our final decisions on funding. This work will be taken forward by Network Rail and the Highways Agency, working with other stakeholders as appropriate.
- 7.52 We are also keeping open the possibility of a contribution from TIF to the costs of taking forward Crossrail.

### Walking and cycling

- 7.53 Over the last five years, the numbers of walking and cycling trips in England has been falling despite 68 per cent of journeys being less than five miles and 42 per cent of journeys less than two miles. These distances can usually be cycled or walked. One in five trips under one mile is currently by car, either as a passenger or driver.
- 7.54 The Government is seeking to address this trend through a series of measures to increase awareness of walking and cycling as transport options, and to increase their attractiveness. There is evidence that some local authorities are starting to see an increase in cycling.
- 7.55 The Department continues to monitor progress on its Walking and Cycling Action Plan, published in 2004. The plan commits us to delivering more than 40 actions across Government aimed at increasing levels of walking and cycling. The commitments focus on:
- creating a better environment for walking and cycling;
  - providing better facilities;
  - developing the skills of local authorities and the NHS in promoting cycling and walking;
  - persuading people that walking and cycling are a real choice for their journeys; and
  - better cycle training and pedestrian training for children.
- 7.56 The action plan is expected to be delivered by 2010. Ten actions have already been achieved, with a further six expected later in 2007. The remainder are all on course.
- 7.57 Many of the cycling actions are now being delivered through Cycling England (CE). This is the Department's advisory non departmental public body, which reports to a cross-Whitehall group and DfT Ministers, who agree CE's work plan. The Secretary of State doubled their budget to £10 million a year for the next three years in June 2006.
- 7.58 The main focus of CE's work plan is a substantial investment in young people. In 2006-07, CE invested a further £4.205 million in the Links to Schools programme. This provides safe walking and cycling routes from

residential areas to schools via the National Cycle Network. CE also announced the new National Standard Cycle Training award scheme, Bikeability, in September 2006. The training and award mechanisms were tested in seven areas before a further roll out in March 2007. CE is investing significant sums in building capacity to train children to the new standard and funding some training of Year 6 pupils to supplement the training already provided by local authorities.

- 7.59 CE is continuing to invest in the six Cycling Demonstration Towns (Aylesbury, Brighton, Darlington, Derby, Exeter and Lancaster). Each will showcase best practice in the design, planning and promotion of cycling. Cycling levels in the towns will be carefully monitored over the lifetime of the project to enable us to identify the real impact of the investment.
- 7.60 Both CE and the Department continue to promote the cycle to work scheme. The scheme allows employers to purchase cycles for employees to commute to work. The employer can recover the VAT element on the cost of the cycles and if they wish to recover the remaining cost they can do so by inviting employees to enter into a salary sacrifice arrangement, where they agree to a salary reduction in return for a benefit, in this case a cycle. Further tax savings can be made as the employee is not paying tax or national insurance contributions on the amount sacrificed. The Department introduced the scheme to its own employees, including those in its agencies, in November 2006.
- 7.61 While Cycling England is delivering on a range of initiatives at national level, the principal responsibility for walking and cycling rests with local authorities. Through their LTPs, local authorities have delivered a significant number of new cycle lanes and cycle tracks (see Figure 7e below).

**Figure 7e: Cycle tracks and lanes<sup>1</sup>**

	2001-02	2002-03	2003-04	2004-05	2005-06
Cycle tracks (kilometres)	804	648	565	553	577
Cycle tracks (numbers)	458	582	575	582	498
Cycle lanes (kilometres)	405	388	490	308	328
Cycle lanes (numbers)	352	437	477	375	273

<sup>1</sup> Figures based on LTP returns

- 7.62 We are continuing to work on three projects to help promote walking.
- We are developing a walking portal. The aim is for local authority and other professional staff such as engineers, planners and architects as well as the public, to have a one-stop walking website with all the information available to improve access and convenience for pedestrians. The website [www.walkengland.org.uk](http://www.walkengland.org.uk) has been registered and we expect to launch the website later in 2007.

- We are developing a training package for professional staff within local highway authorities to receive e-learning training on improving the pedestrian environment and promoting walking. This is expected to be an e-learning package and available on the Walk England website later in 2007.
- We are producing best practice guidance on walking maps. This is aimed at map producers, particularly within local authorities. This is expected to be available in print and on the Walk England website later in 2007.

## London

- 7.63 Transport for London (TfL) is responsible for implementing the Mayor's transport strategy. It manages the buses, the Underground, the Docklands Light Railway (DLR), Croydon Tramlink, a 580 kilometre network of main roads, all of London's 4,600 traffic lights and it has a strategic role in traffic management. 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.
- 7.64 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). The Government's transport grants to London have risen significantly over recent years and totalled £2.4 billion in 2006-07.
- 7.65 As part of the Spending Review 2004 settlement, agreement was reached in July 2004 with TfL and the Mayor on a longer-term funding line to 2009-10 to give greater certainty and to allow 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; and
  - provide the guarantees and infrastructure needed to underpin the 2012 London Olympics.
- 7.66 After agreeing this five-year funding deal with TfL in July 2004, TfL embarked on a major programme of work to improve London's transport system. Achievements include:
- significant improvements on the London Underground, with record levels of train kilometres run and customer satisfaction;
  - patronage on the bus network rising, with passenger numbers reaching their highest levels since 1968;
  - passenger numbers on the DLR growing by 9 per cent; and

- ticketing improvements speeding up Tube and bus journeys by making purchasing easier and reducing the time spent boarding buses.

**Figure 7f: London funding 2000-01 to 2009-10** **£ million**

GLA Transport Grant	2000- 01 Outturn	2001- 02 Outturn	2002- 03 Outturn	2003- 04 <sup>1</sup> Outturn	2004- 05 Outturn	2005- 06 Outturn	2006- 07 Estm'd Outturn	2007- 08 Plans	2008- 09 Plans	2009- 10 Plans
London Underground <sup>1,2</sup>	267	460	767	1,218	1,070	1,161	1,281	1,340	1,280	1,370
TfL Other	396	720	1,024	1,336	1,190	1,019	1,108	1,214	1,259	1,293
<b>Total</b>	<b>663</b>	<b>1,180</b>	<b>1,791</b>	<b>2,554</b>	<b>2,260</b>	<b>2,180</b>	<b>2,391</b>	<b>2,554</b>	<b>2,528</b>	<b>2,663</b>

Source:

<sup>1</sup> London Underground Limited accounts for 2000-01 to 2003-04.

<sup>2</sup> In 2003-04 the grant for London Underground Limited was paid to London Regional Transport until July 2003, with the balance of £346 million paid as part of the Greater London Authority (GLA) Transport Grant from August 2003.

- 7.67 Significant milestones have also been met on capital projects, including the refurbishment of the Waterloo and City line. The western extension to the congestion charging zone was operational in February 2007.
- 7.68 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. Early milestones for Olympic transport have been met and costs maintained in line with those included in the bid. In particular, during 2006 the ODA has published its draft Olympic transport plan for consultation. The ODA has also placed key contracts for new Dockland Light Railway (DLR) rolling stock which will be used to increase capacity during the games. In addition, the Department has granted powers enabling TfL to construct a DLR extension to Stratford International station from Canning Town.

### London Underground Limited

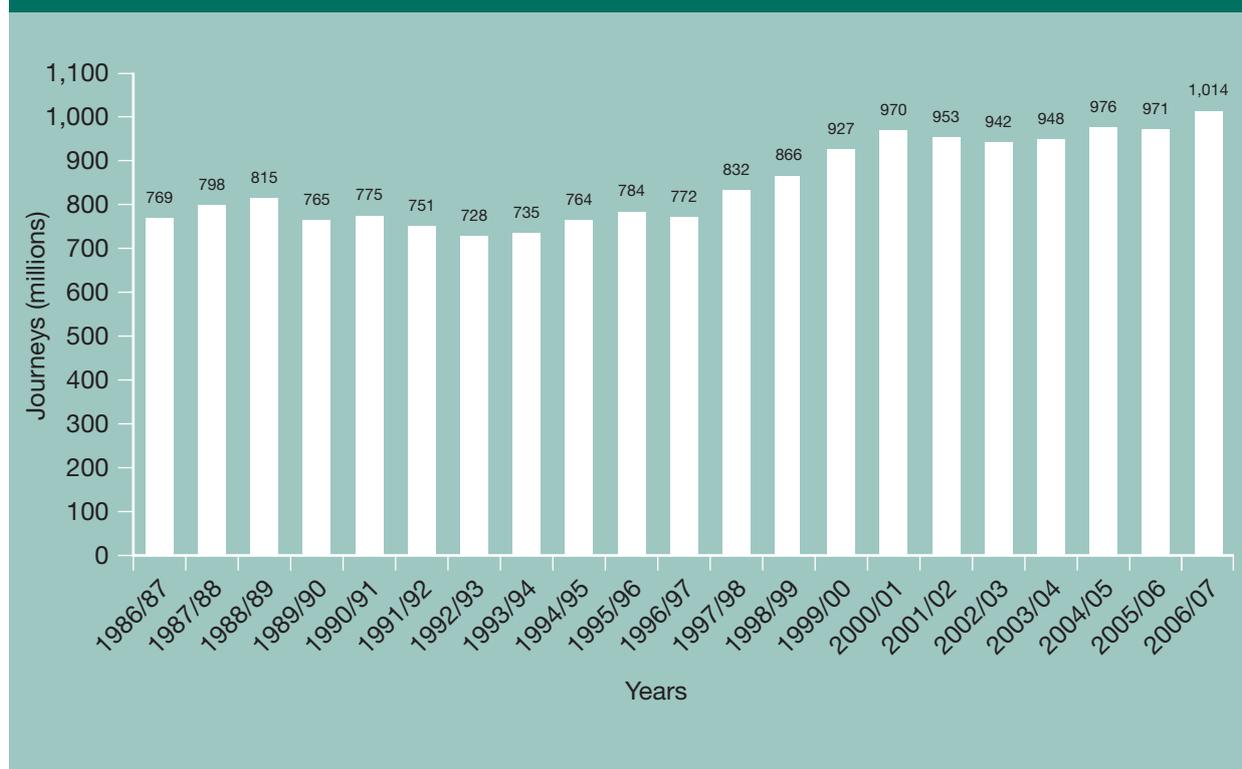
- 7.69 London Underground Limited (LUL) is a vital part of London's transport system. There are over three million passenger journeys taken on the Underground every weekday. As Figure 7g shows, passenger numbers have grown significantly since the early 1990s. In 2006-07 a record 1,014 million passenger journeys were made on the Underground. This is 38 million more than the previous record of 976 million passenger journeys taken in 2004-05 and compares favourably with the 728 million journeys made in 1992-93, representing an increase of over 39 per cent between 1992-93 and 2006-07.

## The Public Private Partnership

7.70 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 return them to LUL in an upgraded and well-maintained condition at the end of the 30-year contracts.

7.71 LUL, as a publicly owned organisation, remains responsible for safety and for providing passenger services, operating the trains, signals and stations. LUL itself was transferred from central Government to TfL and the Mayor on 15 July 2003. TfL are responsible for overseeing the PPP contracts. This includes ensuring that the PPP companies deliver the performance and improvements specified in the contracts and address any shortfall.

Figure 7g: London Underground passenger journeys 1986-87 to 2005-06



7.72 The payments due to the PPP companies under the contracts depend on their performance. If the assets maintained by Tube Lines or Metronet perform above a certain threshold they can receive bonuses. Poor performance can result in payment abatements.

- 7.73 In their annual report on the PPP for 2006-07, TfL acknowledged that the age of many of LUL's assets continued to hamper overall performance of the network and that the PPP companies must deliver a step change in their performance. While there had been some successes the PPP companies were still failing to meet the two challenges set out in the last report:
- Tube Lines must raise the performance of the Northern line to acceptable levels; and
  - Metronet must bring their station renewal programme back on schedule.
- 7.74 On 16 November 2006, the PPP Arbiter published his first Annual Review of Metronet, covering the three year period to March 2006. The Arbiter concluded that Metronet had not, to that point, operated in an economic and efficient manner. He did note that Metronet had taken action to remedy problems but believed that these steps may not be sufficient to remedy these failings to date. Since then Metronet has taken further steps in accordance with the Arbiter's guidance to improve its performance. This includes competitively tendering the remaining station renewal programme and renegotiating the track replacement contract. It will be for the Arbiter to judge the effectiveness of these changes in future Annual Reviews of Metronet.

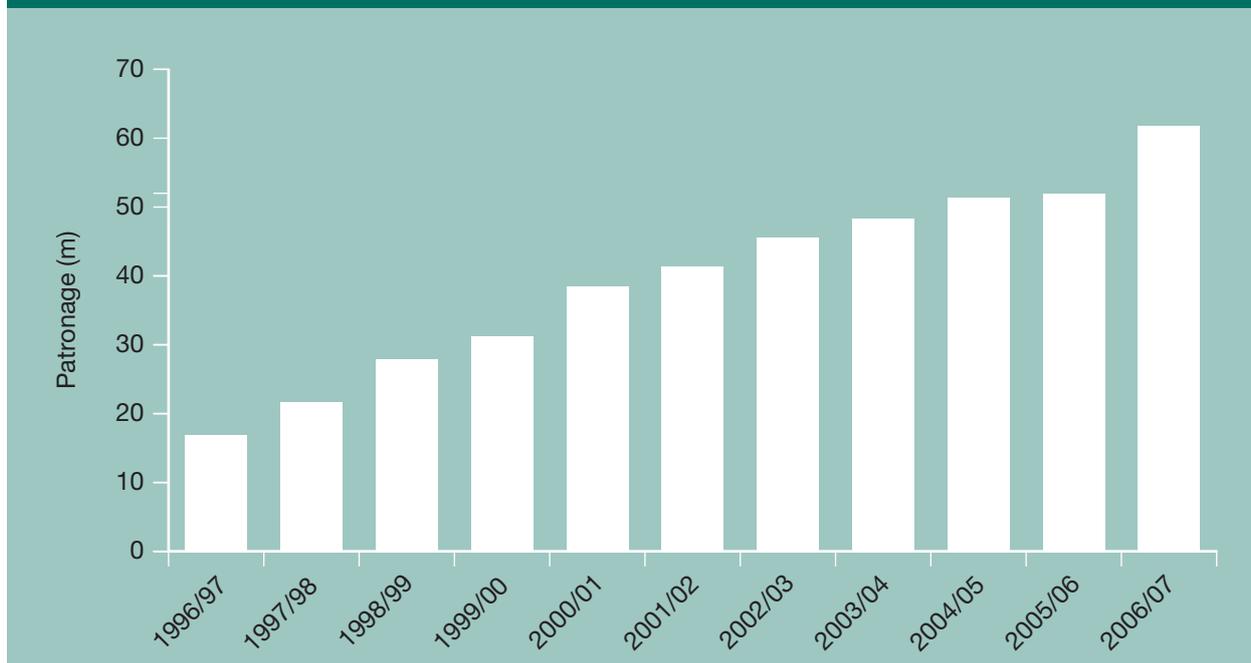
### LUL performance

- 7.75 There have been some notable successes during 2006-07. The Waterloo and City line completed a major refurbishment, the Central line delivered a record level of service and the new digital radio system for the whole network went live on the sub-surface lines, as part of the Connect PFI.
- 7.76 But operational performance of the Underground during 2006-07 has been disappointing. Only two out of six performance targets were met over the course of the year (driver availability and percentage of schedule operated). Two were narrowly missed (customer satisfaction – over the first three quarters and operated train kilometres) and the remaining two targets were missed (excess total and train journey times). Contributory factors were equipment failures and engineering over-runs, as well as factors outside LUL's control such as vandalism and passenger incidents. 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, LUL will continue to work to raise performance levels.

### Docklands Light Railway

- 7.77 Every day approximately 170,000 people travel on the Docklands Light Railway (DLR). In 2006-07, it carried 61.6 million passengers a year, a 14 per cent increase from 2005-06. Patronage is expected to increase to over 80 million journeys by 2009.

Figure 7h: DLR patronage 1996-97 to 2006-07



- 7.78 The extension to London City Airport opened in December 2005 and had been used by two million passengers by September 2006. 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.
- 7.79 2004-05 was a record-breaking year on the DLR. In 2005-06, reliability improved on the previous year (over 98 per cent) and passenger satisfaction achieved a score of 78 per cent, equalling the previous year. 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.

## London rail

- 7.80 The Railways Act 2005 gave TfL the opportunity to secure 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.
- 7.81 The responsibility for specification and funding of passenger services on the Silverlink Metro network will be transferred from the Department to TfL in November 2007, at the end of the current franchise. TfL are currently in the process of letting the North London Rail Concession which will include services on the extended East London line in due course.





## Chapter 8

### Aviation, shipping and ports

## Chapter 8

# Aviation, shipping and ports



## Aviation

### Strategy and objectives

- 8.1 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 needs of our economy with the need to protect the environment.
- 8.2 Since we published *The Future of Air Transport*, the Stern review and Eddington study have also been published<sup>1</sup>. Taken together, these authoritative reports demonstrate that sustainable economic growth requires recognition of our environmental responsibilities. Our white paper placed aviation within this context and argued that the aviation sector must fully meet its environmental costs. These recent reports have reinforced the logic of our approach.
- 8.3 In December 2006 we published *The Future of Air Transport Progress Report*. This looked at the progress made since 2003 on implementing the policies and proposals in the white paper. The report makes clear that we continue to support the sustainable development of the aviation sector across the UK, predominantly through making the best use of existing capacity. We are ensuring that, where new capacity is required, its provision is in line with our environmental obligations.

<sup>1</sup> *Stern Review on the Economics of Climate Change*, published 30 October 2006, and *The Eddington Transport Study – The case for action: Sir Rod Eddington's advice to Government*, December 2006.

- 8.4 In seeking to deliver safe and sustainable operations and growth in the aviation sector, our key objectives are to:
- ensure effective safety regulation of UK airlines, aircraft and air traffic control and promote improved levels of safety internationally (see Chapter 11);
  - tackle the climate change impacts of aviation (see Chapter 10);
  - promote better use of existing UK airports and airspace capacity, and support delivery of sustainable airport 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.

### Responsibility for delivery

- 8.5 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, the aviation industry, other government departments, the European Commission, international organisations (for example, the International Civil Aviation Organisation, the European Civil Aviation Conference, the European Aviation Safety Agency and Eurocontrol, the European organisations for the safety of air navigation) and other countries both within the EU and around the world.

### Demand for air travel

- 8.6 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 235 million in 2006<sup>2</sup>. This reflects increasing economic prosperity and declining air fares as the industry has become more competitive.
- 8.7 The Government's 2006 *Survey on Attitudes to Air Travel*<sup>3</sup> 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 is illustrated by the fact that 15 per cent of international air passengers are flying to or from a UK airport<sup>4</sup>. 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 air<sup>5</sup> and in 2006 air freight transported 2.3 million tonnes of cargo<sup>6</sup>.

2 CAA Airport Statistics, [www.caa.co.uk](http://www.caa.co.uk)

3 DfT, *Public attitudes toward, and experiences of, air travel* (2006), [www.dft.gov.uk](http://www.dft.gov.uk)

4 Calculated from ICAO and CAA data, 2004.

5 DfT, *Focus on Freight*, 2006 edition (published 21 December 2006), [www.dft.gov.uk](http://www.dft.gov.uk)

6 CAA Airport Statistics, [www.caa.co.uk](http://www.caa.co.uk)

Figure 8a: Passenger and freight movements at UK airports: 1970-2006



- 8.8 Our latest air travel forecasts for the UK, updated for the progress report, show that demand for air travel would grow to 490 million passengers a year by 2030, if growth were not constrained by capacity (this is assuming that after 2010 passengers would begin to pay their climate change costs). 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 465 million passengers a year by 2030.

### Progress in delivering objectives

- 8.9 As set out in the progress report, we have made good progress on delivering our objectives.
- We are leading the debate within Europe, pressing for the inclusion of aviation in the EU emissions trading scheme.
  - The Civil Aviation Act 2006 has been passed, fulfilling our commitments to limit the impact of aviation on the environment and to safeguard the interests of passengers. The Act also makes provisions on public airport companies, route licensing appeals, policing at airports and the health of people on board aircraft.

- We have introduced a new night flying regime at Heathrow, Gatwick and Stansted. This applies from October 2006 to October 2012 and means that there has been no increase in the number of flights allowed at night.
  - The aviation industry has made progress in reducing the noise of the airline fleet and in addressing local air quality issues.
  - Improved passenger facilities have been delivered through terminal development and refurbishment across the country.
  - Airport master plans, which include environmental mitigation measures, have been published for the first time. This has improved engagement with local communities over airport development.
  - Central government departments now offset emissions from official and ministerial air travel.
  - We have announced plans to consult on a new emissions cost assessment to inform our decisions on major increases in airport capacity. This assessment would consider whether the aviation sector is meeting its external climate change costs.
- 8.10 In addition to the progress that has been made over the past year, the aviation industry has seen several structural changes. While few of these issues have directly affected the service delivered to passengers, they will continue to shape the sector over the coming years.
- 8.11 Several airport operators and airports have undergone new ownership. This includes BAA (the largest airport operator in the UK) and London City Airport.
- 8.12 In relation to the economic regulation of the UK aviation industry, the CAA published its consultation on the price caps for the next five-year period at Heathrow, Gatwick and Stansted<sup>7</sup>. The Transport Select Committee published a report on the operation of the CAA<sup>8</sup> and the Office of Fair Trading published its report on the operation of the airport UK market<sup>9</sup>.
- 8.13 We are considering these reports carefully, including the recommendations for the de-designation of Stansted and Manchester airports, proposed by the CAA and Manchester Airport Group respectively. Designation can play an important role in the absence of a competitive aviation market, by limiting the charges that designated airports can levy on airlines. However, de-designation would allow normal competition forces to operate which could be to the benefit of passengers. In February 2007 we published a consultation on proposed criteria for the designation and de-designation of airports. Once the criteria have been decided, we intend to consult on their application to Stansted and Manchester airports.

7 CAA Airports price control review – initial proposals for Heathrow, Gatwick and Stansted, December 2006.

8 House of Commons Transport Committee Report, *The Work of the Civil Aviation Authority*, November 2006.

9 *UK airports. Report on the market study and proposed decision to make a market investigation reference*, Office of Fair Trading, December 2006.

- 8.14 As well as responding to structural changes, UK airports have also faced a changing operating environment. Following the 7 July 2005 London bombings and the alleged threats to airline operations in August 2006, enhanced security measures were introduced at UK and European airports. The Government continues to work closely with the aviation industry to consider whether any further practical steps can be taken to lessen the burdens on passengers and operators without compromising security (see Chapter 11).

### Master plans and regional airports

- 8.15 The white paper, *The Future of Air Transport*, 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 detailed 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.
- 8.16 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.
- 8.17 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. The aim is to grow in a sustainable way.
- 8.18 In the course of 2006, Route Development Funds (RDFs) to support regional services that attract business users and inbound tourism were established by the National Assembly for Wales and One NorthEast. This was in addition to the funds previously set up for Scotland and Northern Ireland. To date, UK RDFs have supported over 50 services between them. A revised version of the RDF protocol published by the Department in June 2006 is now being prepared to take account of the latest EU state aid guidelines. It will take effect from 1 June 2007 and will cover all UK RDFs.

Figure 8b: Major airports in the UK<sup>10</sup>

<sup>10</sup> Major airports are defined as those airports where specific major developments were supported in the white paper *The Future of Air Transport* or which are forecast to handle 20,000 air transport movements annually by 2030.

## Stansted

- 8.19 The 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 early in the next decade.
- 8.20 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 it will now be considered at a planning inquiry in summer 2007.
- 8.21 BAA announced its preferred second runway option for Stansted in January 2007 following earlier consultation. This will form the basis of its second runway planning application which it aims to submit in late summer 2007. This work is on track, although much still needs to be done, most notably on the development of road and rail schemes to support a second runway.
- 8.22 BAA has worked closely with the Department, the Highways Agency and Network Rail to identify improvements that would be needed to the road and rail networks to serve a new runway and to meet planned growth within the region. In January 2007 BAA issued a consultation on its surface access strategy for a second runway. At the same time the Highways Agency issued a consultation on plans to widen the M11 and improve junction access to the airport from the M11 and A120. Both consultations close on 5 June 2007.

## Heathrow

- 8.23 We continue to support a third runway at Heathrow, provided that environmental conditions on noise and air quality can be met.
- 8.24 Work to review the prospects for further development of Heathrow reached a significant milestone in July 2006 with the publication of a full technical report<sup>11</sup> summarising the work of the expert Air Quality Panels. This fulfilled a remit to review the basis of previous predictions of air quality around Heathrow, in the event of further development. The report included a large number of recommendations on the assumptions, modelling approach and tools to be used in the future. These have been accepted in full and have provided the foundation for subsequent modelling work which we expect to complete in spring 2007.

<sup>11</sup> Project for the Sustainable Development of Heathrow: Air Quality Technical Report (19 July 2006).

- 8.25 In parallel, we have worked with BAA to develop appropriate road traffic modelling. BAA has developed operational arrangements that would support mixed mode operations and/or a third runway at Heathrow, in conjunction with the CAA and NATS. The final stages of the environmental assessment are now under way; some early indications of the likely impact of the noise limit at Heathrow were set out in the progress report in December 2006.
- 8.26 We are planning a full public consultation in 2007 which will give affected parties, including the local communities around Heathrow, the opportunity to comment on proposals before any final policy decisions are taken. It would then be for BAA to take forward any development proposals through the planning system. There is more information at: [www.dft.gov.uk/aviation/projectheathrow](http://www.dft.gov.uk/aviation/projectheathrow)

### Consumer protection for air travellers

- 8.27 The Civil Aviation Act 2006 created a new duty for the Secretary of State and a parallel function for the CAA to safeguard the health of people on board aircraft.
- 8.28 The Act also enables the CAA to replenish the Air Travel Trust Fund through contributions from the package travel industry. The fund forms part of the protection arrangements for consumers in the event of tour operator insolvency. It is currently in deficit. CAA and DfT launched a consultation in April 2007 seeking industry's views on proposals to reform how the current system of financial protection is administered as well as consult on draft regulations to replenish the fund.
- 8.29 We have made it an offence to fail to comply with EU requirements that air passengers must be informed of the identity of the airline with which they will be travelling. Passengers must also be offered reimbursement or re-routing if the airline is subject to an operating ban on safety grounds.
- 8.30 We secured agreement under the UK Presidency on a European Union regulation to strengthen the rights of disabled people travelling by air, which came into force in July 2006. The implementation of this regulation will take effect in two stages, the first in 2007 concerning non-discrimination, and the second in 2008 when the rest of the regulation will take effect.

### Air Traffic Management

- 8.31 NATS provides air traffic control services to aircraft flying in UK airspace and over the eastern part of the North Atlantic. In addition, NATS 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.

- 8.32 NATS handled almost 2.4 million flights in UK airspace in 2006, a record number and an increase of 3.5 per cent on 2005. The average delay per flight attributable to NATS was 24 seconds compared with 20.8 seconds in 2005 and 25 seconds in 2004. The number of flights that experienced no delays attributable to NATS decreased to 97.6 per cent in 2006 from 98 per cent in 2005.
- 8.33 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. This has resulted in more transparent and effective governance arrangements.

### Single European Sky

- 8.34 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. So far a total of seven 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;
  - 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.
- 8.35 In addition to the above rules, a Directive on a Community Air Traffic Controller Licence came into force on 17 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.
- 8.36 We are working to ensure that the numerous other implementing 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.
- 8.37 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, or project definition, phase is being led by an industrial consortium, involving UK industry. It aims to produce an overall master plan by the beginning of 2008, which will form the basis for the future work. A regulation establishing a joint undertaking (JU) to oversee the management of the master plan was adopted in February 2007 with the JU itself being established in mid 2007.

## International aviation

- 8.38 We have continued our programme for liberalising the bilateral air services treaties that govern flights to other countries. The aim is to enable airlines freely to provide international services on a commercial basis to the benefit of consumers, airports and the carriers themselves, removing unnecessary restrictions while ensuring high standards of safety, security and fair competition.
- 8.39 The most significant achievement of 2006-07 was the conclusion of negotiations on a first stage EU-US air transport agreement. This deal will lift all the restrictions on routes, schedules and fares between the UK and the US. It will end the limits on the numbers of carriers serving Heathrow and will allow UK airlines to operate direct services to the US from any EU airport. The CAA has also estimated that it will unlock significant economic benefits of up to £1 billion over 20 years.
- 8.40 At the same time, the Government is clear that this agreement is only the first step. We expect negotiations on a second stage deal to begin during 2008. And, if one has not been signed by the end of 2010, the UK has reserved the right – as part of an automatic EU process – to withdraw traffic rights from US carriers. We believe this strikes the right balance between protecting economic interests and ensuring early, meaningful progress towards further liberalisation.
- 8.41 We have also continued with our wider programme of updating and improving our bilateral air services agreements in line with our policy of increased liberalisation. During 2006, we succeeded in negotiating improved bilateral agreements with a range of countries including Argentina, Australia, Brazil, Bulgaria, Canada, Cape Verde, Croatia, Ecuador, Egypt, Georgia, Libya, Malawi, Malaysia, Nigeria, Qatar and Russia.
- 8.42 We have worked closely with other Member States and the European Commission in developing EU-level air services agreements with other countries. 2006 saw the signature of an ‘open skies’ air services agreement between the EU and Morocco. An agreement establishing a European common aviation area, with open traffic rights and harmonised rules, was signed by the EU and a range of other European countries. An important agreement was also reached with Russia that will lead to the phasing out of charges currently imposed on EU airlines for services between the EU and Far East which fly over Russian territory.

## Shipping

- 8.43 A safe and thriving global shipping industry is vital to the UK economy. Our domestic shipping and ports activities and strong global maritime influence help to protect the UK’s shipping interests in this area by promoting a competitive, safe, efficient and sustainable environment.

## UK commercial shipping policy strategy and objectives

- 8.44 Our role is to promote successful, safe, sustainable and resilient maritime transport services, domestically and internationally. The four broad aims of our domestic shipping policy are:
- making shipping an environmentally friendly transport;
  - fostering an efficient UK shipping industry;
  - maintaining the industry's skills base by promoting employment and training; and
  - encouraging UK ship registration.

## Responsibility for delivery

- 8.45 In delivering our objectives, we depend on and work closely with a range of partners and stakeholders. This includes the shipping industry, other government departments, the European Commission, the International Maritime Organization (IMO) and other countries, both within the EU and around the world.

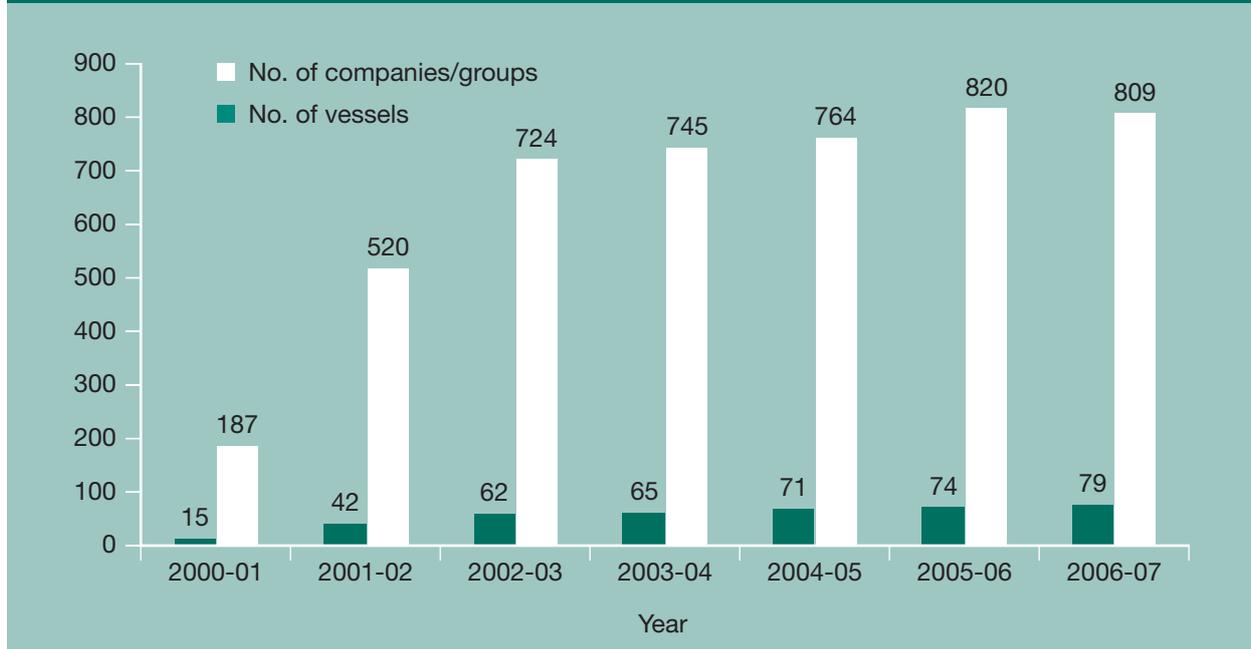
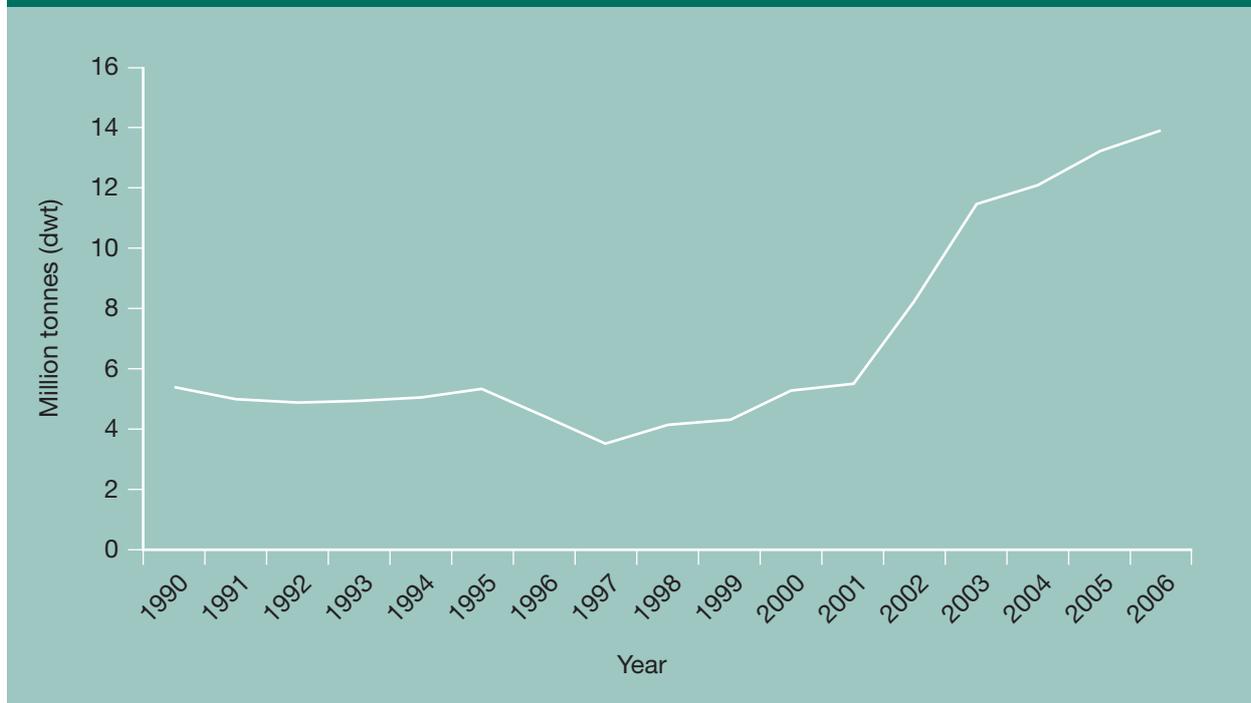
## Progress in delivering objectives

### UK ship registration

- 8.46 There has been a substantial increase in UK ship registration over recent years. Since 2000, deadweight tonnage (carrying capacity) has increased from 5.2 million tonnes to 13.9 million at the end of September 2006. The introduction of tonnage tax in 2000 has been a major factor in this revival, together with the introduction of registration reforms by the Maritime and Coastguard Agency (MCA). There has also been a healthy trend with more larger, younger ships registering. The UK register was re-launched as 'UK Ship Register' in February 2007, with an emphasis on quality customer service for quality ships.

### Promotion of UK shipping

- 8.47 Shipping companies can opt into tonnage tax or stay in the current corporate tax regime. Tonnage tax calculates profits chargeable to corporation tax by referring to tonnage instead of commercial profits. It brings certainty because it fixes the amount of corporation tax relative to the size and number of ships. It is not affected by financial profitability or tax allowances. A company opting into tonnage tax does so for a minimum of 10 years.
- 8.48 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 8c).

Figure 8c: **Company groups and ships in tonnage tax 2000-01 to 2006-07**Figure 8d: **The UK shipping fleet 1990 to 2006 – Deadweight Tonnes**

- 8.49 A unique 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 1,450 trainees.
- 8.50 Following adoption of the Maritime Labour Convention (MLC) by the International Labour Organization (ILO) in February 2006, the UK is committed to its ratification as soon as UK law and practice can be adapted to its provisions. It is a significant international convention, consolidating and updating many existing ILO instruments. It introduces a comprehensive set of agreed international standards concerning seafarers' living and working conditions. We are working closely with trade unions and employers to implement the MLC to help make employment at sea more attractive.

### Counter pollution and safety measures

- 8.51 The Department continues to play a leading role in the development of safety and counter pollution measures in the IMO and the EU. We are concerned to ensure that initiatives in both organisations are subject to formal safety assessments and/or regulatory impact assessments, so that any consequential regulations are proportionate responses to identified risks.
- 8.52 In November 2006, the UK's maritime administration was one of the first to be audited under the terms of the recently introduced IMO Member State voluntary audit scheme. The auditors found that the UK had a number of areas of good practice which were innovative and of considerable assistance to the maritime community. We have acted on the recommendations in the audit report, which identified a few instances where we were late in transposing IMO requirements into UK law. We found the audit helpful to improve the effectiveness and efficiency of the UK maritime administration and we have been encouraging other IMO Member States to volunteer. We will be looking for the audit scheme to be made mandatory in due course, when the IMO membership has become more familiar with it and can see its benefits.
- 8.53 We have been closely involved in developing European Community legislation on maritime safety. In particular, we have been involved in negotiations on the vessel traffic monitoring amending directive, which concerns the monitoring of ships which pass or enter the waters of European Community Member States, with particular emphasis on ships which demonstrate a heightened level of risk. We have also been involved in a recast of the port state control directive, which will improve the targeting 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.

- 8.54 We played a leading role in the North Sea ministerial meeting on the environmental impacts of shipping and fisheries. This was held in Gothenburg on 4 and 5 May 2006. It culminated in a balanced and realistic ministerial declaration which, among other things, underlined the support of all North Sea states for the IMO review of international regulations for the prevention of air pollution from ships (contained in Annex VI to the International Convention for the Prevention of Pollution from Ships, commonly known as the MARPOL Convention). The declaration recognised the need to develop one global instrument for ship recycling and endorsed the clean ship approach which aims to develop criteria for evaluating the environmental performance of ships.
- 8.55 The Department is also playing an active role in negotiations on the development of an international convention on ship recycling within the IMO, aimed at ensuring the safe and environmentally friendly recycling of ships.
- 8.56 The Department continues to look for ways to protect the marine and coastal environment. In December 2006, the UK succeeded in getting IMO to adopt a new vessel traffic separation scheme in the Minches. This will enhance maritime safety in those waters and thereby reduce the risk of a shipping incident affecting the environment. The effectiveness of the UK's protective measures was demonstrated in the prompt and professional response to the *MSC Napoli* incident. The *MSC Napoli*, a UK registered container ship, got into difficulties in the English Channel. It was brought into sheltered waters on the south coast and beached. All necessary counter-pollution and salvage activities were then put in train. The role of the Secretary of State's Representative for Maritime Salvage and Intervention (SOSREP) proved invaluable. So too was the underpinning mechanism of the National Contingency Plan for Marine Pollution from Shipping and Offshore Installations.
- 8.57 Offshore wind farms may supply more renewable energy 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 have established a forum for developers and nautical stakeholders jointly with the Department of Trade and Industry (DTI) to help shape policy on offshore wind farms. Known as the Nautical and Offshore Renewables Energy Liaison Group (NOREL), it is currently looking at search and rescue within wind farms and the effects of wind farms on radar.

## Ports and navigation

### Strategy and objectives

8.58 Our aim is to promote a successful, sustainable and safe ports sector, concentrating on supporting:

- UK and regional competitiveness;
- high nationally agreed safety standards; and
- the best environmental practice.

### Responsibility for delivery

8.59 In delivering our objectives, we depend on and work closely with a range of partners and stakeholders, including the ports sector itself. We also work with the shipping industry, other government departments and regional government partners, the General Lighthouse Authorities (GLAs), the Health and Safety Executive (HSE) and the European Commission.

## Progress in delivering objectives

### Review of ports policy

8.60 The ports policy review was launched in May 2006, accompanied by the publication of studies by MDS Transmodal, on behalf of the Department. These were forecasts of port freight traffic demand and a study of the container trans-shipment market. A period of consultation followed, closing in September 2006. We are grateful to respondents, who took the time to present well reasoned and thoughtful responses. The publication of the Eddington study and Barker review during the year has been followed by a report from the Transport Select Committee, and all these contributions will inform the policy outputs during 2007.

8.61 In parallel with this we have also engaged with the European Commission and other Member States this year in making constructive contributions to a major consultation exercise on a new wide-ranging European ports policy. A communication setting out the Commission's proposals is expected late in 2007.

### Proposed major port developments

8.62 We are continuing to assess proposals for the enhancement of national container handling, and roll-on, roll-off (ro-ro) capacity in line with the principles of sustainable development.

- 8.63 Consent was given in March 2007 for a doubling of the Mersey Docks' container handling capacity through the construction of a new river terminal at Seaforth outside Liverpool. The Government has also approved expansion of ro-ro capacity on the Humber by Humber Sea Terminals at Killingholme.
- 8.64 Following further approvals in August 2006, the Government continues to consider the case for the proposed London Gateway container port on the Thames Estuary, and hopes to complete the process as soon as possible. And elsewhere the ports industry continues to bring forward expansion opportunities. Associated British Ports (ABP) Southampton and the Bristol Port Company have both indicated they will be seeking permissions for major development during the next year or so.

### Port traffic

- 8.65 Total freight traffic at UK ports rose to 586 million tonnes in 2005, 2 per cent more than the previous year and 31 per cent more than in 1985. Bulk traffic also rose by 2 per cent in the last year to 400 million tonnes in 2005, while container and ro-ro traffic increased by 3 per cent to 155 million tonnes. Bulk traffic is just under 10 per cent higher than in 1985, while container and ro-ro traffic have increased by more than two and a half times over the same period.
- 8.66 Both foreign imports (12 per cent) and domestic traffic (6 per cent) grew in 2005 compared to 2004, while exports fell by 5 per cent. Since 2000, imports have grown by 19 per cent while exports have fallen by 15 per cent.

### Navigational safety and the general lighthouse authorities

- 8.67 All active harbour authorities have reaffirmed their compliance with the Port Marine Safety Code.
- 8.68 There are three GLAs – Trinity House Lighthouse Service (THLS), Northern Lighthouse Board (NLB) and Commissioners of Irish Light (CIL). 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.
- 8.69 As a result of continuing major 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 (2007-08) the unprecedented 10 per cent cut in light dues rates which we were able to introduce during 2006.
- 8.70 THLS and NLB have commissioned, at a cost of some £34 million, new multi-function tender vessels to modernise and streamline their operations in providing aids to navigation around the coast of Great Britain. The NLB vessel is expected to come into service in spring 2007 and the THLS vessel later in the year.

## Port employment and accident rates

- 8.71 The Department carried out a study of port authorities and port related businesses in the UK, published in November 2005, to estimate port employment and to improve information about port accident rates.
- 8.72 The accident rate for businesses on port sites is estimated to be 1.2 for every 100 employees on average a year (the range is 1.0 to 1.5 per cent). The accident rate is lower than estimated by Ports Skills and Safety Limited (PSSL) for their members (2.8 per cent in 2004), since PSSL are thought to have a narrower coverage of port employment activities and include companies more directly involved with port operations (cargo handlers for example), where employees are more at risk. The main progress on reducing accidents in docks has been through PSSL's Safer Ports initiative. The targets for accident reduction have been exceeded ahead of schedule. A second phase of the initiative is now underway.
- 8.73 One of the aims of the Department's study was to consider methods for producing more accurate accident rate statistics for ports linked to the HSE's reported accident statistics, annually. The conclusion of the study is that it is possible and feasible to produce more accurate estimates of port accident rates annually, and the Government and industry need to consider what information is needed for monitoring purposes, taking into accounts additional costs and expected benefits of improved data. The Department is considering views.

## Galileo

- 8.74 The Department has the Government lead on Galileo, the EU's global satellite navigation programme. Galileo will be complementary to the existing US global positioning system (GPS). The test and development phases are currently being taken forward with Trans European Network (TEN) funding, in partnership with the European Space Agency. In December 2005, the first test satellite, built in the UK, was successfully launched. This satellite has secured the frequencies that the International Telecommunication Union (ITU) has allocated to Europe and is testing key technologies for the full Galileo programme.
- 8.75 An EU Public Private Partnership (PPP) is being negotiated for the operational phase. If the negotiations with the current bidder are successful, and the European Parliament and Council approve the Community contribution, the concessionaire should be appointed by the end of 2007. It is currently proposed that the concessionaire's operating company should be based in London. Galileo, when operational (currently expected to be 2011-12), will provide a more accurate and reliable service than GPS, enabling a greater range of applications. The wide range of potential applications is not limited to transport, and includes guidance, signalling and timing services, interactive search and rescue, and added value facilities linked to mobile telephones. The Commission published a green paper on Galileo applications in December 2006.



# Chapter 9

## Freight



## Chapter 9

### Freight



#### Strategy and objectives

- 9.1 Efficient freight transport is essential to the UK's economic prosperity. In turn, economic growth increases the demand for goods and therefore for their transportation locally, nationally and internationally. The Department's job is to ensure that goods can be moved freely, reliably and efficiently, while minimising the impact of doing so.
- 9.2 In this context, the Department's two key objectives for freight transport during the year were to:
- reduce the burden on industry as part of our drive towards better regulation, including enforcing the existing rules more effectively and seeking clear EU legislation; and
  - enable a competitive and efficient freight sector to continue developing, while reducing its impact on congestion, safety, the environment and other road users.

#### Responsibility for delivery

- 9.3 Unlike passenger transport, the Government does not specify freight transport services. Instead, the Department sets the broad policy context in which the sector operates. This includes leading the negotiation of European directives and maintaining the right domestic regulations.
- 9.4 Enforcement and implementation of the regulatory framework normally rests with the Department's executive agencies, particularly the Vehicle and Operator Services Agency (VOSA), and the Traffic Commissioners. The Department works closely with other Government departments, whose policies can also affect the sector's competitiveness and efficiency.
- 9.5 The private sector is responsible for delivering the benefits of less congestion, greater safety and lower environmental impact. The Department purchases these through the Sustainable Distribution Fund (SDF).

## Sustainable Distribution Fund

- 9.6 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.
- 9.7 In June 2006, the Department increased its original budget for the SDF by £3 million, to a total of £25.5 million for 2007-08. At the same time, we announced that we had allocated a resource funding budget until 2009-10 to give industry greater future certainty. The Department will allocate these funds, without preference for any one mode, to those projects that will deliver the greatest benefits.

### Modal shift programme

- 9.8 In 2006-07, the expected spend of £24 million on the outgoing Company Neutral Revenue Support (CNRS) and Track Access Grant (TAG) schemes will take around 0.9 million lorry journeys off UK roads. From April 2007, the Rail Environmental Benefit Procurement Scheme (REPS) will replace both schemes. This secured state aid clearance from the European Commission in October 2006. The new scheme takes forward the strengths of its predecessors and ensures that intermodal and bulk freight will be treated equally.
- 9.9 The Department made five offers of Freight Facility Grant (FFG) during 2006-07, with a maximum grant value of £2.8 million. The grants will bring two wharves on the Thames back into use for the transport of aggregates, and will help to build two waterside oil handling facilities in the north of England. We also offered a grant to British Waterways towards the cost of building a lock so that construction materials can be moved by water to the Olympic site in East London. These five offers of FFG will take around 215,000 lorry journeys off UK roads over the next few years.

### Efficiency programme

- 9.10 Following the success of the sustainable road freight projects funded in earlier years, the Department made a further £1.5 million available during 2006-07. This helped to expand the programme of driver development training to promote and embed safe and fuel efficient driving (SAFED) techniques among van drivers. As a consequence 300 instructors have been trained to deliver SAFED training and 7,000 van drivers have benefited. Evaluation indicates that after training, drivers use 21.9 per cent less fuel and make 62 per cent fewer driving faults.

9.11 The funding also helped to pay for a series of partner programmes, where the Department sets objectives and invites partners to propose benefits. 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.

## Research

9.12 The Department commissioned further research during the year, to inform policy and help the industry be more competitive and reduce its environmental footprint. Highlights include:

- *Freight Future* newsletter – 180,000 distributed to inform the industry of the latest best practice;
- *Information Technology for Efficient Road Freight Operations* – an independent overview of their uses, benefits and associated costs;
- *Local Authority Freight Management Guide* – to help freight officers understand freight issues, strategies and action plans;
- *KPIs for the Builders Merchants Sector* – benchmarking guide following a survey across the 35 depots of builders' merchants;
- *KPIs for the Next Day Parcel Delivery Sector* – measurement of key performance indicators (KPIs) and analysis of benchmarking in this sector;
- Fleet Performance Management Tool – PC based tool to help fleet operators improve efficiency; and
- *Performance Management in Freight Transport Operations* – a guide to performance management with checklists, typical KPIs and case studies.

9.13 Research into the logistics of waste and reverse logistics is complete. The Department will be helping local authorities and waste operators reduce the transport intensity of collecting domestic and commercial waste. The Department has also developed a practitioners' workbook to help managers reduce returns and waste, while increasing revenues and minimising unnecessary truck miles.

9.14 We are researching global outsourcing to better understand some of the issues, problems and previously hidden costs. We plan to produce a workbook to help business planners and accountants make better informed decisions before moving production abroad.

- 9.15 The Department has started a large programme of KPIs in both the food and drink sectors. Approximately 100 fleets took part in the first survey. We will follow this up in 2009 to see how much more efficient their operations have become. We will share this data with the Department for the Environment, Food and Rural Affairs (Defra) in monitoring progress of the Food Industry Sustainability Strategy to reduce the environmental impacts of transporting food.

### Aggregates Levy Sustainability Fund

- 9.16 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.
- 9.17 The Department spent around £0.7 million of funding from the ALSF on modal shift programmes during 2006-07. This included grant funding towards the development of a new rail-fed aggregates terminal in Watford which will result in the removal of 60,000 lorry journeys over a five year period.
- 9.18 During the year the Department will also spend around £1.5 million through the ALSF on efficiency programmes to:
- continue the SAFED development training scheme for 220 instructors and 5,400 drivers;
  - provide 400 site-specific transport business reviews; and
  - research fuel consumption tests and develop case studies to encourage aggregate hauliers to use 44 tonne articulated vehicles safely in place of 32 tonne rigid trucks.

### Europe

- 9.19 The Department is discussing at EU level ways to encourage the shift of international freight from road to rail or waterways. This includes the 'Marco Polo' grant funding programme and implementation of the 'Motorways of the Sea' projects. During 2007 we will contribute to the development of the EU Commission's Action Plan on Logistics. The plan is intended to improve European logistics activity by promoting 'co-modality'. This means better integrating different forms of freight transport – road, rail and water – and using each where they offer the greatest strengths. Although the EU Commission and national governments initiated the plan, it is intended that industry will lead in identifying issues in the logistics chain which member states can address.

## Industry support

9.20 In addition to its grant programmes, the Department continues to provide financial support to Sea and Water, which brings together players in the inland and short sea shipping industries to promote freight on water.

## Outcomes

9.21 Freight moved by rail increased by around 7.5 per cent in 2005-06, with 22.1 billion net tonne kilometres moved compared with 20.6 billion the previous year.

9.22 Freight traffic on inland waterways totalled 1.6 billion tonne kilometres in 2005-06, an increase of 10 per cent over the previous year. Coastal freight movements totalled 39.4 billion tonne kilometres in 2005-06, an increase of 11 per cent increase over the previous year.

9.23 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 1953-2004**

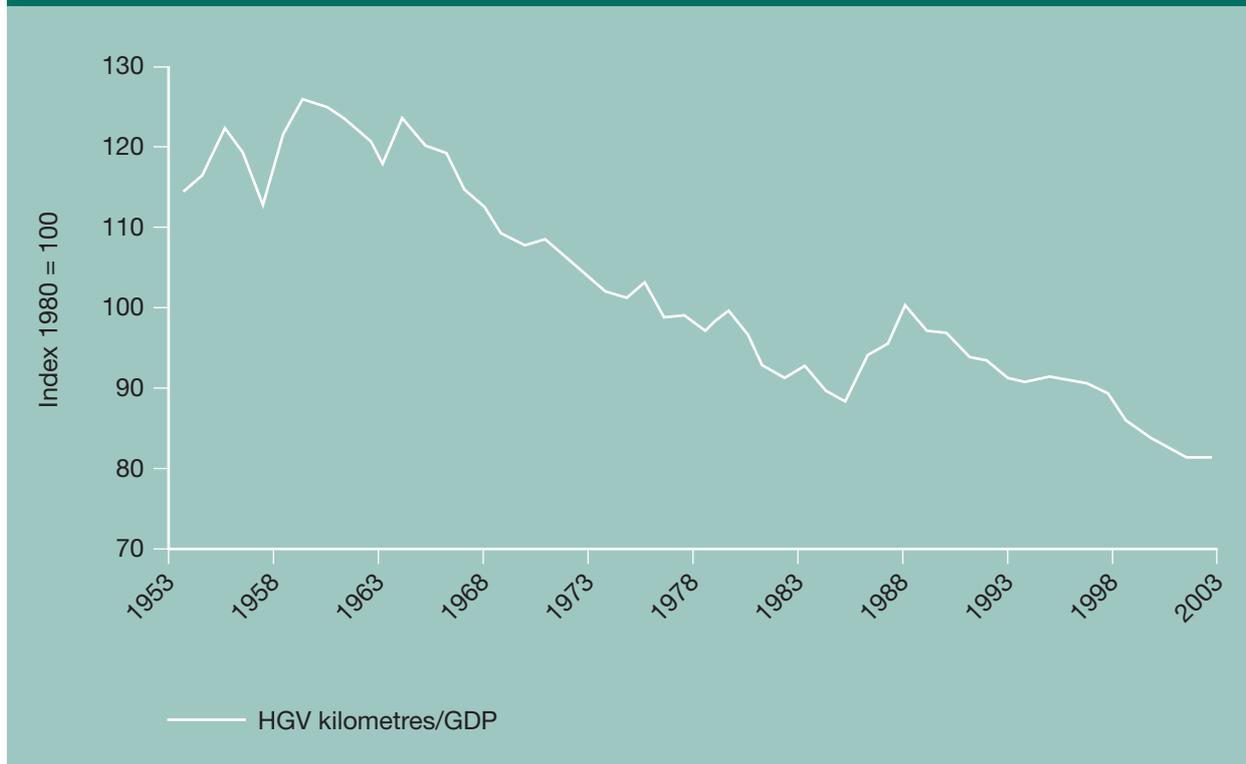


Figure 9b: Spending on logistics programmes 2002-09

£ million

Logistics programme	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Expected Outturn	2007-08 Plans	2008-09 Plans
Sustainable distribution research and best practice programme	1.3	1.1	1.2	1.5	1.8	1.7	Subject to the CSR <sup>1</sup>
Road Haulage Modernisation Fund (RHMF) and follow up programmes	11.6	8.9	2.6	No longer active programme	No longer active programme	No longer active programme	No longer active programme
Rail freight grants total <sup>2</sup>	-	-	-	22.8	24.0	-	-
Water freight grants total	5.9	8.7	4.0	3.3	3.7	-	-
Sustainable Distribution Fund <sup>3</sup>	-	-	-	0.5	2.2	25.5	18.5 <sup>3,4</sup>
Aggregate Levy Sustainability Fund (ALSF)	-	-	-	2.5	2.1	1.4	Subject to the CSR <sup>1</sup>

## Better regulation – national and international

### Operator licensing

- 9.24 In December 2006 the Department announced the close of the consultation on proposed reforms to operator licensing for commercial vehicles. We are taking forward the proposal that lorry and bus operators with sites in different parts of the country will be able to make a single application for all the licences they need. We expect these changes to come into force in late spring or early summer 2007.
- 9.25 The Department will also be simplifying the operator licensing fee structure. We have made some changes to the original proposals to reflect concerns from the road haulage industry about fair allocation of costs. The changes are planned to take effect from 1 April 2008. We will also be abolishing HGV windscreen discs as soon as electronic systems have been rolled out sufficiently to maintain effective enforcement.

### Drivers' hours and working time

- 9.26 New EU rules governing how much time the drivers of large commercial vehicles can spend at the wheel, and the breaks and rest periods they must take, were published in 2006. The new rules, which are intended to clarify and update the existing drivers' hours rules, will enter fully into force in April 2007. The Department consulted widely on the changes to domestic legislation needed to reflect the new EU rules and laid the resulting Regulations before Parliament in March 2007.

1 Comprehensive Spending Review.

2 Rail freight grants funded by the Strategic Rail Authority until 2005-06.

3 From April 2007 funding of rail freight, water freight and sustainable distribution/best practice programmes will be through the single Sustainable Distribution Fund.

4 Resource funding only. Capital budget subject to CSR.

- 9.27 The Department has also launched a review of UK Regulations implementing the EU Working Time Directive for mobile workers. The Department has set up and is chairing a working group to share experience. This is a three-way forum, involving Government (including devolved administrations and enforcement agencies), industry and trade unions.

### Cabotage

- 9.28 Cabotage rules apply when operators from one country conduct sea, air or other transport services domestically within another country. Following-up on the work of the Road Haulage Task Group, the Department issued a statement in August 2006 reiterating our position on the EU road haulage cabotage rules. This statement did not change existing policy but was designed to clarify our position and provide reassurance to industry that the rules were being enforced effectively. The statement included a hotline for reporting suspected breaches of the cabotage rules to VOSA.

### Dangerous goods

- 9.29 Dangerous goods are vital in many sectors, such as construction, manufacturing, agriculture, energy supply, food production and the health service.
- 9.30 The Department aims to provide a regulatory framework that facilitates the safe transport of all dangerous goods. We seek to minimise the risks in transporting dangerous goods through effective regulation. 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.
- 9.31 During the year, the Department has:
- negotiated international regulations which seek to apply safety criteria systematically to the transport of all dangerous goods in all countries;
  - engaged with stakeholders to assess priorities for our international negotiations;
  - contributed to finding sustainable international solutions to prevent shipments of radioactive material being denied;
  - worked closely with other national and international regulators to harmonise requirements across all forms of transport;
  - simplified and consolidated regulations for the transport of dangerous goods by land, which will come into force in 2007;
  - continued our quality assurance programme to ensure industry has effective systems for the safe transport of dangerous goods;

- carried out a risk based enforcement programme, either directly or through our enforcement partners (in 2006, we completed a successful prosecution in relation to the shipment of a badly secured radioactive source);
- worked closely with local authorities and the emergency services where transport accidents involving dangerous goods needed a speedy response, or where decontamination programmes have required effective transport; and
- agreed with our French counterparts that when industry applies to either the French or UK competent authority to transport radioactive material, both countries will issue certificates of compliance. Since this agreement, industry has had to submit five fewer applications to either the French or the UK competent authority, so we will work to extend the agreement to other competent authorities in 2007.



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## Chapter 10

### Protecting the environment



REVVING HARD ISN'T GOOD FOR YOUR ENGINE. BY ANTICIPATING THE ROAD AHEAD AND SHIFTING UP A GEAR A LITTLE EARLIER YOU CAN KEEP YOUR REVS DOWN. THIS REDUCES YOUR ENGINE'S WORKLOAD, BURNS LESS FUEL AND COULD CUT YOUR CO<sub>2</sub> EMISSIONS BY AROUND 8%. FOR MORE TIPS VISIT [dft.gov.uk/ActOnCO2](http://dft.gov.uk/ActOnCO2)

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**CO<sub>2</sub>**

## Chapter 10

### Protecting the environment



#### Strategy

- 10.1 A good transport system is central to a prosperous economy, better access and greater mobility. But we must balance the increasing demand for travel against 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. *The Future of Transport* white paper, sets out a strategic framework to address these issues over the next 30 years.
- 10.2 The white paper reaffirms our commitment to a measured and balanced approach, ensuring that transport delivers the economic and social benefits that underpin our prosperity and welfare, and makes a positive contribution to our environmental objectives. We therefore continue to work closely with the Department for Environment, Food and Rural Affairs (Defra) on issues such as air quality, climate change (together with the Department for Trade and Industry (DTI)) and the wider sustainable development agenda.
- 10.3 Our progress will be measured against the public service agreements for air quality and climate change, as well as the key headline indicators in the UK Sustainable Development Strategy.<sup>1</sup> For more details on the Public Service Agreement (PSA) target see Appendix D.

#### Progress made in protecting the environment

##### Climate change

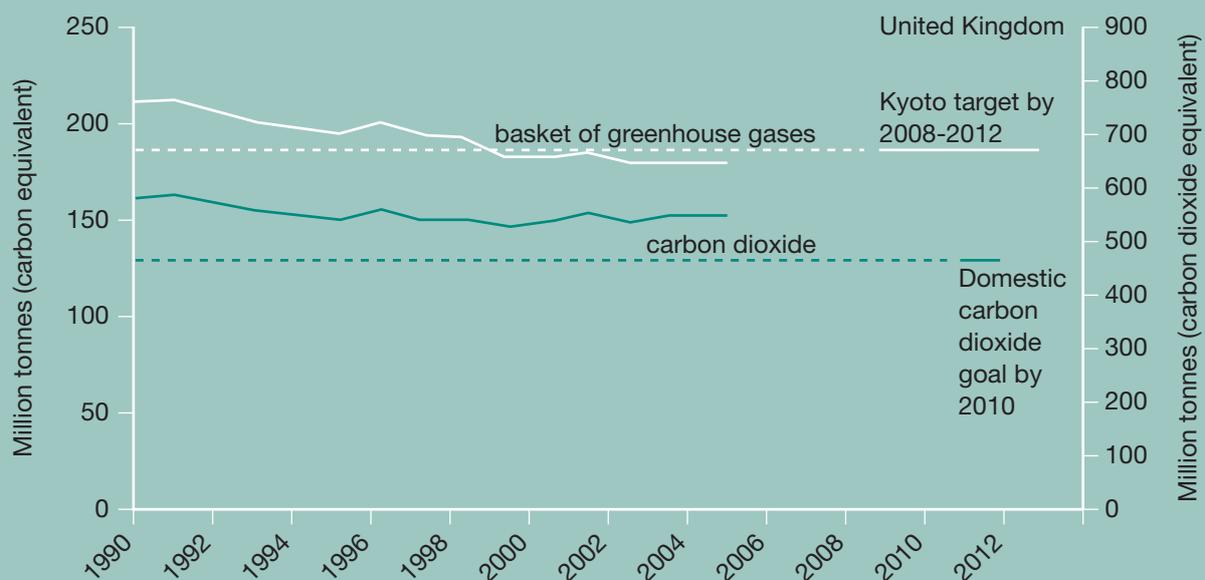
- 10.4 Transport accounts for around a quarter of the UK's greenhouse gas emissions. Emissions from this sector have increased since 1990 by 11 per cent to over 35 million tonnes of carbon in 2005, representing around a quarter of the UK's total carbon emissions. This growth in emissions is slowing down, and is not expected to grow as strongly in the future.

<sup>1</sup> *Securing the Future: delivering UK sustainable development strategy*, published March 2005.

Emissions from transport are projected to peak around 2015 and then start to fall. In this context it is worth noting that reductions from transport of 6.8 million tonnes a year in 2010 compared to what they would otherwise have been represent about a quarter of the reductions made across the economy through policies in the Climate Change Programme.

- 10.5 Since 1 April 2005, we have shared responsibility with Defra and the DTI for the climate change PSA target. This target is to reduce greenhouse gas emissions from all sectors to on average 12.5 per cent below 1990 levels over the period 2008-12 in line with our Kyoto commitment and to move towards a 20 per cent reduction in carbon dioxide emissions from all sectors to below 1990 levels by 2010. Estimates suggest that the UK is on track to meet its Kyoto commitment, but that more work needs to be done to meet our domestic target.

Figure 10a: **Emissions of greenhouse gases: 1990-2005**



Source: netcen, Defra

- 10.6 As set out in previous departmental annual reports, the Government is working in four ways to tackle emissions from transport by reducing the carbon content of fuel, reducing the carbon emissions of vehicles, encouraging moves towards more environmentally friendly transport and where appropriate using emissions trading.
- 10.7 Since its publication the Stern review has moved the international debate on climate change further, and its three-legged policy framework is a useful way of presenting and understanding the Government's policies on transport emissions:

- carbon pricing – through tax, trading or regulation, for example including aviation in the EU emission trading scheme (ETS), the Renewable Transport Fuel Obligation (RTFO);
  - research and development, for example the Low Carbon Transport Innovation Strategy (LCTIS); and
  - behavioural change, for example public transport investment, Smarter Choices, information and communication campaigns, social research.
- 10.8 Sir Rod Eddington's study on the long-term links between transport and the UK's economic productivity, stability and growth (within the context of sustainable development), published in December 2006, supports the Stern review's conclusion that there is a strong economic case for taking early substantive action to avert damaging climate change. One of the main themes of both studies has been to ensure that interventions are focussed where they are most cost-effective and where they will deliver the greatest overall benefits for every pound spent. Our package of measures seeks to balance the demand for transport and the need for mobility against ensuring that the costs of climate change are met. Even where emissions from different sectors rise, mechanisms such as emissions trading can ensure that an overall environmental objective is achieved and economy-wide emission reductions are delivered.

### Carbon pricing

- 10.9 Policies that help put a price on carbon in transport include fuel duty. Fuel duty sends a clear environmental signal to motorists, incentivising the use of fuel-efficient vehicles. In addition Company Car Tax was reformed to make it carbon-based and since March 2001, vehicle excise duty (VED) has been graduated by carbon emissions. An individual's costs are therefore correlated to their car's pollution.
- 10.10 Budget 2007 announced reforms to further encourage cleaner vehicles, including extending the top rate to £300 for cars with the very highest carbon emissions. The UK's VED structure has been recognised by others as a template to follow with recent announcements by both the German and Portuguese governments on their intention to re-structure their equivalent VED taxes to reflect the CO<sub>2</sub> of vehicles.

### Reducing the fossil carbon content of transport fuel

- 10.11 In November 2005, we announced the introduction of the RTFO. This will mean that 5 per cent of transport fuel sold in the UK will have to come from renewable sources by 2010. We estimate that this will cut carbon dioxide emissions by one million tonnes a year, equivalent to taking one million cars off the road.

- 10.12 Further detail on the RTFO was announced in Budget 2007. The obligation level has been set at 2.5 per cent in 2008-09 and at 3.75 per cent in 2009-10, in order to ensure significant growth ahead of 2010. The biofuels duty incentive will be maintained at 20 pence per litre (ppl) in 2009-10 to provide further certainty to industry. In addition, the RTFO buy-out price (the price paid by fuel suppliers who fail to meet their obligation) for 2009-10 will be set at 15 ppl. This means that the total support for biofuels in 2009-10 will equate to 35 ppl, but will reduce to 30 ppl in 2010-11. This approach offers further certainty to encourage investment in the crucial first two years.
- 10.13 Currently there is no internationally agreed definition of a sustainable biofuel, nor is there any internationally agreed methodology for calculating the precise green house gas savings from biofuels. However, we are working with the European Commission, other Member States and international bodies to develop agreed ways of measuring the carbon and sustainability impacts of biofuels. Under the RTFO a transport fuel supplier will be required to complete a summary report providing data on the carbon savings and the wider environmental aspects of that fuel. Any transport fuel supplier not completing such a report will not be eligible to receive any certificates under the scheme. This reporting mechanism forms an important interim step on the road to getting internationally agreed standards.
- 10.14 The Government published a further consultation on the details of the RTFO in February 2007. This consultation seeks views on both the detailed implementation of the RTFO, as well as issues relating to the future evolution of the RTFO. Details of the consultation can be found at [www.dft.gov.uk/consultations/open/drafttrfo/](http://www.dft.gov.uk/consultations/open/drafttrfo/)
- 10.15 We intend to increase the level of the RTFO beyond 5 per cent after 2010-11, but only provided certain essential conditions are met:
- biofuels will have to be produced in a sustainable way, so that they deliver the maximum practicable carbon savings with the minimum practicable adverse environmental impact;
  - using blends of biofuel higher than 5 per cent must not lead to mechanical problems, particularly for owners of older cars which were not designed to run on such mixtures; and
  - the costs to consumers must be acceptable, both in terms of fuel prices at the pump, and wider economic impacts. This includes for example the effects on food prices and other industries which make use of similar feedstocks.
- 10.16 Before increasing the level of the RTFO beyond 5 per cent, the Government will also want to be satisfied that this represents an effective use of our biomass resources. Alternative uses of biomass (which can often deliver greater carbon savings at lower cost than producing high quality transport fuel), include using biomass as a substitute for fossil fuels in the generation of electricity and heat, as well as applications in the oleo-chemical industry.

- 10.17 In deciding on future levels of support for biofuels and other renewable fuels we will take account of the responses to the current consultation on the RTFO, and the relative costs and environmental benefits of various alternative uses of biomass in other industrial sectors. We will also take into account the European Commission's proposals for revising the Biofuels Directive, and its proposals on wider renewables targets for the EU as a whole.
- 10.18 In terms of emissions trading, the UK has taken the lead in Europe on the inclusion of aviation in the established EU ETS. Following the publication of the Commission's legislative proposal on 20 December 2006, we will now continue to press for aviation's inclusion as soon as is practicable. The EU ETS is a major policy measure that aims to reduce CO<sub>2</sub> emissions in a cost-effective manner. Participants are allocated tradable emissions 'allowances' (similar to quotas) that they can trade to help them in meeting their emissions reductions targets.
- 10.19 We continue to work on emissions trading at the international level through the International Civil Aviation Organisation (ICAO). We have, for example, been working within ICAO's Committee on Aviation and Environment Protection to develop guidance on emissions trading schemes, which is due to be published later in 2007.
- 10.20 The UK 2006 Climate Change Programme set out the Government's intention to build up the evidence base and consider the feasibility of developing emissions trading systems for surface transport. The Energy Review committed the government to engaging with key organisations, the European Commission and other EU Member States to ensure that the potential for future inclusion of emissions from surface transport in the EU ETS is given serious consideration. The EU ETS is currently being reviewed by the European Commission. We have been encouraging the Commission and other Member States to consider the inclusion of surface transport.
- 10.21 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. In March 2006, the UK presented a proposal concerning emissions trading to reduce CO<sub>2</sub> emissions from ships and a draft work plan. Although explicit reference to the proposal was considered too ambitious at this time, we did manage to retain reference to 'market based solutions' in the draft work plan. In October 2006, the UK presented an information paper to the IMO highlighting the background of existing emissions trading schemes, and sharing current work on exploring suitable schemes for the global shipping industry. The UK worked to develop a further paper on this subject to be submitted to the IMO in April 2007. In parallel with this, the UK has continued to investigate other options for reducing CO<sub>2</sub> emissions from shipping. In the future, such options might include the possibility of action on a regional basis. The UK will also continue to press for ambitious targets for reducing emissions of sulphur oxides from shipping.

## Research and development

- 10.22 In addition to policies outlined above on carbon pricing, we are also looking to improve the fuel efficiency of vehicle engines and promote technological development. Our work with manufacturers and our European partners has secured real progress in recent years. The voluntary agreements on new car fuel efficiency between the European Commission and the automotive industry have seen new car carbon emissions fall by 12 per cent across the EU since 1995. We welcome the European Commission's recent proposals for reducing new car emissions and will now work to develop their proposals for mandatory targets as a successor to the current Voluntary Agreements on average new car emissions when they expire in 2008-09.
- 10.23 The Government announced in the *Energy Review Report* last year that it would develop a Low Carbon Transport Innovation Strategy (LCTIS). Development of the strategy reflects the important role that new technology will play in delivering carbon reductions in the transport sector over the long term. The strategy will be published alongside the Energy White Paper and will assess where Government intervention is most usefully focussed to support technology development and encourage innovation.
- 10.24 In addition to LCTIS, the Government's Powering Future Vehicles (PFV) strategy, published in July 2002, is a 10-year strategy with two overarching goals:
- promote the development, introduction and uptake of clean, low carbon vehicles and fuels; and
  - ensure the full involvement of the UK automotive industry in these developments.
- 10.25 The Government has started a review of the targets in the PFV strategy, and will continue to take this work forward during 2007. LowCVP (the Low Carbon Vehicle Partnership) has given its input to the review, which will be considered along with other current or recent reviews that will shape future policy in this area. These include the Climate Change Programme Review, Energy Review, Air Quality Strategy Review, Stern review, the *Eddington Transport Study* and LCTIS.

## Encouraging behaviour change

- 10.26 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, if everyone purchasing a brand new car chose the most fuel efficient car within its class and price range, CO<sub>2</sub> emissions from new cars could be reduced by 24 per cent. If all drivers in the UK adopted smarter driving techniques CO<sub>2</sub> emissions from the fleet could be reduced by around 8 per cent.
- 10.27 To promote these benefits a consumer facing communications strategy covering smarter driving and new car purchasing was launched in March and will be rolled out over the coming months. The advertising will include TV and radio coverage, the national and motoring press, and on-line activity targeted at drivers and new car purchasers.
- 10.28 We are also making information available to consumers about the carbon impacts of their journeys through our award-winning journey planner Transport Direct. Currently, information is available on the carbon impact of car journeys. By the summer we will launch a service that compares the relative carbon impacts of different travel modes.
- 10.29 In addition to encouraging motorists to make changes to their behaviour, the Government is putting record amounts of investment into public transport to give people a real choice of ways to travel, and we now have the fastest growing railway in Europe. 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.
- 10.30 The Government also supports a range of measures to help people choose sustainable travel options. With the Sustainable Travel Towns Initiative, we aim to help turn Darlington, Peterborough and Worcester into showcase travel towns. By 2008, the Government will have provided over £100 million support to its Travelling to School Initiative, the published objective of which is for every school in England to have an active travel plan in place by 2010. The funding includes £7.5 million each year to fund a network of 250 local authority based travel advisers to work with schools and help them develop and implement school travel plans. Funding also includes small capital grants to schools with an approved school travel plan. By summer 2007 more than 50 per cent of schools in England are expected to have a plan, and over £70 million in small capital grants will have been allocated. We have also set up Cycling England, an expert advisory body, with an annual budget of £5 million a year for the next three years.
- 10.31 As set out in *The Energy Challenge: Energy Review Report 2006*, the Government has a continuing commitment to promoting active travel, encouraging people to view cycling and walking as viable alternatives to

the car. In June 2006 we doubled Cycling England's budget. And we have now begun the national roll-out of Bikeability, the new standard for cycle training, taking cycling proficiency into the 21st century. The on-road element to this training will provide greater reassurance about safety to parents and children, and so further increase cycling.

10.32 In November 2006, the Government announced that it would make up to £15 million available to encourage more children to walk to school through grants for walking buses and other walking initiatives. More than 3,200 schools – that's more than one in six primary schools in England – applied, and the car trips saved are expected to produce extremely cost effective environmental, health and congestion benefits. At the same time the Government published 'Links to Schools', promoting to local authorities the successes and achievements of providing new safe routes to schools via the National Cycle Network, helping to demonstrate the possibilities and potential of active travel.

### Air quality

10.33 Since 2002, the Department has shared a joint Public Service Agreement (PSA) target with Defra to improve air quality by meeting national objectives for benzene, 1,3-butadiene, carbon monoxide, lead, nitrogen dioxide (NO<sub>2</sub>), particles (PM<sub>10</sub>) and sulphur dioxide (SO<sub>2</sub>). These objectives are set out in the *Air Quality Strategy for England, Scotland, Wales and Northern Ireland: Working Together for Clean Air*.<sup>2</sup>

10.34 Air pollution can seriously affect people's health. Transport is responsible for a significant amount of air pollution, particularly in urban areas and beside busy roads. Studies such as *An Evaluation of the Air Quality Strategy*<sup>3</sup> show 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.

10.35 One way in which air quality trends are monitored is via the air quality indicator in the Government's Sustainable Development Strategy. This consists of two indicators:

- the number of days on which levels of any one of a basket of five pollutants were 'moderate' or 'higher'; and
- trends in annual levels of particulate and ozone pollution (the two pollutants thought to have the greatest health impacts).

10.36 Results for 2006 show that in urban areas, air pollution was recorded as moderate or higher on 41 days on average per site, compared with 22 days in 2005, and 59 days in 1993, reflecting a high degree of variability. In rural areas, air pollution in 2006 was moderate or higher for 56 days on average per site, compared with 40 in 2005. This figure has varied significantly over time, although there appears to be a gradually increasing long-term trend.

2 [www.defra.gov.uk/environment/airquality/strategy/](http://www.defra.gov.uk/environment/airquality/strategy/)

3 [www.defra.gov.uk/environment/airquality/publications/stratevaluation/index.htm](http://www.defra.gov.uk/environment/airquality/publications/stratevaluation/index.htm)

- 10.37 Results also show that annual average urban background particulate (PM<sub>10</sub>) levels have increased slightly in each of the last two years, although there was an overall decreasing trend between 1993, the first year for which data was available, and 2000, though no obvious trend since then. Rural ozone levels have also increased slightly compared to 2005 although there is no clear long-term trend. Urban background ozone levels have also shown an increase from 2005; these have shown an overall increasing long-term trend since 1993.
- 10.38 Compliance with the PSA and UK Air Quality Strategy objectives is checked against measured concentrations from the national monitoring networks. Monitoring results show that the UK continued to meet its national air quality objectives for 1,3-butadiene, benzene, carbon monoxide and lead. No SO<sub>2</sub> objectives were exceeded at national automatic monitoring sites. However, 13 local authorities have designated air quality management areas for SO<sub>2</sub> and are working to improve local air quality in those areas. However, objectives for NO<sub>2</sub>, PM<sub>10</sub> and ozone were not met at a number of locations.
- 10.39 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.
- 10.40 In order to move us closer to our PSA target and the UK Air Quality Strategy objectives, the Department has been working closely with Defra, other departments and key stakeholders on the review of the strategy, which will focus on measures to reduce levels of NO<sub>2</sub> and PM<sub>10</sub>. A detailed cost benefit analysis of a short-list of possible additional measures has been undertaken. These measures, which include transport measures, are expected to generate significant health benefits. The review will take a holistic approach by considering synergies of policies and measures on a number of other important areas of work, such as climate change. Public consultation on the review was carried out in summer 2006, and Defra are now finalising the document, which should be published in summer 2007.
- 10.41 We are also continuing to work with Defra on the implementation of current 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. Implementation of the air quality PSA delivery plan is overseen by regular meetings of the senior responsible owners from both departments, supported by regular meetings between policy owners in the two departments. As with the climate change PSA target, performance against objectives is overseen by the DfT Board who receive regular reports on the overall progress, key milestones and key risks.

- 10.42 Local authorities have a key role to play in improving air quality. They have a duty to check levels of air quality against the national objectives. So far, around 200 air quality management areas have been declared. Over 120 action plans have been prepared and are in the process of being implemented. In accordance with the Department's guidance, the second round of local transport plans produced by local authorities for March 2006 integrated tackling air quality concerns with local transport planning. A component of the Department's assessments (published in December 2006) of the quality of the plans was how well they integrated air quality into the plans. Overall substantial progress was recorded compared to the provisional versions of the plans produced in 2005.
- 10.43 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 similar, 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 pollution 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 Council reached first reading political agreement on the proposed Air Quality Directive in October 2006. Under the co-decision procedure, the directive must go back to the European Parliament for a second reading. It is expected that it will come into force during the later part of 2007. More details about the DfT's PSA targets appear in Appendix D.

### Shipping and aviation

- 10.44 Air pollution from transport does not only come from road transport. Shipping and aviation emissions also contribute. The recent Merchant Shipping (Pollution) Act 2006 enables the implementation of Annex VI to the International Convention for the Prevention of Pollution from Ships (MARPOL). This regulates the emissions of certain atmospheric pollutants from ships, including nitrogen oxides, sulphur oxides and volatile organic compounds.
- 10.45 For aviation, at the international level DfT negotiates with ICAO to set emissions limits for aircraft engines. At the local level, we are involved with relevant local authorities to work with airport operators, airlines, and local stakeholders to improve air quality around airports. See Chapter 8 for more information on airport master plans and air quality work for the project for the sustainable development of Heathrow Airport.

## Noise

### Roads

- 10:46 One of the measures identifiable in *The Future of Transport* is the reduction and mitigation of transport noise. 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 all new road construction projects carried out by the Highways Agency.
- 10:47 All of the Agency's major schemes include high standards of environmental mitigation, as far as reasonably possible, to ensure that the impact of noise (among many elements) is minimised. 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 62 of the 79 sites by the end of 2006-07. Responsibility for a further 5 of the 79 sites has transferred to Transport for London (TfL).

### Aviation

- 10.48 The Department regulates operational noise at Heathrow, Gatwick and Stansted airports directly, and works with other airports to help them set and enforce controls. Following a two stage consultation, a new night noise regime at Heathrow, Gatwick and Stansted airports was announced in June 2006. This new regime seeks to balance the impact of flights on people living around the airports, and the economic benefits those flights bring. While the new restrictions will not require any cuts in existing services at Heathrow and Gatwick, and leave scope for additional flights at Stansted, the noise quota available will decrease over time to ensure residents get the benefit of quieter aircraft operating at night as they become available.
- 10.49 The Government also introduced the Civil Aviation Act in November 2006. Through the Act we have sought to strengthen and clarify 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. We hope this will encourage airports to set up noise control schemes where they do not already exist.
- 10.50 Working with these airports, and with airlines, air traffic controllers and the Civil Aviation Authority (CAA), we have completed a review of the joint code of practice which aims to reduce noise from arriving aircraft by promoting a continuous descent approach. The second edition of the code of practice on Noise from Arriving Aircraft, was issued in November 2006 and was an example of how government and key stakeholders can work together to define and promote best practice.

10.51 During 2007, action will be taken to meet the requirements of the European Environmental Noise Directive. This will mean the production of noise maps around major airports followed by action plans in 2008.

## Planning

10.52 Integrating spatial and land-use planning with transport has a key role to play in 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 and climate change. The planning system can be used to achieve this and ensure a realistic choice of access by walking, cycling and public transport. It can also promote more sustainable travel choices, for instance through travel plans which aim to reduce reliance on single occupancy car use. This also helps secure greater accessibility for members of the community to jobs, health, housing, education, shops, leisure and community facilities.

10.53 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 partners at the central, regional and local level to achieve these objectives and shape the future pattern of transport demand. It is working closely with Communities and Local Government (CLG) on improving the existing set of planning policy guidance (PPG) notes and planning policy statements (PPS), for instance helping to develop a new PPS on climate change, and reviewing PPG13 on transport.

10.54 The Department is also contributing to the proposals on planning gain supplement, which will create new mechanisms for paying for and delivering transport infrastructure to serve new development. This aims to ensure that the new system includes workable delivery mechanisms, and that incentives remain for developers, planning authorities and other stakeholders to manage the demand for transport.

10.55 PPG13 states that, where a new development is likely to have significant transport implications, a transport assessment should be prepared and submitted with a planning application. In response to requests from those involved in the planning process, the Department, working with CLG and the Highways Agency, has issued new guidance on submitting transport assessments, along with a new spatial planning policy for the strategic trunk road network and new guidance on agreements with the Secretary of State (under section 278 of the Highways Act 1980). This provides greater clarity to local authorities, developers and their consultants. The new guidance emphasises the importance of involving the Highways Agency in the planning process, and of making a wider assessment of the impacts of development. It places the focus of transport assessments on congestion and the environment, and consequently prefers managing demand to extending road infrastructure.

10.56 Finally, the Department is working with the Cabinet Office and other Government departments on a white paper on reforming the planning process for major infrastructure projects, including transport, with the aim of delivering greater certainty and speed. These reforms are based on the recommendations made in the Eddington study of transport and economic growth and the Barker review of land-use planning. Measures for improving the responsiveness and efficiency of the wider planning system will also be put forward. At the heart of the proposals is the creation of an Independent Planning Commission (IPC), which will take decisions on major infrastructure projects instead of ministers. The role of ministers and government will instead be brought to the front of the process, in setting national policy statements against which the IPC will take its decisions.



# Chapter 11

## Safety and security



## Chapter 11

### Safety and security



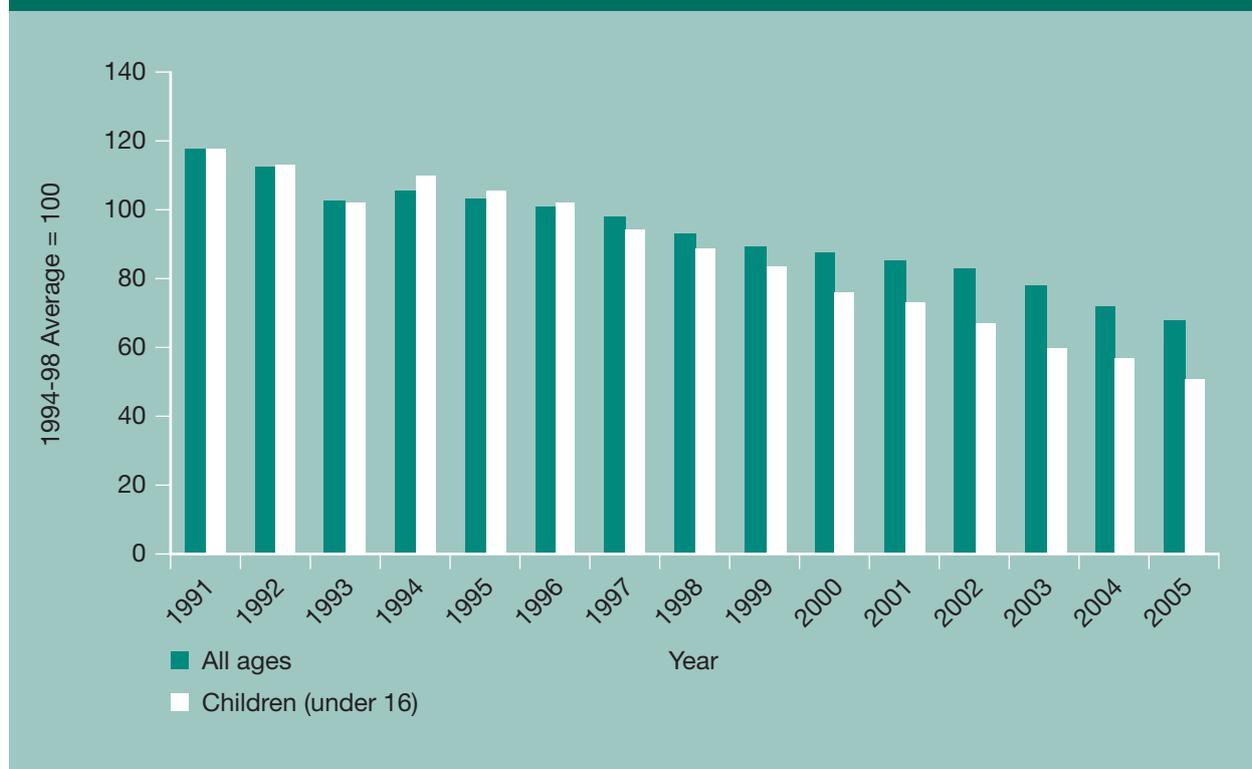
- 11.1 The Government's aim is to ensure that people are safe and secure when they travel. Although the risk of accidents on any form of transport is low, we are working to improve safety and security across all forms of transport.
- 11.2 March 2000 saw the launch of the Government's road safety strategy *Tomorrow's roads – safer for everyone*. The strategy established new casualty reduction targets to be achieved by 2010, and described the framework for delivering the targets within the following 10 themes:
- safer for children;
  - safer drivers – training and testing;
  - safer drivers – drink, drugs and drowsiness;
  - safer infrastructure;
  - safer speeds;
  - safer vehicles;
  - safer motorcycling;
  - safer pedestrians, cyclists and horseriders;
  - better enforcement; and
  - promoting safer road use.

#### Road safety Public Service Agreement target

- 11.3 The Department's Public Service Agreement (PSA) target is to 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. An additional target of tackling the significantly higher incidence of casualties in disadvantaged communities, was added in 2002.

11.4 The latest data reveals continued good progress. In the twelve-month period to the end of September 2006, deaths and serious injuries were 33 per cent below the 1994-98 baseline, over three quarters of the way to the 40 per cent target set for 2010. Child deaths and serious injuries were 52 per cent below baseline, exceeding the child target for 2010. However progress on deaths alone has been patchier. The number of child deaths has fallen by 46 per cent, but the total number of deaths has fallen by only 11 per cent (2005 data). The latest annual data is in the full report *Road Casualties Great Britain 2005*, available on the Department's website.

Figure 11a: **Road deaths and serious injuries 1991-2005 as a percentage of baseline averages for 1994-98 (Great Britain)**



11.5 Data for 2005 showed that we have met the disadvantage element of the target. The overall number of casualties in the 88 Neighbourhood Renewal Fund areas has fallen at a faster rate (19 per cent) than in England as a whole (15 per cent) since the baseline period 1999-2001. But although we have met the target, people from the most disadvantaged communities remain many times more at risk of death or injury in road accidents than those in the highest socio-economic groups. So the issue remains a key priority for us.

11.6 While we are making good progress towards the targets, there have always been a 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.

## Strategy review

- 11.7 Although we are making good progress towards the targets, the task remains challenging. In 2005 a total of 3,201 people were killed and 28,954 seriously injured in road accidents. So we need to review and develop our policies regularly, so that we can meet the challenge.
- 11.8 We published the second review of the strategy in February 2007, following extensive consultation with stakeholders. The review describes how we have progressed towards achieving the casualty reduction targets and identifies priority areas on which we shall focus for the rest of the target period.
- 11.9 Slow progress on reducing the number of deaths caused by road traffic collisions is a major concern. We are giving priority attention to speed, seatbelt wearing, drink driving, motorcyclists and young drivers. We have identified policies to reduce casualty rates for each group. The review also sets out a timetable for establishing the next casualty reduction target and strategy for post 2010.

## Research

- 11.10 We have continued our comprehensive programme of road safety research. This has provided evidence to underpin the second three-year review of the road safety strategy as well as further evidence to support policy and publicity. We have commissioned statistical analyses into trends in fatal accidents, the monitoring and forecasting of casualty trends up to 2010 and a review of the trends in the reporting of road accidents using various data sources. We have researched interventions aimed at the speeding motorist and this has resulted in recommendations for speed awareness courses.
- 11.11 Reviewing good practice in other fields of health behaviour has identified the most effective ways of targeting young drivers. We have also researched existing pre-driver education. We have researched how serious traffic offenders are handled after their court appearance and considered the judgement and decision making literature in order to develop guidance on driver improvement course format, structure, delivery and monitoring.
- 11.12 The SUNflower+6 EU funded project provides important insights into high performing countries, namely Sweden, the UK and the Netherlands. Using qualitative and quantitative techniques, we are better able to understand what works in particular countries and why.
- 11.13 Ongoing priorities include:
- assessing the impact of driver testing and training and post test training;
  - work-related road safety;
  - impairment through drink, drugs and fatigue;
  - motorcycle safety; and
  - work on the effectiveness of road safety measures in disadvantaged areas.

11.14 Our published research reports and a compendium of current and recently completed projects are on the Department's website.

## Road Safety Act

11.15 The Road Safety Bill received Royal Assent on 8 November 2006. The Act comprises around 30 mostly free-standing measures which can make wide ranging contributions to the achievement of casualty reduction targets.

11.16 The Act places considerable emphasis on enforcement of road traffic law. It gives the police and the Vehicle and Operator Services Agency (VOSA) vehicle inspectors new powers to deal more effectively with commercial vehicle offences and foreign operators. Before the Act, foreign operators sometimes escaped the full impact of the law purely because of administrative problems. The Act also provides for a system of continuous motor insurance along the lines of the statutory off-road notification (SORN) scheme for vehicle taxation. This is one of a number of measures that close loopholes in the licensing system.

11.17 There have been increases in penalties for several offences including careless driving and the use of a hand held mobile phone at the wheel. There is also to be a new offence of using a device that interferes with the proper operation of a safety camera. The Act creates two major new offences – causing death by careless driving and causing death by driving while uninsured, unlicensed or disqualified – following a review of driving offences by the Home Office. They will be implemented following guidance from the Sentencing Guidelines Council. In future it will be possible to set graduated fixed penalties for offences such as speeding or related to a vehicle where the degree of danger can be taken into account without the need for a court hearing. This will require secondary legislation and further consultation.

11.18 The Act also widens the scope for re-training drivers as part of their punishment and will also allow for a requirement that repeat drink drive offenders should re-take the driving test. There are also enabling powers for a scheme involving an alcohol ignition interlock programme for the most serious drink drive offenders. This will require development of new procedures.

11.19 The Act also gives powers to modernise the driver training and testing regimes, and for the Government to give road safety grants to local authorities for innovative schemes and demonstration projects.

## Child road safety

11.20 The Department has prepared a new child road safety strategy, working with stakeholders through the Road Safety Advisory Panel's child subgroup. The strategy was published in March 2007, updating the child road safety strategy published in 2002. It outlines what the Department and its partners still need to do to improve child road safety.

11.21 The Department implemented new rules on the use of child restraints in cars on 18 September 2006, and on wearing seat belts in buses and coaches. We ran a major publicity campaign from July to September to persuade people to use child restraints. A survey in October 2006 showed a considerable initial increase in use in response to this campaign.

### Driver training and testing

11.22 We have made a number of improvements to the driver training and testing system over the years. Now the time has come to consider more fundamental reform. The system must ensure that learners can drive safely, not just master how to control a car. It needs to be rebuilt on a modern template consistent with vocational frameworks now being established across the education system and in industry. The three main elements must be:

- a new competency and knowledge framework setting out what a candidate must know and be able to do;
- a modern training syllabus setting out what a candidate needs to learn; and
- systematic assessment criteria setting out how the testing stage will establish that a candidate has covered the whole syllabus properly, and can demonstrate full competence.

### Driving and mobile phones

11.23 The Department implemented new penalties for using a mobile phone while driving on 27 February 2006. This is now an endorsable offence with a fixed penalty fine of £60. We have supported this with a major publicity campaign.

### Work-related road safety

11.24 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. An outreach programme, supported by a grant to Roadsafe, aims to engage business and spread good practice. We have run a major new publicity campaign, aimed initially at van drivers.

### Drink driving

11.25 With the help of the Association of Chief Police Officers (ACPO), the Department and the police raised the level of campaigning against drink driving during 2006. Recent years had seen a fall in the amount of breath testing reported by the police and a corresponding rise in the number of drink drive fatalities. After a major joint campaign during the 2006 World Cup, ACPO and the Department's publicity team collaborated again at Christmas to produce a month long multi-media publicity and enforcement effort. This eventually saw a reduction in the number of injury accidents over the period compared with the previous year.

11.26 This success clearly shows that greater enforcement works, but it needs to be replicated over the whole year. The Department and the police are looking at other ways of combating drink driving. These include a project to collect better evidence of the levels to which drivers are actually drinking and, with the Home Office, possible ways to give the police a reason to value drink drive arrests as highly as some other offences that count towards the target of offences brought to justice.

### Working with local highway authorities

11.27 Local highway authorities and their partners are critical to meeting casualty reduction targets locally.

11.28 We allocated £110 million a year over the period 2007-08 to 2010-11 as specific road safety grant. We allocated this money to Transport for London (TfL), the Highways Agency and the Driver and Vehicle Licensing Agency (DVLA), with approximately £97 million distributed among English local authorities based upon their road safety need and delivery record. This grant replaced previous funding for safety cameras via the 'netting off' arrangement for the National Safety Camera Programme, which ended on 31 March 2007.

11.29 From 1 April 2007 all the money collected as speeding fines goes direct to the Treasury. The new arrangements give local authorities and their delivery partners greater flexibility to direct resources to whichever mix of measures will be most effective in reducing road casualties locally. On 31 January 2007 the Department issued best practice guidance to traffic authorities on the deployment, visibility and signing of safety cameras. The focus remains on reducing casualties through highly visible and conspicuous enforcement. However, partnerships have greater freedom to set local criteria for how they deploy their resources and enforce speed limits in response to community concerns.

11.30 We are working closely with the six local highway authorities awarded Beacon status for road safety. We are helping to spread their best practice among the wider local authority community and supporting bids for funding from Communities and Local Government (CLG) to extend Beacon activities for two more years.

11.31 We continued to implement our £40 million programme of pilot and demonstration projects, including:

- 'Kerbcraft', a programme of child pedestrian training schemes for five to seven year-olds in 100 local areas;
- 'Mixed priority routes', showing how high streets can be made safer without restricting traffic flow;
- the Inner City Road Safety project in east Birmingham to demonstrate the benefits of an area-wide partnership approach to road safety in a disadvantaged part of the city; and

- the Neighbourhood Road Safety Initiative, under which 15 authorities in the North West, the Midlands and Yorkshire have tackled the road safety problems of their disadvantaged communities.

Now that these projects are complete we will publish good practice guidance in the summer.

- 11.32 We set up a new £4 million road safety partnership grant scheme to further support highway authorities in meeting local casualty reduction targets. 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 among local authorities and others. In its first year, the scheme has focussed on successful approaches pioneered in recent DfT road safety projects, bringing them into the mainstream – particularly those that tackle the impact of disadvantage on road safety.
- 11.33 We have been working with the County Surveyors' Society and we published good practice guidance for puffin pedestrian crossings in July 2006 and mini-roundabouts in November 2006. The Department also published a Local Transport Note on traffic calming in March 2007. This updates and brings together the latest advice on the wide variety of traffic calming techniques.
- 11.34 As well as publishing guidance in the *Traffic Signs Manual*, we continue to provide day-to-day guidance to local authorities on the design and application of traffic signs and road markings in accordance with the legislation. Last year the Department worked with the Institute of Highways Incorporated Engineers to develop a new traffic sign design qualification which we are due to launch in 2007. The qualification will raise design standards, which in turn will help improve consistency, clarity and safety across the national road network.
- 11.35 In March 2007 we launched *Manual for Streets* jointly with CLG. The manual replaces previous design guidance and will help to transform the quality of new and existing streets. The manual focusses on the importance of designing streets as convenient, safe and enjoyable places for all road users, not just drivers.

## Speed

- 11.36 The Department issued new guidance to traffic authorities on setting local speed limits in August 2006. The guidance is designed to promote greater clarity and consistency. It covers the setting of all local speed limits on single and dual carriageway roads where the national limit would not be appropriate. We have asked traffic authorities to review the speed limits on all of their A and B roads in accordance with the new guidance, and implement any changes by 2011.

## Vehicles and technology

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

- showcasing our achievements as a host partner and major exhibitor at the 13th World Congress and Exhibition for Intelligent Transport Systems that took place in London in October 2006. The four day event attracted some 8,000 leading experts from around the world;
- helping to develop the revised European Statement of Principles (ESoP) on Human Machine Interface, published in December 2006. ESoP promotes good design of in-vehicle information systems, such as satellite navigation devices, to support, not distract the driver;
- consulting on possible changes to the way we regulate in-vehicle information systems and publishing guidelines on the assessment of the routeing strategies they use, to encourage good routeing advice;
- beginning research to establish the future vehicle safety priorities for heavy vehicles; and
- implementing many recommendations of the 2004 Greenaway Review. This includes a crackdown on uninsured drivers involving the motor insurance database and automatic number plate recognition (ANPR) cameras – taking up to 600 uninsured vehicles off the roads a week.

## Motorcycling

11.38 The Department continues to work with motorcycle user groups and the manufacturing, retail and training industries to implement the actions in the 2005 *Motorcycling Strategy*. The industry-led National Motorcycle Council is overseeing implementation, with our full involvement. We will consider how to refresh the strategy in the light of the recommendations of the current Transport Select Committee inquiry.

## THINK! road safety publicity

11.39 The Department's publicity campaigns are centred around the driver behaviour that we most need to influence. We have started to create bigger, more integrated campaigns around the core road user groups. We hope this will help to influence those people least inclined to change and at the same time, maintain awareness of the issues more generally.

11.40 We have continued to focus on the core topics of speed, seatbelts and driver impairment. We run high profile broadcast advertising campaigns covering these areas, often including television.

11.41 We also concentrate on road user groups who face a disproportionate risk of being killed or seriously injured or of harming others. Campaigns aimed at children, teenagers and motorcyclists have been running for some years and in 2006-07 we began to focus on a new audience – people who drive for work. We are now working on a strategy for young and pre-drivers, which we will implement during the current financial year.

### Highway Code

11.42 A new edition of the Highway Code is due to be published in mid-2007. This follows public consultation on proposed changes during 2006.

## Driver, Vehicle and Operator Group

### Safety

11.43 The Driver, Vehicle and Operator (DVO) Group provides a range of services to help drivers, vehicle owners, manufacturers and operators to travel safely and securely on our roads. During 2006-07, the Group has been targeting the non-compliant and providing a 'lighter-touch', simplified regime for the compliant – for example, by increasing maintenance intervals for newer commercial vehicles. In June 2006, Ministers approved a package of measures to tackle unlicensed driving. These will make compliance easier, increase police detection, and make prosecution more effective.

11.44 During 2006-07 the Group has increased its roadside enforcement activities on overweight vehicles. The Vehicle Identification and Pre-Selection Enforcement Resource (VIPER) programme has seen a 700 per cent increase in overweight vehicles identified and banned. Technological advances such as ANPR and weigh in motion sensors (WIMS) have enabled VOSA, working with the Highways Agency, to target enforcement on illegal, unroadworthy vehicles while reducing inconvenience to law-abiding drivers. The system won the Intelligent Transport Society for the UK's Technology Award for Excellence in September.

11.45 VOSA has successfully launched a pilot scheme in the South East targeting vehicles on international journeys. The Agency stopped more than 16,000 foreign vehicles at ports and on major roads and issued more than 45 per cent with prohibitions.

11.46 The Road Safety Act gained Royal Assent in November and has paved the way for graduated fixed penalties and deposits. Secondary legislation due in 2007-08 is expected to allow VOSA to make it more difficult for drivers on international journeys to escape penalties for driving offences committed in the UK.

11.47 The Vehicle Certification Agency (VCA) has a new strategy to increase enforcement testing of imported vehicles and components. This is part of a wider initiative to ensure that products from new markets fully meet EU standards.

## Educating drivers

- 11.48 During 2006 the Driving Standards Agency (DSA) has been developing its Driving Safety Forward strategy, in partnership with DfT's Road User Safety Division. The strategy aims to improve driving standards across all driver types and ages. Young, newly-qualified drivers are a particular concern as they are at the highest risk of being killed or seriously injured in the first two years after passing their test.
- 11.49 DSA delivered its Arrive Alive presentation to almost 166,000 pre-driving test youngsters and delivered the Arrive Alive Classic presentation to more than 15,000 mature drivers. The Agency issued over 106,000 Pass Plus certificates – a post-test initiative to increase driver skills for motorway and night driving. DSA plans to target its presentations during 2007-08 to include young offenders and people with disabilities.
- 11.50 Approved driving instructors (ADIs) have been required to pass the hazard perception test. Any ADI who failed to pass by 31 December 2006 risked being removed from the qualified ADI register. Almost all of the 33,000 ADIs completed the test by the deadline with removal proceedings begun against the remaining 1,715 instructors, preventing them from teaching learner drivers.
- 11.51 The DVO Group has been preparing for the introduction of the Certificate of Professional Competence for professional bus, coach and lorry drivers. The new EU requirements come into force in 2008 for buses and coaches, and 2009 for lorries. They aim to make professional drivers better skilled and trained. Changes include a new initial qualification test as well as continuing professional development.
- 11.52 In readiness for new, more stringent motorcycle tests in 2008, DSA has been updating its test centre estate to accommodate the new requirements for motorcycle manoeuvres. By March 2007, bookings for tests were being taken for 13 multi purpose test centres deemed to be operational.

## Vehicle and identity crime

- 11.53 Many of the DVO Group's activities also help to tackle vehicle crime. Some the key achievements in 2006-07 were:
- the introduction of theft-resistant number plates to help combat car cloning and car ID theft;
  - an increase in wheel-clamping to tackle vehicle excise duty evasion, with many impounded and then crushed. More than 1,500 vehicles were seized in the Croydon area alone following a targeted clampdown using ANPR;
  - a debt recovery pilot by the DVLA saw bailiffs collect more than £300,000 in unpaid fines;

- work has continued to improve the security of driving licences, including new anti-counterfeit features; and
- investigations have helped to uncover impersonation and identity fraud at driving tests.

## Railway safety

- 11.54 The Department is committed to ensuring a safe, reliable and customer focussed railway and, even once the effects of the Grayrigg accident in February 2007 are taken into account, rail remains the safest form of transport in the UK per mile travelled. The Rail Accident Investigation Branch (RAIB) produced an immediate interim report 48 hours after the incident which set out its initial findings. RAIB is conducting a full investigation, which will focus on the condition of the points at Grayrigg and the crashworthiness of the train carriages.
- 11.55 The Office of Rail Regulation's report on railway safety for 2005 (its most recent published report) reflects that rail safety in Britain continues to improve. Introduction of the train protection and warning system (TPWS) has meant that the risk from signals passed at danger (SPADs) has continued to fall, and the forecast risk reduction has been achieved. By December 2006, the SPAD risk had reduced by 92 per cent from the benchmark set at the end of March 2001. Risk from SPADs now represents only 4 per cent of the overall railway risk. Nobody has been killed or injured in a SPAD-related incident since October 1999.
- 11.56 Level crossings now represent the greatest risk to rail safety following the reduction or removal of other risks. Ninety-six per cent of incidents at level crossings are due to misuse by motorists and pedestrians. There are around 9,000 level crossings in the UK with approximately 7,700 of these on the mainline network. The Road Safety Act 2006 provided for road traffic measures to be specified in level crossing orders to try and make level crossings safer.
- 11.57 2005 saw 27 train incidents at level crossings, compared with 29 in the preceding 12 months. A total of 16 people were killed at level crossings in 2005 (15 members of the public and one railway employee). A train driver was killed when her train collided with a car at a level crossing. Of the members of the public killed while using level crossings, four were occupants of road vehicles, two were cyclists and nine were pedestrians.
- 11.58 There were six fatal injuries to railway employees during 2005, compared with 10 in 2004. The 2004 period included two incidents with multiple fatalities at Tebay (four) and Hednesford (two). Unfortunately, despite continuing efforts by many sections of the rail industry, 280 members of the public died during 2005 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.

## Office of Rail Regulation

11.59 The Office of Rail Regulation (ORR) became the health and safety regulator for the rail industry from 1 April 2006, when responsibility was transferred from the Health and Safety Commission and Executive (HSC/E). Following this transfer, which was given effect by the Railways Act 2005, ORR has become the independent combined safety and economic regulator for the railway. This change will simplify the regulatory structure by having one regulator rather than two and permitting economic and safety decisions to be taken within the same organisation.

## Europe

11.60 During 2006, the Department for Transport and ORR (HSE prior to 1 April 2006) jointly introduced the following transposing regulations. These implement the European Railway Safety and Interoperability Directives.

- the Railways and Other Guided Transport Systems (Safety Regulations) 2006 (ROGS);
- the Railways (Interoperability) Regulations 2006; and
- the Railways (Access to Training Services) Regulations 2006.

11.61 These regulations are important technical building blocks towards the overall objective of opening up the European rail market. The Department and ORR continue to represent the UK in the ongoing development of structural measures specified in the European Railway Safety and Interoperability Directives. We expect cost savings in the medium to longer term as products are standardised and safety verification processes harmonised.

## Potters Bar rail crash

11.62 On 10 May 2002, a train operated by West Anglia Great Northern derailed over a set of points just south of Potters Bar station, killing seven people. In December 2005, the Secretary of State announced his decision not to hold a public inquiry into the Potters Bar crash. This decision was subject to a judicial review on 31 July 2006. The judge concluded that the combination of the investigations carried out to date and the forthcoming inquest will meet all of the requirements of Article 2 of the European Convention on Human Rights. Following the judicial review, arrangements for the coroner's inquest are going forward. In February 2007, following the derailment at Grayrigg, the inquest was adjourned to late 2007 or early 2008.

## Rail Accident Investigation Branch

- 11.63 RAIB improves the safety of the railways and prevents further accidents from occurring. It does this by investigating the causes of accidents and incidents without apportioning blame or liability. RAIB investigates accidents and incidents on:
- the railway networks in Great Britain and Northern Ireland;
  - metros such as the London and Glasgow underground systems;
  - tramways;
  - heritage railways; and
  - the Channel Tunnel.
- 11.64 RAIB became fully operational when the Railways (Accident Investigation and Reporting) Regulations 2005 came into effect on 17 October 2005. Its remit covered railways in the UK with the exception of the UK portion of the Channel Tunnel which came into scope on 31 January 2006. RAIB co-operates with its French equivalent, the Bureau d'Enquêtes sur les Accidents de Transport Terrestre (BEA-TT) in investigating railway accidents in the Channel Tunnel.
- 11.65 The UK was the first EU member to implement the requirement of the EU Directive 2004/49/EC for an independent accident investigation body. RAIB shares its experience with other Member States through the European Rail Agency's Rail Accident Investigation Network.
- 11.66 RAIB conducted 47 investigations in 2006. A total of 32 reports went to industry for consultation and it published 26. Of those, 16 were for investigations started in 2005 and 10 for investigations started in 2006. Reports of full investigations are on the RAIB website at [www.raib.gov.uk](http://www.raib.gov.uk). So far, 101 recommendations have been accepted, 18 are awaiting a response while 15 have been initially rejected by the industry but are still classed as open pending further discussions by ORR. The successful acceptance of the RAIB recommendations is making a real and continuing improvement to the safety performance of Britain's railways.
- 11.67 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.

## Aviation safety

- 11.68 The Government aims to ensure the effective safety regulation of the UK aviation industry, and to promote better aviation safety internationally.
- 11.69 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.
- 11.70 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.
- 11.71 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;
  - strengthening the UK's safety oversight of foreign aircraft, including a significant expansion in the number of safety inspections of visiting aircraft;
  - 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 the CAA's safety work.

## Aviation safety in the UK's overseas territories

- 11.72 The Department is responsible for ensuring that the UK's overseas territories meet international requirements for aviation safety regulation.
- 11.73 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.

11.74 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.

## The Air Accidents Investigation Branch

11.75 The Air Accidents Investigation Branch (AAIB) improves aviation safety by determining the causes of air accidents and serious incidents and recommending ways to prevent them from recurring. AAIB meets the UK's obligations under Annex 13 to the Convention on International Civil Aviation. Its responsibilities are defined by the Civil Aviation (Investigation of Air Accidents and Incidents) Regulations 1996.

11.76 AAIB investigates aircraft accidents and serious incidents that occur in the UK or that involve UK registered or manufactured aircraft overseas. It participates in accident investigations worldwide where there is a specific UK interest. It also provides technical assistance to the Ministry of Defence in support of Boards of Inquiry investigating military aircraft accidents.

11.77 In 2006 AAIB investigated 338 accidents and incidents. This figure includes 86 field deployments. AAIB has assisted in five military investigations and taken part in 55 overseas investigations.

11.78 AAIB publishes all its reports and they are on its website at [www.aaib.gov.uk](http://www.aaib.gov.uk)

## The Maritime and Coastguard Agency

### Safer lives

11.79 The Maritime and Coastguard Agency (MCA) manages an interim contract for search and rescue (SAR) helicopters up to 2012, and is pursuing a longer-term arrangement with the Ministry of Defence. Under the interim contract, a new fleet of more modern helicopters will replace those currently operating in HM Coastguard livery.

11.80 The Agency continues to improve the level of accident data and information that it holds. As the MCA's intelligence grows it can take an informed view about safety risks and where to put resources for the best results. That might mean direct action by the Agency, or working with partners on accident prevention and risk management strategies.

11.81 MCA has intensified its beach and coastal safety campaign 'Sea Smart' which raises safety awareness for children under 14 and their parents. The award winning BBC One series *Seaside Rescue* is proving popular viewing. The primetime programme continues to highlight the dangers of the sea and the importance of being properly prepared. The Agency gives the BBC full access to its facilities and works closely with the programme makers.

11.82 2006 saw the launch of the Maritime Incident Response Group (MIRG). This new group was the result of a partnership between MCA and the Chief and Assistant Chief Fire Officers' Association (CACFOA) and Her Majesty's Fire Service Inspectorate's New Dimension Group. MIRG enables 15 trained fire and rescue teams, strategically placed around the UK, to respond to fires and hazardous and noxious substance incidents at sea. The MIRG teams also include paramedics. Together they form a new, integral part of the UK search and rescue response and civil resilience capability. They are equipped to deal with incidents anywhere around the country, not just at sea.

### Safer ships

11.83 The UK Ship Register is recognised internationally as one of the best and safest in the world. MCA also inspects foreign ships visiting UK ports to check compliance with international safety regulations.

11.84 MCA also checks that all UK-registered cargo ships have an approved and verified security plan. DfT's Transport Security and Contingencies Directorate (TRANSEC) must approve security plans for ports and passenger ships.

### Cleaner seas

11.85 MCA has continued to respond to maritime pollution incidents off the UK coast and led on the 2006 refresh of the National Contingency Plan. The Agency's intervention strategies draw on the expertise of the Secretary of State's Representative (SOSREP) for Maritime Intervention and Salvage. Its four strategically placed emergency tugs have prevented around 10,000 tonnes of oil from entering the sea.

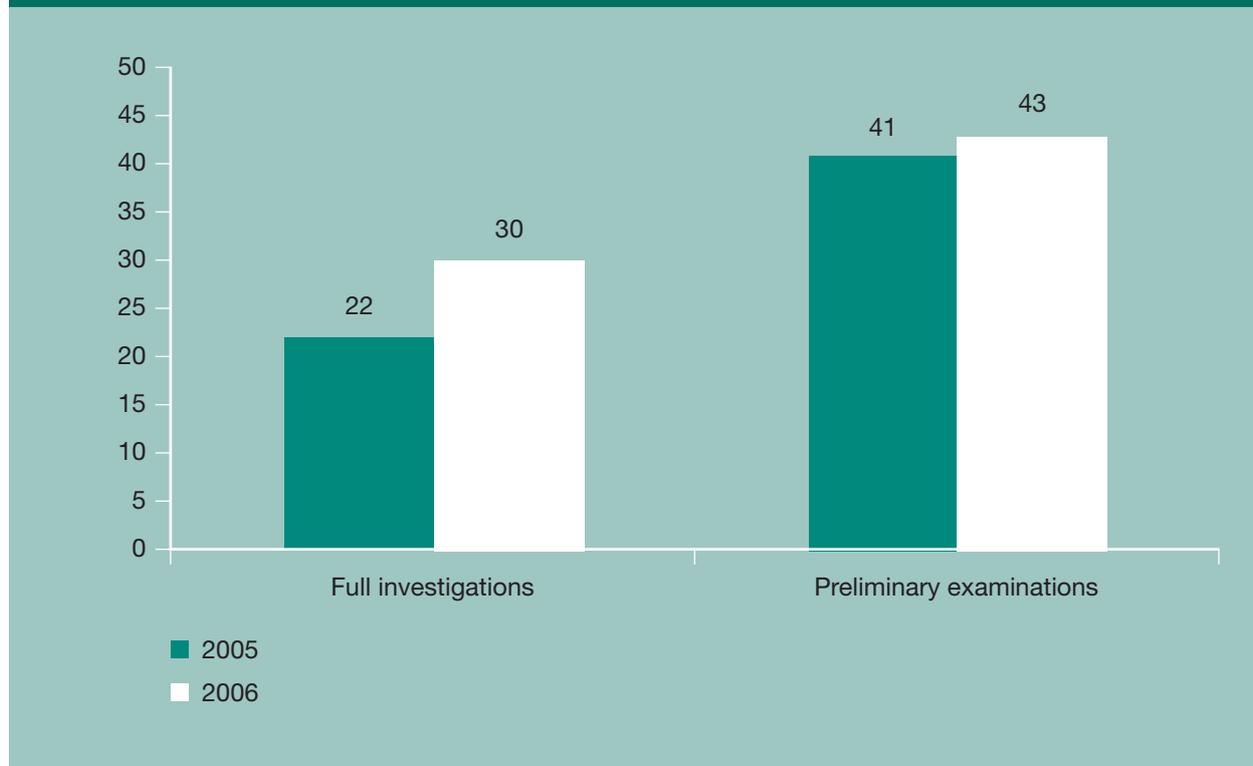
11.86 The Agency has produced and consulted on legislation to implement Annex VI to the Marine Pollution (MARPOL) Convention. This would restrict maritime emissions of certain air pollutants, including nitrogen oxide (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and volatile organic compounds (VOCs).

### The Marine Accident Investigation Branch

11.87 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-flagged vessels anywhere in the world, and vessels of any nationality within UK territorial waters.

11.88 In 2006, MAIB received 1,790 accident and incident reports, a similar number to 2005. Of these, 30 (up eight) resulted in full investigations leading to published reports. MAIB made preliminary examinations of a further 43 (up two) collecting and analysing key evidence, and then making recommendations. The Branch pursued another 1,653 as administrative enquiries.

Figure 11b: MAIB Activity



11.89 Full investigations have covered all three marine sectors.

- **Merchant vessels (19 investigations begun)** – these included a fire on the cruise ship *Star Princess*, which led to some far-reaching recommendations that the International Maritime Organization (IMO) and shipping companies around the world have rapidly introduced.
- **Fishing vessels (8)** – the Branch investigated the loss of a beam trawler, with three lives, off the south coast of England. This led to important recommendations about the safe operation of these vessels, and techniques for freeing fishing gear that gets trapped on the seabed.
- **Leisure craft (3)** – these included the investigation of two serious injuries aboard a skippered charter yacht, which identified important lessons for the commercial yachting industry, and the tragic deaths of three men with the loss of the sailing yacht *Ouzo*, south of the Isle of Wight.

11.90 MAIB continued to develop its world lead in the recovery and analysis of electronic data, particularly from voyage data recorders (VDRs). This included provision of a web-based facility to help other countries' investigators, part funded by the Marine Accident Investigators' International Forum (MAIIF). The Branch also received three years of full funding from the European Maritime Safety Agency (EMSA) to provide training and operational assistance in this specialised area to all EU Member States.

## The Board of Transport Accident Investigators

11.91 The Board shares best practice and ensures the most efficient use of resources between the air, marine and rail accident investigation branches. 2006 has seen developments in recruitment, training and operational practices in all three forms of transport.

## Reducing crime on public transport

11.92 The Department continues to promote measures to improve personal security for public transport passengers and staff.

11.93 We have issued guidance to help transport operators use the legal system more effectively in their fight against crime. We have also produced guidance on tackling crime at rail stations in areas of high crime and social exclusion.

11.94 The Department is looking at ways to encourage Crime and Disorder Reduction Partnerships to tackle transport crime, and we are currently investigating the cost of crime committed on public transport. The Department is also looking at ways to improve the personal security of taxi and public hire vehicle drivers.

11.95 Network Rail, London Underground, Docklands Light Railway and most train operating companies are taking part in the Secure Stations Scheme, which is designed to improve security standards at rail stations.

11.96 The Safer Travel on Buses and Coaches Panel (STOP) brings together key players to promote and exchange good practice in tackling bus crime.

11.97 The British Transport Police (BTP) help to keep Britain's railways safe and secure. The force works closely with railway managers and staff, and with local police forces. In 2006-07, the force's budget for resource expenditure was increased by around 10 per cent to £223 million, funded by the rail industry. The Government provided £10 million of capital funding for such things as vehicles, computers and accommodation.

## Transport security

11.98 TRANSEC is a major player in the Government's continuing fight against terrorism. Much of the UK transport network continues to be judged to be at a high level of threat. The events of July 2005 and August 2006, among others, underline these assessments. The attacks in London demonstrated the terrorists' intent to target rail networks and also those networks' inherent vulnerability. The alleged plot of August 2006 showed a continuing interest in carrying out a 'spectacular' attack on aviation.

- 11.99 TRANSEC aims to protect the travelling public, transport facilities and those working in the transport industries from acts of terrorism and to retain public confidence in transport security. TRANSEC is also involved in contingency planning in response to a range of major events both terrorist and non-terrorist in nature.
- 11.100 A key objective of transport security is to maintain effective and proportionate security regimes across land, air and sea transport. TRANSEC addresses threats to and vulnerabilities in domestic operations and in UK transport operations overseas. It considers new and emerging threats, including threats to transport 'soft targets'. The transport security regimes are designed, wherever possible, to detect an act of terrorism before it is committed and stop it from happening. They also have a deterrent value.

### Government counter terrorist programme

- 11.101 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.

### Compliance

- 11.102 TRANSEC inspectors and compliance partners (MCA and VOSA) carry out a range of compliance activities. These include monitoring and assessing compliance against the mandatory requirements and pursuing higher security standards. A review of TRANSEC's approach to compliance, the *TRANSEC Compliance Policy Framework* has been published on the DfT website.

### Transport Select Committee inquiry Travelling Without Fear

- 11.103 The Transport Security Committee's full inquiry into transport security, 'Travelling Without Fear', continued during the year, taking evidence from a range of transport operators, the police and other stakeholders, and culminating in a final evidence session in December with the Secretary of State for Transport and the Director of Transport Security and Contingencies Directorate. The Department will formally respond to the Committee's final conclusions and recommendations once these have been received.

### Contingency planning

- 11.104 The main response to disruptive events in the UK rests 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.

- 11.105 The Department's plans for delivering its part of a Government response stood up well to events such as the heightened aviation security measures, brought in at very short notice in August 2006, and concerns around polonium contamination in December of the same year. Better departmental operating plans helped in the response to these incidents. These were updated and enhanced following the lessons learnt from the tragic events of July 2005 and they have been regularly reviewed and tested since. An additional training project during 2006 made sure that staff across the Department were prepared for what they would need to do as part of departmental response plans.
- 11.106 DfT staff also took part in a number of government-wide contingency planning exercises in 2006. These tested our response and resilience to terrorist incidents and threats, and to nationally disruptive events such as an interruption to energy and fuel supplies. DfT will be further involved in such exercises during 2007.

### Maritime transport

- 11.107 The UK maritime industry as a whole continues to comply well with the requirements of the International Ship and Port Facility Security Code (ISPS) and European regulations. Where compliance is not acceptable the Department has acted to rectify the situation, either on the spot or through the stepped approach described in TRANSEC's compliance framework, published in summer 2006.
- 11.108 The UK was subject to further EC maritime security inspection during the course of the year. The inspections covered both the Department's implementation of the EU regulation on maritime security, and the standards of security in the industry. Both were given a clean bill of health, and there is only one procedural non-conformity, which we are rectifying.
- 11.109 TRANSEC continued its regular programme of inspections of UK flagged cruise ships, both in UK and overseas ports, to ensure the continued protection of the ships and those travelling on them. UK cruise ship security remains good.
- 11.110 The trials of the multi-agency threat and risk assessment (MATRA) concept at sea ports continued, and progress was made in co-ordinating this activity with the police-led efforts to assess maritime security on a regional basis. We will offer a simpler version of the MATRA guidance to port operators to help them assess security at their own ports.
- 11.111 The Department has continued to promote higher maritime security standards overseas, through the IMO and as a member of G8. We also act bi-laterally. We again used funds controlled by the Foreign and Commonwealth Office to help strengthen maritime security capabilities in other countries. For example, we provided maritime security training and hosted visits by officials from foreign states to encourage them to adopt our standards and practices.

11.112 The Department remained close to the decision-making process of the European Commission. Among other things, we ensured that new maritime security initiatives are appropriate, proportionate to the threat and sustainable.

### Land transport

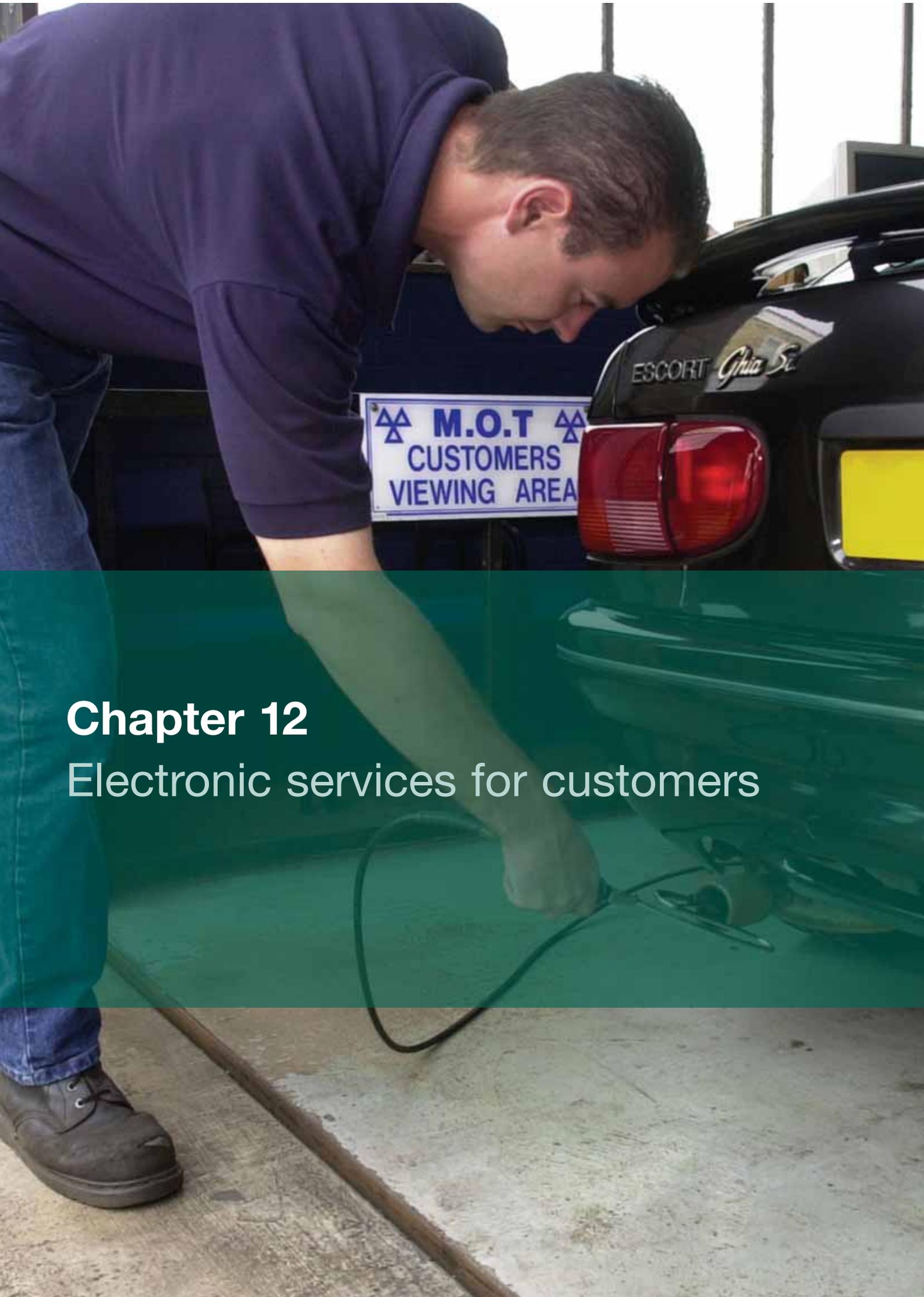
- 11.113 The security threat to the domestic rail industry has remained high throughout the year, following the attacks in London on 7 July 2005 and the attempted attacks on 21 July 2005. Accordingly, security measures have remained at their highest level. This has represented a real challenge to the industry. TRANSEC's compliance monitoring has shown that the industry has successfully maintained its level of performance.
- 11.114 TRANSEC has maintained its close working relationship with the BTP. It has clarified the responsibilities of the two organisations through a new high level statement on the roles of TRANSEC and BTP in countering terrorism, and a revised strategic framework document, counter-terrorism policing within the mass transit rail environment.
- 11.115 TRANSEC completed its trials of security screening equipment on the railways and London Underground in summer 2006. The trial reports have been received and are currently being considered.
- 11.116 The Department has been fully involved in establishing more formal international co-operation in the area of land transport security. This has been through, initially, work with G8 countries led by Russia and subsequently through a wider international group set up to share experience and best practise in this area of increasing concern worldwide.

### Aviation

- 11.117 The year was dominated by the events of August 2006. The UK's assessed threat level rose to 'critical', indicating that an attack was imminent due to an alleged plot to blow up departing aircraft using liquid explosives. The Department quickly put in place security requirements to mitigate the potential threat.
- 11.118 In the days and weeks that followed, we were able to adjust some of the measures. This reflected both a lowering of the assessed threat level and our monitoring of the new measures' application. This progressively eased the burden on travellers, while keeping security as tight as ever. From 6 November we were able to lift the near total ban on liquids being taken airside. We were able to adopt instead the present controls, which allow passengers to carry through the security check point a small amount of liquid products.

- 11.119 We were able to secure an effective international response to August's events, both at the EU level and more widely through ICAO. The same controls that apply in the UK have been extended to all airports in the EU, as well as in the US and Canada, and in a growing number of airports worldwide. This harmonised approach has obvious advantages, both for industry and passengers.
- 11.120 There have been other developments in aviation security and on 21 November 2005 the then Secretary of State announced the Government's intention to commission an independent, wide-ranging review of policing at airports. Stephen Boys Smith was appointed to lead the review. His task was to identify a sustainable approach to the policing of airports. It would need to take account of the roles and responsibilities of all stakeholders and, in particular, the need for objective and transparent funding arrangements. In July 2006, the report was submitted to the Secretary of State, who welcomed the broad thrust of its recommendations. The Department is currently working closely with key stakeholders to consider these in detail.
- 11.121 At the same time as he announced the policing review, the Secretary of State also said that the Government would amend the Aviation Security Act 1982 to clarify the responsibilities of airport managers and the police in relation to airports that have been designated by the Secretary of State under section 25 of the Act. The Civil Aviation Act 2006 came into force on 8 November and specifically it ensures that at designated airports, the manager, the police authority and the chief officer of police must enter into a police services agreement by November 2007.
- 11.122 Work continued through the year on MATRAs at airports. They were launched in 2003 to encourage a comprehensive and fully-integrated approach to airport security. Airports used the MATRA process to address any immediate concerns following the attacks in London in July 2005. The Department is looking at issuing generic advice to airports on how to protect their landside areas better. Stephen Boys Smith's report endorsed the current MATRA approach and recommended that it is strengthened.
- 11.123 TRANSEC has nearly completed a major joint industry review of the security measures for UK airline operations at overseas airports, and has further developed its dialogue with key international partners, including on measures to counter the potential threat from shoulder-launched missiles.





## Chapter 12

### Electronic services for customers

## Chapter 12

### Electronic services for customers



#### Driver, Vehicle and Operator Group e-service delivery

- 12.1 Since 2003, the Driver, Vehicle and Operator (DVO) Group has been working to replace paper transactions with electronic, self-service methods. The new services are structured around customers' needs, identified through research. They aim to be easy to use and accessible 24 hours a day, 365 days a year.
- 12.2 The Group has made good progress; a growing range of services are now available on-line through DirectGov. As more and more of the DVO Group's customers choose to carry out transactions electronically, the emphasis for 2006-07 has been on increasing choice and expanding the range of online services.

#### Less than five minutes to renew your road tax

- 12.3 By the end of March 2007, the switch to electronic-style MOTs meant that customers whose vehicles need an MOT certificate were able to renew their road tax electronically. Electronic vehicle licensing (EVL) takes on average four minutes, making renewing car tax or making a statutory off-road notification (SORN) easier for the customer, so encouraging compliance. The number of people using EVL has continued to grow throughout the year and in February alone more than one million transactions were successfully completed by internet or automated telephone. Nearly eight million people had used the service by the end of the year and it was highly commended for operational delivery in the Whitehall and Westminster Civil Service Awards 2007.

#### The easy part of getting a driving licence

- 12.4 Customers have been able to apply for their first driving licence online since April 2006. Four further driving licence transactions including change of address and applying for a duplicate licence are expected to come online during summer 2007.

12.5 The Driving Standards Agency (DSA) has recorded a steady increase in the number of candidates booking theory and practical car driving tests electronically. As of March 2007, 69 per cent of candidates are using the internet to book their theory tests and 59 per cent have used the internet to book practical tests. Candidates can also change the date of their practical test booking online. From April 2006 to March 2007, over 350,000 candidates had used this service.

### Award winning online service for commercial customers

12.6 The Vehicle and Operator Services Agency (VOSA) runs an electronic operator self-service system. This allows commercial customers to access a whole range of services easily and efficiently online. They include updating and paying for operator licences, paying fees, amending licence details and accessing a secure mailbox for correspondence and documents. By the end of 2006-07, 64 per cent of VOSA's customers were using the operator self service. It won a Creative Solutions Award for Better Regulation at the National Public Servants of the Year 2006.

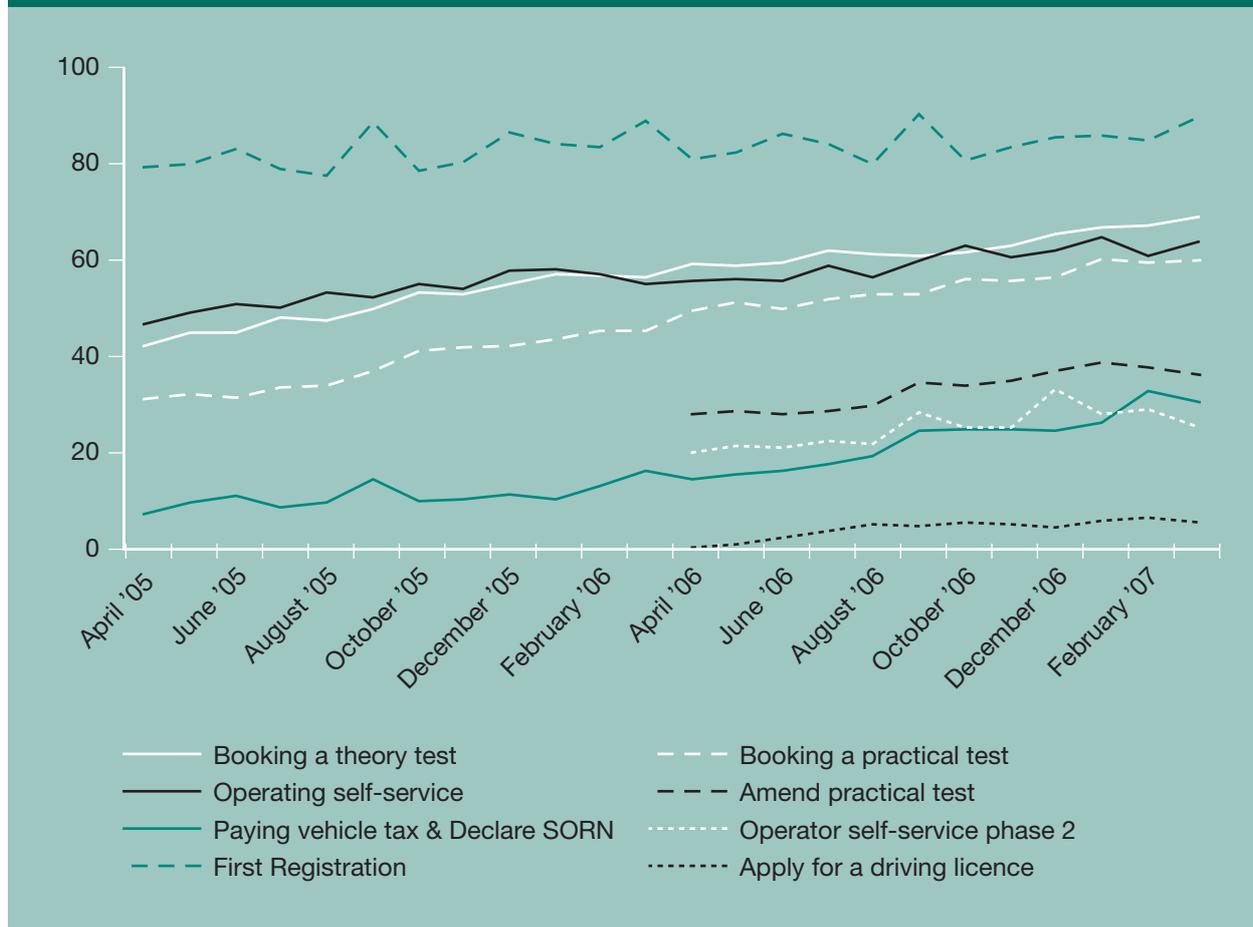
### Everything in one place

12.7 As well as introducing new electronic services, the DVO Group has been making it easier for customers by putting all its online services and transactions in one place. DirectGov, the Government's one-stop service, is the channel of choice for individual customers, with 98 per cent of existing DVO Group services now hosted and accessed through the Motoring and Travel and Transport Franchises. Transport Office, the equivalent portal for commercial customers, provides a gateway to a number of services including the operator self-service system. The Group expects to make a number of new services available through Transport Office during 2007-08, such as booking and paying for HGV/PSV tests online, and Trans Exchange, which allows local bus operators to register bus routes online.

### Customer take-up

12.8 Nearly five million electronic transactions take place each month. This rises to approximately seven million during the traditionally busy September and March new vehicle registration periods. This means customers can choose how and when they use DVO Group services, and saves taxpayers' money against paper based channels. Electronic take-up is on a strong upward trend and should remain so as the DVO Group adds new services. Increases in overall customer satisfaction indicate that users have welcomed better access to more and more DVO Group services through electronic channels. Figure 12a shows the percentage of customers using selected DVO Group services on-line.

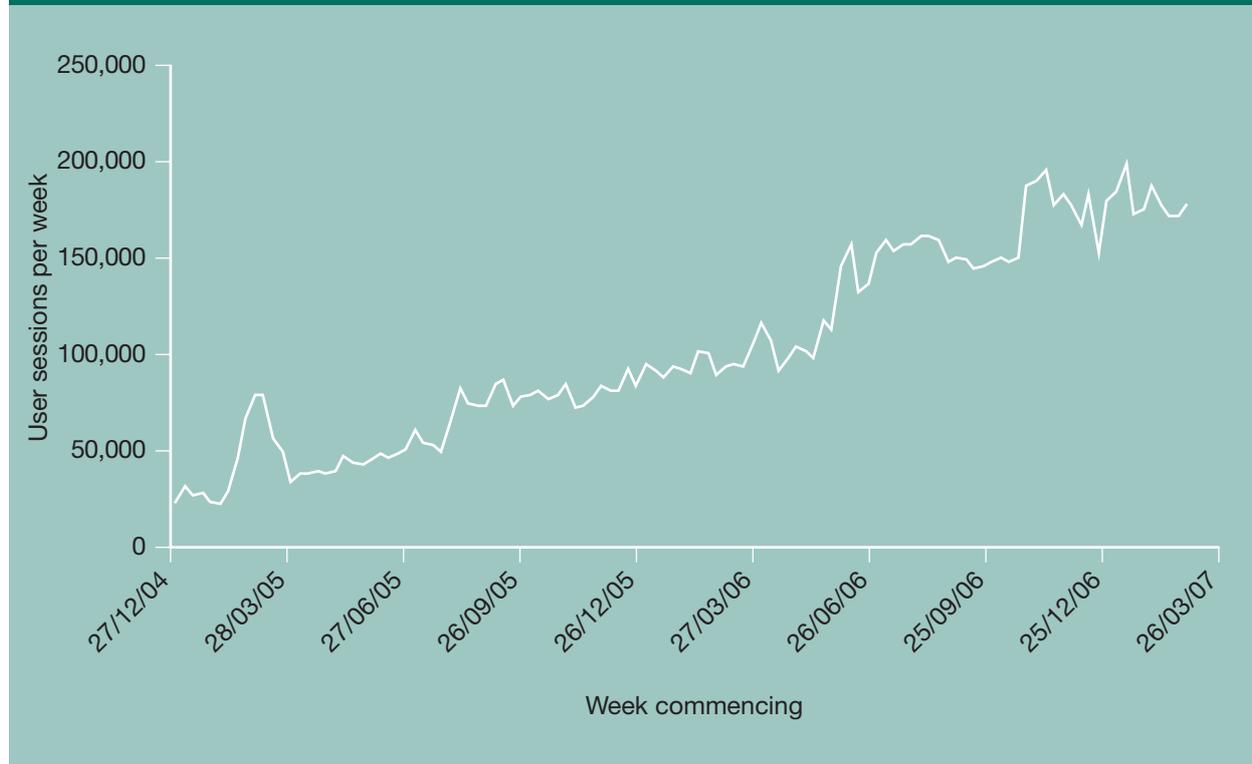
Figure 12a: **Electronic transactions: percentage take-up by transaction type**



### Transport Direct: still growing

12.9 The Transport Direct internet portal ([www.transportdirect.info](http://www.transportdirect.info)) provides integrated travel information for all of Great Britain. Public take-up since its launch on 31 December 2004 has been rapid, with the site achieving its target of 10 million user sessions by the end of 2006. The portal continues to grow each month. The chart below shows user session statistics since launch.

Figure 12b: Transport Direct portal – user sessions per week



12.10 In January 2007 the Transport Direct service was the joint winner of the e-Government National Award 2006 for delivering excellence in citizen-focussed online services.

### What's on Transport Direct

12.11 The portal provides all the information a traveller needs to plan a journey by any form of transport, or by a mixture of different forms of transport, within Great Britain. This includes:

- complete door-to-door journey options by car and public transport;
- 'quick planners' to find a train, coach, flight or car route;
- step-by-step directions for joined-up public transport journeys;
- step-by-step driving directions for car journeys, with journey times on strategic roads that take into account historic traffic level data to give a more accurate journey time;
- maps showing each stage of a journey, and interchange points;
- 'find nearest' station/airport search;
- choice of how to specify an origin or destination – by place, address, postcode, place of interest, coach/railway station and the like – or to find it on a map;

- maps showing each individual stage of a journey, and interchange points;
- tools to modify or extend a journey plan and to replace a section of a public transport plan with a car plan;
- ticket prices for rail and coach journeys and links to ticket e-retailers;
- live travel information for Britain's rail and road networks;
- indicative costs for car journeys based on factors such as approximate fuel costs for vehicle size and engine type;
- access to park and ride information and journey planning for over 50 towns and cities across Britain; and
- mobile phone access to Transport Direct services such as live travel information and planning simple rail and bus journeys.

12.12 During the year, key elements of the service have also been made available for the first time through interactive digital television. The main internet services have also gained new functions, including:

- car park information for major towns and cities across Great Britain, including journey planning to over 10,000 car parks, with more being added all the time;
- new ways of finding the best rail deals;
- 'find cheaper' rail option – choose the route and the train time, view the fares for that train and then look for a cheaper option; and
- 'search by price' – choose the route and the date (which can be flexible) and let Transport Direct find out which trains have seats available at the lowest prices.

### Transport Direct and carbon emissions

12.13 Transport Direct launched a car carbon calculator at the end of 2006. Users can calculate the amount of CO<sub>2</sub> they will emit for a car journey planned on Transport Direct, taking into account fuel type and engine size. Transport Direct also factors in predicted levels of congestion, making its emissions calculations more accurate still.

The screenshot shows the Transport Direct website interface. At the top, there is a navigation menu with options like 'Home', 'Plan a journey', 'Find a place', 'Live travel', and 'Tips and tools'. The main content area is titled 'Fuel Consumption' and includes a 'Full Itinerary' table for a journey on Thursday, 25 Jan 07, from Merstham, Surrey to Guildford, Surrey, with a duration of 48m / 29.9miles. Below the itinerary, there are two gauges comparing fuel cost and CO2 emissions for the user's journey versus a small diesel car. The user's journey has a fuel cost of £2 and CO2 emissions of 6.3 Kg, while the small diesel car costs £1 less and emits 2.1Kg less CO2. To the right, there is a 'Save fuel and cut your CO2!' section with several tips, such as driving off peak, driving smoothly, and checking tyre pressure. At the bottom, there is a 'Compare fuel consumption (for your journey)' section with dropdown menus for car size and engine type, and a 'Next' button.

## Feedback from users

12.14 Transport Direct encourages user feedback, and investigates all comments. This is a core part of Transport Direct's ongoing development programme which works towards improving the overall quality of data and resolving generic journey planning issues. Positive feedback has constantly exceeded negative views.

## Providing travel information via third parties

12.15 Transport Direct supports many parts of the wider public sector. Since August 2006 the Department for Work and Pensions has used Transport Direct to generate a tailored journey plan to accompany appointment letters for incapacity benefit medical assessments. These make it easier for people to reach the assessment centres, reducing the number of 'no shows'.

12.16 Currently, third parties deliver around a quarter of Transport Direct usage and this should rise to half over the next few years. Partnerships are being formed within the public and private sectors to achieve this. Through white labelling arrangements, external organisations can insert their own branded door-to-door journey planner on their website, even though it is powered by Transport Direct. In 2006 the BBC rolled out Transport Direct ‘white labelled’ sites across the majority of its regional websites, following a pilot in Bristol. This allows them to provide customers with accurate travel information through a third party branded version of the Transport Direct journey planner. The Visit Britain and GNER websites offer similar services.

bbc.co.uk **Travel News**  
Updated around the clock, around the country...

**TRAVEL**

**Journey planner**

Select the kinds of location you want to travel from/to and type in the locations

**From**  Station/airport  City/town/suburb  All stops (e.g. Bus, Tube, Tram)  Address/postcode  Attraction/facility  Unsure of spelling

**To**  Station/airport  City/town/suburb  All stops (e.g. Bus, Tube, Tram)  Address/postcode  Attraction/facility  Unsure of spelling

**Leave on** 25 January 2007   Leaving at 11 hrs 05 mins  Arriving by

**Return on** - No return   Leaving at - hrs - mins  Arriving by - hrs - mins

Find public transport journeys

Find car journeys

12.17 Transport Direct can also provide a facility that allows any website owner to add a customised journey searchbox to their site, allowing visitors to get directions to their business or attraction by simply entering their postcode into the box and clicking 'Go'. Over 100 journey searchboxes have been implemented on third party websites and the number is increasing each week. Visit Britain is one of the main sites using page landing to direct customers to Transport Direct.

## Getting to The Lowry

Get directions to The Lowry - by car or public transport - with Transport Direct. Simply enter your postcode in the box below and then click Go:



Plan your journey to the next game

From (postcode)

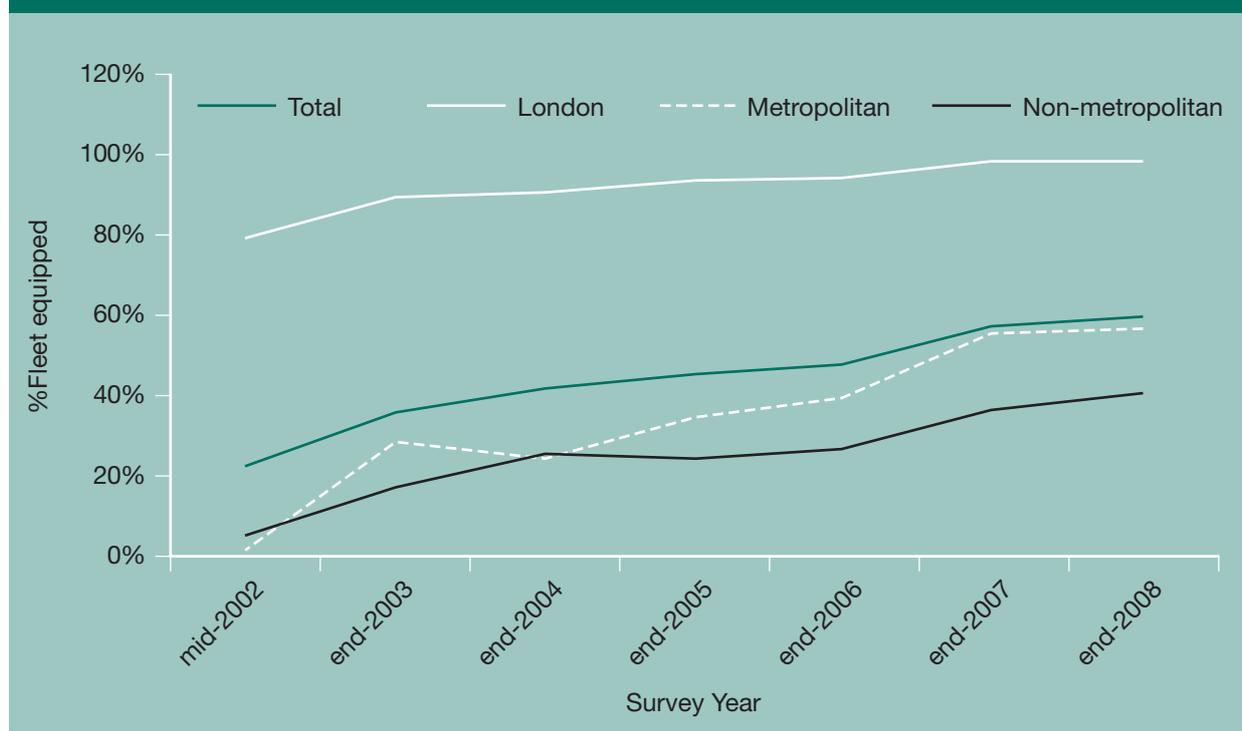
To (postcode)

### Bus real time information systems

12.18 In March 2002 the Department used the Transport Direct programme to award £20 million to 19 local authorities to set up bus real time information (RTI) schemes. The funding has helped RTI systems to spread, and they now operate in 127 towns and cities in 53 local authority and Passenger Transport Executives (PTE) areas throughout Great Britain.

12.19 This year has seen more growth in the number of buses equipped with RTI and in the number of passenger journeys on them. The graph shows the proportion of RTI-equipped buses in English local authorities. This is forecast to exceed 50 per cent of the fleet during 2007 (London, metropolitan areas and non-metropolitan areas from mid-2002 to end 2008 – projected).

Figure 12c: Trends in the proportion of RTI-equipped buses in England



### Highways Agency

12.20 The Highways Agency has developed its services around the National Traffic Control Centre. It now offers the traveller information on how busy its road network is through:

- the internet;
- an interactive voice recognition telephone service;
- road side variable message signs; and
- the media.

There are more details in Chapter 4.

12.21 Alongside other statutory planning consultees, the Highways Agency has developed a means of receiving and responding to planning consultations electronically. Working with other statutory bodies is also a way to share best practice across government.

### Maritime and Coastguard Agency

12.22 For over 100 years, marine notices have told the shipping and fishing industries about important safety, pollution prevention and other relevant information. A consultation exercise with subscribers showed that 48 per cent wanted to move from paper to electronic distribution. The MCA has introduced a free electronic subscription service which has grown massively over the past year and there are now over 1,500 subscribers. This has delivered a cash saving of around £50,000 and is also better news for the environment.



# 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 tables also cover expenditure by the Office of Rail Regulation (ORR).

HM Treasury published additional information covering resource and capital budgets, giving a detailed read-across with the Main Estimates and cash spending plans, as Supplementary Budget information tables published alongside the Main Estimates.

<b>Table A1: Department for Transport Total Public Spending</b>							<b>£ million</b>
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
<b>Resource budget</b>							
<b>Resource Departmental Expenditure Limit (DEL)</b>							
Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements	1,935	2,592	2,290	2,479	2,541	2,805	2,946
Deliver improvements to accessibility punctuality and reliability of local and regional transport systems through the approaches set out in Objective 1 and through increased use of public transport and other appropriate local solutions	1,096	1,453	3,025	2,771	2,722	3,263	2,975
Balance the need to travel with the need to improve quality of life by improving safety and respecting the environment	444	607	669	679	604	650	623
Improve cost effectiveness through sound financial management, robust cost control, and clear appraisal of transport investment choices across modes and locations	104	123	125	147	201	173	160
<b>Total resource budget DEL</b>	<b>3,580</b>	<b>4,774</b>	<b>6,109</b>	<b>6,076</b>	<b>6,067</b>	<b>6,891</b>	<b>6,704</b>
<i>of which: Near-cash<sup>1</sup></i>	3,669	4,447	5,896	5,911	5,805	6,415	6,208
<b>Resource Annually Managed Expenditure (AME)</b>							
Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements	2,107	2,166	2,326	2,741	3,076	3,412	3,446
<b>Total resource budget AME</b>	<b>2,107</b>	<b>2,166</b>	<b>2,326</b>	<b>2,741</b>	<b>3,076</b>	<b>3,412</b>	<b>3,446</b>
<i>of which: Near-cash<sup>1</sup></i>	7	-2	-	31	35	44	45
<b>Total resource budget</b>	<b>5,687</b>	<b>6,940</b>	<b>8,435</b>	<b>8,817</b>	<b>9,144</b>	<b>10,312</b>	<b>10,150</b>
<i>of which: depreciation</i>	44	273	582	648	768	958	947
<b>Total resource budget adjusted for inflation</b>	<b>6,319</b>	<b>7,480</b>	<b>8,829</b>	<b>8,981</b>	<b>9,144</b>	<b>10,063</b>	<b>9,645</b>

<b>Table A1: Department for Transport Total Public Spending</b> <i>continued</i>							<b>£ million</b>
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
<b>Capital budget</b>							
<b>Capital DEL</b>							
Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements	1,203	1,744	2,689	2,770	2,735	4,276	4,070
Deliver improvements to accessibility punctuality and reliability of local and regional transport systems through the approaches set out in Objective 1 and through increased use of public transport and other appropriate local solutions	1,727	2,284	1,541	1,697	1,565	1,648	1,010
Balance the need to travel with the need to improve quality of life by improving safety and respecting the environment	1,036	1,021	985	751	694	607	1,235
Improve cost effectiveness through sound financial management, robust cost control, and clear appraisal of transport investment choices across modes and locations	13	9	17	3	2	6	246
<b>Total capital budget DEL</b>	<b>3,979</b>	<b>5,058</b>	<b>5,233</b>	<b>5,222</b>	<b>4,995</b>	<b>6,537</b>	<b>6,560</b>
<b>Total capital budget</b>	<b>3,979</b>	<b>5,058</b>	<b>5,233</b>	<b>5,222</b>	<b>4,995</b>	<b>6,537</b>	<b>6,560</b>
<b>Total capital budget adjusted for inflation</b>	4,422	5,452	5,477	5,319	4,995	6,379	6,234
<b>Total departmental spending†</b>							
Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements	5,228	6,257	6,751	7,377	7,628	9,574	9,542
Deliver improvements to accessibility punctuality and reliability of local and regional transport systems through the approaches set out in Objective 1 and through increased use of public transport and other appropriate local solutions	2,822	3,736	4,567	4,467	4,277	4,904	3,976
Balance the need to travel with the need to improve quality of life by improving safety and respecting the environment	1,464	1,608	1,630	1,405	1,273	1,232	1,841
Improve cost effectiveness through sound financial management, robust cost control, and clear appraisal of transport investment choices across modes and locations	108	124	137	142	193	173	405

**Table A1: Department for Transport Total Public Spending** *continued* **£ million**

	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
<b>Total public spending†</b>	<b>9,622</b>	<b>11,726</b>	<b>13,086</b>	<b>13,391</b>	<b>13,371</b>	<b>15,882</b>	<b>15,764</b>
Total public adjusted for inflation	10,691	12,638	13,697	13,641	13,371	15,498	14,979
<i>of which:</i>							
Total DEL	7,515	9,637	10,968	11,043	10,783	13,119	12,908
Total AME	2,107	2,089	2,117	2,348	2,588	2,763	2,856

† 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

<b>Spending by local authorities on functions relevant to the Department</b>							
<b>Current spending</b>	3,021	3,407	4,461	4,626	4,802	5,270	-
<i>of which:</i>							
financed by grants from budgets above	1,000	1,363	2,103	2,670	2,577	2,847	-
<b>Capital spending</b>	1,797	2,393	2,468	2,612	2,893	2,806	-
<i>of which:</i>							
financed by grants from budgets above	1,250	1,521	1,544	1,706	1,564	1,908	-

The footnotes for Tables A1, A2 and A3 can be found at the end of this Appendix.

<b>Table A1: Total public spending: Office of Rail Regulation (ORR)</b>							<b>£ 000s</b>	
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated	Plans	
						Outturn		
<b>ORR public spending, consumption of resources</b>	<b>6,195</b>	<b>6,631</b>	<b>5,734</b>	<b>9,096</b>	<b>8,600</b>	<b>-4</b>	<b>2</b>	
<b>Total resource budget</b>	<b>6,195</b>	<b>6,631</b>	<b>5,734</b>	<b>9,096</b>	<b>8,600</b>	<b>-4</b>	<b>2</b>	
<b>Total resource budget adjusted for inflation</b>	6,884	7,147	6,002	9,266	8,600	-4	2	
<i>of which:</i>								
Resource DEL	6,195	6,631	5,734	9,096	8,600	-4	2	
<b>Capital spending</b>	<b>436</b>	<b>261</b>	<b>339</b>	<b>1,078</b>	<b>4,403</b>	<b>1,256</b>	<b>500</b>	
<b>Total capital budget</b>	<b>436</b>	<b>261</b>	<b>339</b>	<b>1,078</b>	<b>4,403</b>	<b>1,256</b>	<b>500</b>	
<b>Total capital budget adjusted for inflation</b>	484	281	355	1,098	4,403	1,226	475	
<i>of which:</i>								
Capital DEL	436	261	339	1,078	4,403	1,256	500	
<b>Total public spending by ORR</b>	<b>6,099</b>	<b>6,390</b>	<b>5,723</b>	<b>9,717</b>	<b>11,931</b>	<b>255</b>	<b>-459</b>	
<b>Total public spending by ORR adjusted for inflation</b>	6,777	6,887	5,990	9,898	11,931	249	-436	

ORR: The 2005-06 resource and capital figures reflect additional expenditure on the transition (that is the merger with HSE Rail which took place on 1 April 2006) voted to ORR in winter and spring supplementaries and not recovered via licence fees.

Table A1 summarises the expenditure on functions that are now administered by the Department for Transport from 2001-02 to 2007-08. The Department was formed in May 2002, so past years' 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 are those agreed with HM Treasury as part of the Spending Review 2004.

The table is split between the Department's four Public Service Agreement (PSA) objectives set in Spending Review 2004. Each DfT line on the HMT database is mapped to a single PSA. That is a different approach to the allocation of sub-divisions of net expenditure lines against objective in the Resource Accounts. 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.

This table shows separately the figures for ORR.

**Table A2: Resource budget for the Department for Transport<sup>2</sup> £ million**

	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
<b>Resource DEL</b>							
<b>Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements</b>	<b>1,935</b>	<b>2,592</b>	<b>2,290</b>	<b>2,479</b>	<b>2,541</b>	<b>2,805</b>	<b>2,946</b>
<i>of which:</i>							
Aviation <sup>3</sup>	92	28	7	-11	11	17	22
Dartford Tolls	#	-68	-69	-69	-69	-68	-67
Railways <sup>4</sup>	827	1,245	811	1,118	965	1,066	854
Roads Transport	-5	-2	-23	-2	10	-12	#
Transport Strategy and Delivery <sup>5</sup>	1	#	#	-1	8	9	15
Highways Agency	1,009	1,346	1,546	1,429	1,587	1,748	1,964
Logistics and Maritime	12	13	17	15	29	46	34
Financing Adjustment/ Unallocated Provision <sup>6</sup>	-	31	-	-	-	-	124
<b>Deliver improvements to accessibility punctuality and reliability of local and regional transport systems through the approaches set out in Objective 1 and through increased use of public transport and other appropriate local solutions</b>	<b>1,096</b>	<b>1,453</b>	<b>3,025</b>	<b>2,771</b>	<b>2,722</b>	<b>3,263</b>	<b>2,975</b>
<i>of which:</i>							
Greater London Authority Transport Grant	720	1,024	2,549	2,260	2,180	2,637	2,376
Regional Transport	12	12	5	2	3	3	4
Transport Strategy and Delivery	#	1	1	3	18	16	17
Integrated Local Transport	360	398	444	467	470	475	521
Roads Transport	4	18	27	36	39	40	55
Major Projects <sup>7</sup>	-	-	-	3	12	93	2

**Table A2: Resource budget for the Department for Transport<sup>2</sup> continued** £ million

	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
<b>Balance the need to travel with the need to improve quality of life by improving safety and respecting the environment</b>	<b>444</b>	<b>607</b>	<b>669</b>	<b>679</b>	<b>604</b>	<b>650</b>	<b>623</b>
<i>of which:</i>							
Integrated Local Transport	5	6	8	5	5	7	9
Roads Transport	49	61	61	52	33	34	130
Air Accidents Investigation Branch	5	5	3	6	6	7	7
Marine Accident Investigation Branch	1	1	2	3	3	3	3
Maritime and Coastguard Agency	94	105	111	119	118	121	120
Mobility and Inclusion Unit	1	1	3	3	4	4	5
Rail Accident Investigation Branch	-	-	2	6	4	5	6
Transport Security	4	5	7	6	7	6	11
Vehicle Certification Agency	#	2	#	#	#	#	#
Driver and Vehicle Licensing Agency <sup>8</sup>	96	149	156	-	-	-	-
DVLA Trading Fund	-	-	-	133	164	214	188
DVO Group <sup>9</sup>	2	47	18	18	15	22	10
Railways <sup>10</sup>	187	225	299	326	243	221	123
Roads Vehicles <sup>11</sup>	-	-	-	2	2	6	11
<b>Improve cost effectiveness through sound financial management, robust cost control, and clear appraisal of transport investment choices across modes and locations</b>	<b>104</b>	<b>123</b>	<b>125</b>	<b>147</b>	<b>201</b>	<b>173</b>	<b>160</b>
<i>of which:</i>							
Transport Analysis and Economics	10	11	5	5	5	6	7
Transport Strategy and Delivery	2	1	1	1	1	2	2
Central Administration <sup>12</sup>	92	110	119	141	195	165	163
<b>Total resource budget DEL</b>	<b>3,580</b>	<b>4,774</b>	<b>6,109</b>	<b>6,076</b>	<b>6,067</b>	<b>6,891</b>	<b>6,704</b>
<i>of which:</i>							
Near-cash <sup>1</sup>	3,669	4,447	5,896	5,911	5,805	6,415	6,208
<i>of which:†</i>							
Pay	329	367	427	606	634	529	#
Procurement	1,299	1,397	1,346	1,261	1,353	1,608	1,637
Current grants and subsidies to the private sector and abroad	992	1,202	932	1,205	1,221	1,414	955
Current grants to local authorities	1,000	1,363	2,103	2,670	2,577	2,847	3,069
Depreciation	44	196	373	254	280	309	357

<b>Table A2: Resource budget for the Department for Transport<sup>2</sup> continued</b> £ million							
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
<b>Resource AME</b>							
<b>Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements</b>	<b>2,107</b>	<b>2,166</b>	<b>2,326</b>	<b>2,741</b>	<b>3,076</b>	<b>3,410</b>	<b>3,446</b>
<i>of which:</i>							
Aviation	7	-	-	-	-	-	-
Railways	-	41	-	-	-	26	-
Highways Agency	2,098	2,128	2,326	2,741	3,076	3,385	3,446
Logistics and Maritime	2	-2	-	-	#	-	-
<b>Total resource budget AME</b>	<b>2,107</b>	<b>2,166</b>	<b>2,326</b>	<b>2,741</b>	<b>3,076</b>	<b>3,412</b>	<b>3,446</b>
<i>of which:</i>							
Near-cash <sup>1</sup>	7	-2	-	31	35	44	45
<i>of which:†</i>							
Pay	-	-	-	-	-	-	-
Procurement	7	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-
Current grants to local authorities	-	-	-	-	-	-	-
Depreciation	-	77	209	393	488	649	590
<b>Total resource budget</b>	<b>5,687</b>	<b>6,940</b>	<b>8,435</b>	<b>8,817</b>	<b>9,144</b>	<b>10,303</b>	<b>10,150</b>
<b>Total resource budget adjusted for inflation</b>	<b>6,319</b>	<b>7,480</b>	<b>8,829</b>	<b>8,981</b>	<b>9,144</b>	<b>10,054</b>	<b>9,645</b>

Table A2 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.

**Table A3: Capital budget for the Department for Transport<sup>2</sup> £ million**

	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
<b>Capital DEL</b>							
<b>Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements</b>	<b>1,203</b>	<b>1,744</b>	<b>2,689</b>	<b>2,770</b>	<b>2,735</b>	<b>4,276</b>	<b>4,070</b>
<i>of which:</i>							
Aviation <sup>13</sup>	4	68	1	5	-5	-1	-
Railways	574	934	2,246	2,145	1,983	3,117	2,997
Roads Transport	#	#	-7	-4	-4	-4	-1
Transport Strategy and Delivery <sup>5</sup>	-	#	-	-	-	-	1
Highways Agency	607	736	439	610	753	1,125	1,060
Logistics and Maritime	17	6	10	14	8	40	12
<b>Deliver improvements to accessibility punctuality and reliability of local and regional transport systems through the approaches set out in Objective 1 and through increased use of public transport and other appropriate local solutions</b>	<b>1,727</b>	<b>2,284</b>	<b>1,541</b>	<b>1,697</b>	<b>1,565</b>	<b>1,648</b>	<b>1,010</b>
<i>of which:</i>							
Greater London Authority Transport Grant	483	772	-	-	-	-	-
Transport Strategy and Delivery <sup>5</sup>	1	2	12	12	6	#	2
Integrated Local Transport	1,242	1,495	1,503	1,653	1,514	1,606	972
Roads Transport	-	15	27	32	45	42	35
<b>Balance the need to travel with the need to improve quality of life by improving safety and respecting the environment</b>	<b>1,036</b>	<b>1,021</b>	<b>985</b>	<b>751</b>	<b>694</b>	<b>607</b>	<b>1,235</b>
<i>of which:</i>							
Integrated Local Transport <sup>14</sup>	-	5	9	29	3	9	867
Roads Transport	5	9	4	8	15	6	28
Air Accidents Investigation Branch	#	#	#	#	2	2	#
Marine Accident Investigation Branch	-	-	-	-	-	#	-
Maritime and Coastguard Agency	11	16	9	8	8	6	8
Mobility and Inclusion Unit	#	#	#	#	#	-	#
Rail Accident Investigation Branch	-	-	-	-	#	#	-
Vehicle Certification Agency	#	#	#	#	#	#	#
Driver and Vehicle Licensing Agency <sup>8</sup>	27	22	30	-	-	-	-

**Table A3: Capital budget for the Department for Transport<sup>1</sup> continued** £ million

	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
DVLA Trading Fund	-	-	-	22	16	36	6
DVO Group <sup>9</sup>	#	5	36	2	32	27	34
Railways <sup>10</sup>	994	963	897	681	617	514	285
Roads Vehicles <sup>11</sup>	-	-	-	-	-	7	7
<b>Improve cost effectiveness through sound financial management, robust cost control, and clear appraisal of transport investment choices across modes and locations</b>	<b>13</b>	<b>9</b>	<b>17</b>	<b>3</b>	<b>2</b>	<b>6</b>	<b>246</b>
<i>of which:</i>							
Central Administration <sup>12</sup>	13	9	17	3	2	6	22
Departments Unallocated Provision	-	-	-	-	-	-	224
<b>Total capital budget DEL</b>	<b>3,979</b>	<b>5,058</b>	<b>5,233</b>	<b>5,222</b>	<b>4,995</b>	<b>6,537</b>	<b>6,560</b>
<i>of which:</i>							
Capital expenditure on fixed assets net of sales†	1,652	1,735	1,378	1,339	1,404	1,699	1,403
Net lending to private sector	#	64	-9	5	-5	-1	#
Capital support to public corporations	483	777	36	12	36	55	28
Capital support to local authorities	1,250	1,521	1,544	1,706	1,564	1,660	1,901
Capital support to local authorities††	-	-	-	-	-	-	-
<b>Total capital budget AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital budget</b>	<b>3,979</b>	<b>5,058</b>	<b>5,233</b>	<b>5,222</b>	<b>4,995</b>	<b>6,537</b>	<b>6,560</b>
<i>of which:</i>							
Capital expenditure on fixed assets net of sales†	1,652	1,735	1,378	1,339	1,404	1,699	1,403
Less depreciation†††	44	273	582	648	768	958	947
Net capital expenditure on tangible fixed assets	1,608	1,462	796	691	637	741	456
<b>Total capital budget adjusted for inflation</b>	<b>4,422</b>	<b>5,452</b>	<b>5,477</b>	<b>5,319</b>	<b>4,995</b>	<b>6,379</b>	<b>6,234</b>

† 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.

This table provides details for the capital expenditure plans in the same format as Table A2.

Table A4: Total capital employed in departmental group								£ million
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	Outturn <sup>1</sup>	Outturn	Outturn <sup>2</sup>	Outturn	Outturn <sup>3</sup>	Forecast	Projected	Projected
<b>Assets on balance sheet at start of year:</b>								
Total fixed assets:	60,605	67,112	69,046	74,042	78,862	83,991	86,243	89,730
Intangible fixed assets	79	47	68	22	26	26	27	28
Tangible fixed assets	60,526	67,065	68,978	74,020	78,836	83,965	86,216	89,702
Investments	431	515	570	647	663	643	633	624
Current assets	608	636	591	497	767	842	838	834
Creditors (<1 year)	-814	-945	-879	-892	-1,296	-1,334	-1,315	-1,308
Creditors (>1 year)	-1,471	-1,450	-2,482	-2,569	-2,737	-3,043	-3,156	-3,194
Provisions	-1,206	-2,272	-3,049	-2,873	-1,778	-1,749	-1,707	-1,646
<b>Capital Employed within main Department</b>	<b>58,153</b>	<b>63,596</b>	<b>63,797</b>	<b>68,852</b>	<b>74,481</b>	<b>79,350</b>	<b>81,356</b>	<b>85,040</b>
NDPB net assets <sup>3</sup>	-758	-531	2,392	3,906	-115	-84	-82	-80
<b>Total capital employed within main department</b>	<b>57,395</b>	<b>63,065</b>	<b>66,189</b>	<b>72,758</b>	<b>74,366</b>	<b>79,266</b>	<b>81,454</b>	<b>84,960</b>

<sup>1</sup> NDPB net assets in 2001-02 do not include Network Rail (which is consolidated into the accounts of the Strategic Rail Authority), as the body only began in 2002-03. Network Rail is not included after 2004-05 as it stopped being consolidated into the accounts of the Strategic Rail Authority.

<sup>2</sup> Main Departmental figures only include DVLA until 2003-04, after which time the DVLA became a Trading Fund.

<sup>3</sup> The activities of Strategic Rail Authority transferred to the Main Department in 2005-06. Network Rail has been excluded from this point.

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 A5: Administration costs for Department for Transport** **£ million**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn <sup>1</sup>	Estimated Outturn <sup>1,2</sup>	Plans <sup>2,3</sup>
Administration expenditure <sup>4</sup>							
Paybill <sup>3</sup>	206	241	258	140	157	163	-
Other <sup>3</sup>	273	330	352	107	131	117	-
Total administration expenditure	<b>479</b>	<b>571</b>	<b>610</b>	<b>247</b>	<b>288</b>	<b>280</b>	<b>283</b>
Administration income	-227	-241	-260	-34	-35	-30	-24
Total administration budget	<b>252</b>	<b>330</b>	<b>350</b>	<b>213</b>	<b>253</b>	<b>250</b>	<b>259</b>

Notes:

<sup>1</sup> The overall year on year decrease between 2005-06 and 2006-07 of -£3 million was mainly due to the impact of lower dilapidation charges in 2006-07 than in the year before, partly offset by a reduction to income in 2006-07 reflecting the decision by the Department for Communities and Local Government to cease using DfT IT services as from 1 April 2006.

<sup>2</sup> The overall year on year increase between 2006-07 and 2007-08 reflects an estimated underspend in 2006-07 of £13 million.

<sup>3</sup> Figures not yet available for 2007-08.

<sup>4</sup> From 1 April 2004, the DVLA became a Trading Fund with budgetary treatment akin to a NDPB and, therefore, no longer subject to administration cost limit comment.

**Table A5: Administration costs: Office of Rail Regulation (ORR)<sup>1</sup>** **£ 000s**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
ORR gross administration costs								
Paybill	4,982	5,537	6,187	6,346	7,909	19,300	18,400	18,200
Other	5,333	8,036	8,362	6,664	6,859	10,900	12,400	12,000
Total administration expenditure	<b>10,315</b>	<b>13,573</b>	<b>14,549</b>	<b>13,010</b>	<b>14,768</b>	<b>30,200</b>	<b>30,800</b>	<b>30,200</b>
Administration income	-10,314	-13,128	-14,547	-13,009	-12,926	-30,798	-30,798	-30,198
Total administration budget	<b>1</b>	<b>445</b>	<b>2</b>	<b>1</b>	<b>1,842</b>	<b>2</b>	<b>2</b>	<b>2</b>

Notes:

<sup>1</sup> ORR: Increased estimated outturn and planned expenditure reflects additional expenditure post merger with HSE Rail which took place on 1 April 2006.

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 Centre<sup>1</sup></i>	CS FTEs	4,870	4,270	1,900	1,801	1,816	1,930	1,853	1,976	1,976
	Overtime	40	70	70	70	30	30	30	30	30
	Casuals	91	90	30	30	-	-	-	-	-
	<b>Total</b>	<b>5,001</b>	<b>4,430</b>	<b>2,000</b>	<b>1,901</b>	<b>1,846</b>	<b>1,960</b>	<b>1,883</b>	<b>2,006</b>	<b>2,006</b>
<i>Driver and Vehicle Licensing Agency<sup>2</sup></i>	CS FTEs	4,701	5,081	5,326	6,557	6,525	6,365	6,460	6,255	-
	Overtime	107	106	106	-	-	-	-	-	-
	Casuals	567	183	411	-	-	-	-	-	-
	<b>Total</b>	<b>5,375</b>	<b>5,370</b>	<b>5,843</b>	<b>6,557</b>	<b>6,525</b>	<b>6,365</b>	<b>6,460</b>	<b>6,255</b>	
<i>Driving Standards Agency</i>	CS FTEs	1,742	1,851	1,949	2,184	2,465	2,541	2,719	2,706	2,667
	Overtime	-	-	-	-	-	-	-	-	-
	Casuals	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>1,742</b>	<b>1,851</b>	<b>1,949</b>	<b>2,184</b>	<b>2,465</b>	<b>2,541</b>	<b>2,719</b>	<b>2,706</b>	<b>2,667</b>
<i>Highways Agency<sup>3</sup></i>	CS FTEs	1,980	1,624	1,677	1,781	2,124	3,141	3,368	3,635	3,611
	Overtime	15	23	21	8	16	26	25	25	25
	Casuals	30	26	20	8	3	0	-	-	-
	<b>Total</b>	<b>2,025</b>	<b>1,673</b>	<b>1,718</b>	<b>1,797</b>	<b>2,143</b>	<b>3,167</b>	<b>3,393</b>	<b>3,660</b>	<b>3,636</b>
<i>Maritime and Coastguard Agency</i>	CS FTEs	1,020	1,075	1,100	1,144	1,171	1,171	1,169	1,127	1,127
	Overtime	55	52	47	33	14	32	35	35	35
	Casuals	30	40	50	34	22	3	3	0	0
	<b>Total</b>	<b>1,105</b>	<b>1,167</b>	<b>1,197</b>	<b>1,211</b>	<b>1,207</b>	<b>1,206</b>	<b>1,207</b>	<b>1,162</b>	<b>1,162</b>
<i>Vehicle Certification Agency</i>	CS FTEs	93	100	104	111	110	116	118	126	-
	Overtime	3	4	3	-	-	-	-	-	-
	Casuals	-	-	3	-	-	-	-	-	-
	<b>Total</b>	<b>96</b>	<b>104</b>	<b>110</b>	<b>111</b>	<b>110</b>	<b>116</b>	<b>118</b>	<b>126</b>	
<i>Vehicle and Operator Services Agency<sup>4</sup></i>	CS FTEs	1,947	1,900	2,110	2,760	2,703	2,669	2,644	2,620	-
	Overtime	88	78	-	-	-	-	-	-	-
	Casuals	100	110	80	-	-	-	-	-	-
	<b>Total</b>	<b>2,135</b>	<b>2,088</b>	<b>2,190</b>	<b>2,760</b>	<b>2,703</b>	<b>2,669</b>	<b>2,644</b>	<b>2,620</b>	
<i>Department for Transport</i>	<b>Total</b>	<b>17,479</b>	<b>16,683</b>	<b>15,007</b>	<b>16,521</b>	<b>16,999</b>	<b>18,024</b>	<b>18,424</b>	<b>18,535</b>	-
<i>Government Car and Despatch Agency<sup>5</sup></i>	CS FTEs	277	294	298	298	297	296	296	290	310
	Overtime	-	-	-	-	-	-	-	-	-
	Casuals	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>277</b>	<b>294</b>	<b>298</b>	<b>298</b>	<b>297</b>	<b>296</b>	<b>296</b>	<b>290</b>	<b>310</b>
<i>Office of Rail Regulation<sup>6</sup></i>	CS FTEs	100	108	120	124	139	141	371	362	362
	Overtime	1	1	1	1	1	1	-	-	-
	Casuals	3	-	-	1	1	-	1	-	-
	<b>Total</b>	<b>104</b>	<b>109</b>	<b>121</b>	<b>126</b>	<b>141</b>	<b>142</b>	<b>372</b>	<b>362</b>	<b>362</b>

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.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

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

<sup>6</sup> 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.

Table A6 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 A7: Department for Transport's identifiable expenditure on services, by country and region in £ million**

	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
North East	164.8	211.4	252.2	217.8	231.3	284.2	298.0
North West	547.2	687.9	840.9	937.1	868.5	1005.3	1153.6
Yorkshire and Humberside	333.2	417.8	497.6	462.8	449.1	541.2	588.6
East Midlands	375.0	455.0	493.8	477.6	513.2	628.5	612.1
West Midlands	447.7	550.1	658.3	781.2	730.4	889.9	1010.8
Eastern	466.5	532.6	679.6	464.5	482.3	623.5	598.2
London	988.8	976.3	2091.6	871.6	811.4	1049.9	1085.9
South East	718.7	942.0	1324.2	1278.3	1241.2	1626.4	1633.3
South West	350.5	440.5	526.8	586.9	647.2	803.7	824.8
<b>Total England</b>	<b>4392.3</b>	<b>5213.6</b>	<b>7365.1</b>	<b>6077.6</b>	<b>5974.5</b>	<b>7452.6</b>	<b>7805.2</b>
Scotland	114.5	203.0	309.7	314.7	286.1	196.7	207.1
Wales	114.2	165.8	167.8	214.5	182.4	155.2	167.1
Northern Ireland	10.2	13.7	23.0	20.5	18.9	22.9	23.6
<b>Total UK identifiable expenditure</b>	<b>4631.2</b>	<b>5596.2</b>	<b>7865.5</b>	<b>6627.4</b>	<b>6461.8</b>	<b>7827.4</b>	<b>8203.1</b>
Outside UK	3.9	2.8	5.3	6.6	17.4	37.3	22.1
<b>Total identifiable expenditure</b>	<b>4635.1</b>	<b>5599.0</b>	<b>7870.8</b>	<b>6633.9</b>	<b>6479.2</b>	<b>7864.7</b>	<b>8225.2</b>
Non-identifiable expenditure	214.5	161.3	129.9	170.7	168.4	500.3	480.9
<b>Total expenditure on services</b>	<b>4849.6</b>	<b>5760.3</b>	<b>8000.7</b>	<b>6804.6</b>	<b>6647.6</b>	<b>8365.1</b>	<b>8706.1</b>

**Table A8: Department for Transport's identifiable expenditure on services, by country and region, £s per head<sup>1</sup>**

	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Estimated Outturn	2007-08 Plans
North East	64.9	83.3	99.3	85.6	90.4	111.3	116.5
North West	80.8	101.4	123.6	137.3	126.9	146.3	167.4
Yorkshire and Humberside	66.9	83.7	99.3	91.9	88.7	106.0	114.7
East Midlands	89.5	107.7	116.1	111.6	119.2	145.0	140.4
West Midlands	84.8	103.7	123.8	146.4	136.1	165.6	187.5
Eastern	86.4	98.2	124.4	84.6	87.0	112.0	106.8
London	135.0	132.5	283.1	117.3	107.9	138.3	141.9
South East	89.6	117.1	163.9	157.6	152.0	198.2	198.1
South West	70.9	88.7	105.4	116.5	127.7	157.2	160.3
<b>Total England</b>	<b>88.8</b>	<b>105.0</b>	<b>147.7</b>	<b>121.3</b>	<b>118.5</b>	<b>147.0</b>	<b>153.1</b>
Scotland	22.6	40.2	61.2	62.0	56.2	38.5	40.5
Wales	39.2	56.7	57.1	72.7	61.6	52.1	55.9
Northern Ireland	6.0	8.1	13.5	12.0	10.9	13.2	13.5
<b>Total UK identifiable expenditure</b>	<b>78.3</b>	<b>94.3</b>	<b>132.1</b>	<b>110.8</b>	<b>107.3</b>	<b>129.3</b>	<b>134.9</b>

<sup>1</sup> Locally-provided services may not only be used by the local population. For example, expenditure on the London Underground is allocated to the estimated distribution of the domestic residence of users of the Underground. That method factors in the many journeys made on the Underground by commuters and people who are not resident in London.

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 2007 (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.



## Public expenditure tables

### Explanatory footnotes for Tables A1, A2 and A3

1. Near-Cash is defined broadly as accrued expenditure and income. It excludes non-cash items such as depreciation, cost of capital and movements in provisions.
2. The figures contained in tables A1, A2 and A3 are on a full resource accounting and budgeting (RAB) Stage 2 basis.

Since the Annual Report 2006, the following HMT/ONS reclassifications have changed the DfT spend and budget figures:

- a. In January 2007 HMT reclassified the budgeting treatment of 'impairments' and 'profit/loss on disposal of assets'.

The vast majority of DfT Impairments are now scored in Annually Managed Expenditure (previously DEL). The reclassified impairments relate to the Highways Agency and have the following values (£ million):

**Table A10**

2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
77	209	393	488	649	590

Profit/loss on disposal of assets moved from resource non-cash to capital.

- b. The Office of National Statistics reclassified London and Continental Railways (February 2006) from the private sector to a public corporation. The company is responsible for the construction of the high speed Channel Tunnel Rail Link and owns the UK operator of the Eurostar passenger train service. That has resulted in net increases in Resource and Capital DEL across the time series.
- c. The capital element of the Transport for London Grant was reclassified to resource. The scale of the reduction in Capital DEL and matching increase in Resource DEL is as follows (£ million):

**Table A11**

2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
728	981	881	732	763	803

3. A large element of expenditure in 2001-02 was financial assistance granted to Airlines post September 11 2001. The drop in figures in 2003-04 reflects accrued interest on National Air Traffic Services loan (£10.36 million).

4. As a result of the LCR reclassification, Channel Tunnel Rail Link Provisions are no longer included in the capital budget table. Expenditure on Mersey Rail is included from 2003-04 onwards. The railways figures show a provision of £25 million for Thameslink in 2002-03, which was reversed in 2003-04.
  5. Transport Strategy includes European Regional Development Fund figures.
  6. The figure for 2002-03 is a cost of capital adjustment. The cost of capital is a charge that applies to assets and liabilities in the balance sheet. The cost of capital charge ensures an appropriate return on the taxpayers' equity. The charge will be at a real rate set by HM Treasury (currently 3.5 per cent) for all assets and liabilities.
  7. Expenditure against 'Major Projects' includes grants to Cross London Rail Link (CLRL).
  8. Driver and Vehicle Licensing Agency (DVLA) became a Trading Fund on 1 April 2004.
  9. The Driver, Vehicle and Operator (DVO) Group consists of the organisations belonging to the DVO Group that are not separately identified elsewhere in the table (Driving Standards Agency, Vehicle Inspectorate and Vehicle Operator Services Agency).
  10. Figures include net expenditure on LCR and British Transport Police (BTP).
  11. Spending plans on Road Performance and Strategy Research.
  12. The figures for Central Administration in Table A2, consist of the relevant net resource allowance within the DfT Administration Cost Limit (see Table A5) and other administration costs not included in the limit such as secondments and ex gratia payments.
  13. The Aviation figure for 2002-03 includes a £65 million loan to the National Air Traffic Services (NATS).
  14. These figures cover spend on Home Zones.
- # Figures under plus or minus £500,000 are not shown.

## 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) 2007. The figures were taken from the HM Treasury public spending database in December 2006 and the regional distributions were completed in January and February 2007. Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental 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 2007.
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 2007. 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). For transport this is difficult to estimate, particularly expenditure in relation to roads and rail.



## **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	3	8	0	8	0	0
Pay band 3	0	4	13	0	12	2	1
Pay band 4	0	5	47	0	17	0	1
Pay band 5	0	2	13	0	5	1	1
Pay band 6	0	1	22	0	11	0	0
Pay band 7	0	0	11	0	5	1	0
SCS <sup>1</sup>	0	2	10	0	3	0	1
<b>Totals</b>	<b>0</b>	<b>17</b>	<b>124</b>	<b>0</b>	<b>61</b>	<b>4</b>	<b>4</b>

<sup>1</sup> 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 <sup>2</sup>	15
Outward secondments <sup>3</sup>	33
Extension to secondments	-
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	

<sup>2</sup> This figure includes: 8 inward secondees who joined the Department prior to April 06 and are still in the Department  
0 inward secondees who joined the Department after April 06, but left prior to January 2007, and  
3 inward secondees who joined prior to April 06, but left prior to January 2007

<sup>3</sup> This figure includes: 12 members of staff who went out on secondment prior to April 06 and are still away from the Department  
1 member of staff who went out on secondment after April 06 and has now returned to the Department, and  
1 member of staff who went out on secondment prior to April 2006 and has now returned

There are 73 members of staff out on loan, 33 of whom went out on loan prior to April 2006 and are still on loan to other Government departments.

**Table B3: Distributions of senior civil service salaries within DfT(C)**

£000s	Staff numbers	£000s	Staff numbers
50-55	3	105-110	3
55-60	12	110-115	5
60-65	22	115-120	3
65-70	28	120-125	3
70-75	25	125-130	1
75-80	24	130-135	2
80-85	12	135-140	-
85-90	10	140-145	1
90-95	10	145-150	-
95-100	9	150-155	1
100-105	9	155-160	-
		160-165	1

Salaries and staff numbers are at 1 November 2006, and include staff on fixed-term contracts. Salaries are basic pay, and exclude bonuses.

**Table B4: Public appointments**

Public body and name of appointee	Position	Period of appointment	Remuneration per annum (actual)	Time input
<b>Civil Aviation Authority</b>				
Catherine Bell	Non-Executive	01/04/2006-31/03/2011	£41,367	2 days per week
<b>Commission for Integrated Transport</b>				
No new appointments in the period				
<b>Disabled Persons Transport Advisory Committee</b>				
Neil Betteridge	Chair	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Nicola McLeish	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Dai Powell	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Pravinkant Amin	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Jean Dunlop	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Roger Hewitt	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Grahame Lawson	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Carol Thomas	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Richard West	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Wendy Morrell	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
Marilyn Lister	Member	01/07/2006-30/06/2009	Expenses only	2/3 days per month
<b>British Transport Police Authority</b>				
Lew Adams	Member	01/07/2006-30/06/2010	£14,448	30 days per annum
Robin Gisby	Member	01/07/2006-30/06/2010	£14,448	30 days per annum
Suzanne May	Member	01/07/2006-30/06/2010	£14,448	30 days per annum
Christine Knights	Member	01/07/2006-30/06/2010	£14,448	30 days per annum
Jeroen Weimar	Member	01/07/2006-30/06/2010	£14,448	30 days per annum
<b>Passenger Focus</b>				
No new appointments in the period				
<b>Railway Heritage Committee</b>				
Dr John Gough	Member	01/06/2006-31/05/2009	Expenses only	Not specified
Jerry Swift	Member	01/06/2006-31/05/2009	Expenses only	Not specified
Graham Smith	Member	01/06/2006-31/05/2009	Expenses only	Not specified
Mike Lamport	Member	01/06/2006-31/05/2009	Expenses only	Not specified
Andrew McNaughton	Member	01/06/2006-31/05/2009	Expenses only	Not specified
<b>Trinity House Lighthouse Service</b>				
Christopher Bourne	Non executive Director	20/07/2006-19/07/2010	£6,570	20 days per annum



# Appendix C

## Sponsorship

## Appendix C

### Sponsorship

**Figure C1: Partner support for THINK! Campaign**

Child road safety partner	Child road safety activity
3M	Produced and distributed reflective jackets and online educational resource to primary schools
Fun Radio	Ran a child road safety radio campaign
Disney	Produced and distributed child road safety materials
Little Chef	Produced and distributed child road safety materials
M6 Toll Road	Distributed child road safety materials
Merlin Entertainment	Provided prize fund for child road safety event
Millets	Produced and displayed child road safety in store point of sale and prizes
Nationwide	Produced and distributed child road safety materials
Texaco	Produced and distributed child road safety materials
Whitbread	Produced and distributed child road safety materials
Total	Produced initiative with BBC's 'Brum' character to raise awareness of road safety for children under seven years

Child car seats partner	Child car seats activity
Little Chef	Provided free media space
Halfords	Produced and displayed child restraints materials in stores and provided free press advertising
Mothercare	Produced and displayed child restraints materials in stores and provided free press and radio advertising
Toys R Us	Produced and displayed child restraints materials in stores, arranged fitting checks and provided free press advertising
Britax	Provided free press, radio, online and outdoor advertising
Baby Products Association	Provided free media space in stores
Child Accident Prevention Trust	Produced and displayed child restraints materials and online

Drink drive partner	Drink drive activity
Loot	Provided free media space
Auto Trader	Provided free media space
British Beer and Pub Association	Endorsed the campaign to their members
Cabana Soft Drinks	Ran a soft drinks promotion in pubs
Enterprise Inns	Encouraged their tenants to support the campaign
Pathfinder Pubs	Placed posters in their 595 pubs
ScooterMAN	Distributed our posters and leaflets in London
The Portman Group	Endorsed our campaign and distributed posters
The Union Pub Company	Placed posters in their 2,351 pubs
Youngs	Placed posters and ran soft drink promotions (with Coca Cola) in their pubs

**Figure C1: Partner support for THINK! Campaign** *continued*

<b>Drink drive partner</b>	<b>Drink drive activity</b>
Punch Taverns	Endorsed the campaign and encouraged their tenants to support it
Regent Inns	Distributed posters to each of their 98 pubs
Threshers	Ran messaging on their Christmas in store point of sale items in all 2,000 of their outlets
Arkell's	Sited posters in each of their 75 pubs
ComCab	Distributed taxi cards with drink drive messages in London
Scout	Distributed our posters in Edinburgh
The Publican	Promoted drink drive posters and the number to order them in their magazine and online
The Morning Advertiser	Ran press release in their magazine and online
Hardy's and Hansons	Sited posters in each of their 75 pubs
Shepherd Neame	Placed posters in their 374 pubs
Walkabout	Promoted anti-drink drive messages in their pubs and the 'Safe Hands, Safe Wheels' promotion in conjunction with the Daily Star. Placed the THINK! 'Crash' ad on their plasma screens, ran a competition and co-branded advertorials in the Daily Star
Martini	Promoted anti-drink drive messages at Silverstone
Costcutter	Placed posters in their 1,400 stores
Birmingham City FC	Placed posters around the stadium
Leeds FC	Placed posters in their washrooms
Chelsea FC	Promoted anti-drink drive messages in their matchday programme, big screen, grounds, online, and ticket competitions
Tottenham Hotspur FC	Promoted anti-drink drive messages on their website and e-newsletter (80,000 recipients)
Carlsberg	Sent posters to the 22 football clubs they sponsor throughout the UK and all ticket wallets and VIP passes at Liverpool FC now carry the message 'Enjoy the match but if you're drinking, don't drive. THINK!'
<b>Driving for work</b>	<b>Driving for work activity</b>
Road Chef	Point of sale promotions across all sites
First Motorway	Display of posters and distribution of leaflets
Multimap	Siting of banner ad on directions page
Loot	Free press ad space provided
Costcutter	Display of campaign posters

**Figure C1: Partner support for THINK! Campaign** *continued*

Motorcycling partner	Motorcycling activity
Arai Helmet	Supported and provided expert advice at the THINK! campaign Motorcycling Academy used at motorcycling events, along with prizes and displays
BikeSafe	Supported the Academy and provided expert advice for the Academy to use at live events
Bennetts	Provided support for our urban bikes promotion
Hein Gericke	Supported the Academy and Ministerial launch
Honda	Supported and provided expert advice at the Academy along with prizes and displays
Metzeler	Supported and provided expert advice at the Academy along with prizes and displays
Shoei	Supported and provided expert advice at the Academy along with prizes and displays
BSM	Provided safety advice at the Academy
Rizla Suzuki	Supported and provided expert advice at the Academy along with prizes and displays
Knox	Supported and provided expert advice at the Academy along with prizes and displays
Feridax	Supported the campaign via their website and dealerships
EBike	Sited content on their website and distributing information to their policy holders
Devitt	Are supporting the campaign via their website and through their dealerships
Bike Animal	Sited content on their website and providing free press advertising
British Motorcycle Federation	Distributed information to their members and online
Hottrax	Sited motorcycle safety content on their website and promotional materials



# Appendix D

## Public Service Agreement targets

## Appendix D

# Public Service Agreement targets

### Departmental objectives and PSA targets set for 2001-08

Public Service Agreements (PSAs) link the allocation of public expenditure to published targets with the aim of delivering modern, responsive public services. PSA targets are set for services or outcomes which the Government sees as key national priorities. They express the outcomes sought by the Government, defining clear, long-term goals to provide ambition and a sense of direction, as well as representing a contract between the public and Government.

The Department's current set of PSA targets for the period 2005-08 was published in Spending Review 2004 and the targets took effect from 1 April 2005. The coverage of these targets is broadly the same as the previous targets set in Spending Review 2002, with the addition of one new target on climate change. The Efficiency target, which was a PSA target prior to April 2005, will continue to be monitored. The transfer of responsibility for London Underground Limited (LUL) to the Mayor of London means that a PSA target was not retained for LUL, and information on performance monitoring will no longer be published by DfT. Details on LUL performance will continue to be published in the TfL annual report and their quarterly operational and financial reports.

PSA targets are used sparingly and do not cover the full range of the Department's responsibilities, which take in other important areas of transport.

### What the appendix covers

- DfT's current PSA targets, showing how they have evolved from the 2002 set.
- The performance indicators used to measure progress.
- Progress against targets based on the most recently available data.
- Data quality.

### What the appendix shows

- The Department published its new PSA target for congestion on urban roads, based on local targets set in the 10 largest urban areas. Performance on the inter-urban reliability target shows a slight deterioration since the baseline period. The Highways Agency is working on detailed development of the full range of interventions that will contribute to delivery of the target.
- Rail performance in all sectors has continued to improve. Punctuality and reliability is at the highest level for six years. In terms of distance travelled, people are using the railways more than at any other time in the last 60 years.

- Our roads are becoming safer. There has been the lowest level of deaths on the road since records began. The target on Disadvantage has been met. On course to meet other elements of the target.
- There has been an overall increase of bus and light rail usage, with accessibility and reliability of bus services continuing to improve. We are on course to achieve the national patronage target and associated improvements to reliability and disabled access. The target for growth in patronage in every region remains challenging.
- Although only four of our seven Air Quality objectives are currently being met, the long term trend is of improving air quality. A review of the Air Quality Strategy is under way, and together with Defra and other departments, we are considering possible additional measures to move towards meeting the objectives.
- We are on course to do more than meet the Kyoto target, and we are endeavouring to make progress towards meeting the demanding national goal of 20 per cent reduction in carbon dioxide emissions below 1990 levels by 2010.

## Objectives and PSA performance targets

**Objective I:** Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of existing road network; reforming rail services and industry structures to deliver significant performance improvements for users; and investing in additional capacity to meet growing demand.

**PSA 1.** By 2007-08, make journeys more reliable on the strategic road network.

**PSA 2.** Improve punctuality and reliability of rail services to at least 85 per cent by 2006, with further improvements by 2008.

**Objective II:** Deliver improvements to the accessibility, punctuality and reliability of local and regional transport systems through the approaches set out in Objective I and through increased use of public transport and other appropriate local solutions.

**PSA 3.** 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.

**PSA 4.** 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.

**Objective III:** Balance the need to travel with the need to improve quality of life by improving safety and respecting the environment.

**PSA 5.** 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.

**PSA 6.** Improve air quality by meeting the Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide, particles, sulphur dioxide, benzene and 1,3 butadiene. **Joint target with the Department for Environment, Food and Rural Affairs.**

**PSA 7.** 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 with the Department for Environment, Food and Rural Affairs and the Department of Trade and Industry.**

**Objective IV:** Improve cost-effectiveness through sound financial management, robust cost control, and clear appraisal of transport investment choices across different modes and locations.

**There are no PSA targets under this objective.**

## Road congestion

### SR2004 PSA target

**By 2007-08, make journeys more reliable on the strategic road network (PSA1)** (also see the separate section below for target on congestion in the largest urban areas target)

### 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. Ninety-one routes are included in this report; the remaining routes have been excluded due to data quality considerations.

The original baseline published in February 2006 covered 87 routes. Data quality for one of these routes has deteriorated to the extent that the route has been excluded from the target. However, as set out in the original target documentation, there are some routes previously excluded where data quality has now improved and these can now be included. Five additional routes are now included, bringing the total for PSA monitoring purposes to 91 routes. The five new routes have a baseline period of April 2005 to March 2006; the baseline for most other routes is August 2004 to July 2005.

Further information is included below in the data quality section and in an updated Technical Note.<sup>1</sup>

#### **Status: Slippage.**

For the 91 routes covered by the target (see note above), the latest data shows that journey time reliability has deteriorated by 5.6 per cent for the year January 2006 to December 2006, compared with the baseline period, which for most routes was August 2004 to July 2005. This covers a period of 17 months since the baseline for most routes, and represents a deterioration of around 3.9 per cent a year.

<sup>1</sup> [www.dft.gov.uk/about/how/psa/psatarget1](http://www.dft.gov.uk/about/how/psa/psatarget1)

For the 86 routes where data is available for the entire monitoring period from the original baseline to now, performance has deteriorated by 5.4 per cent for the year January 2006 to December 2006, compared with the baseline period of August 2004 to July 2005. This covers a period of 17 months since the baseline, and represents a deterioration of around 3.8 per cent a year.

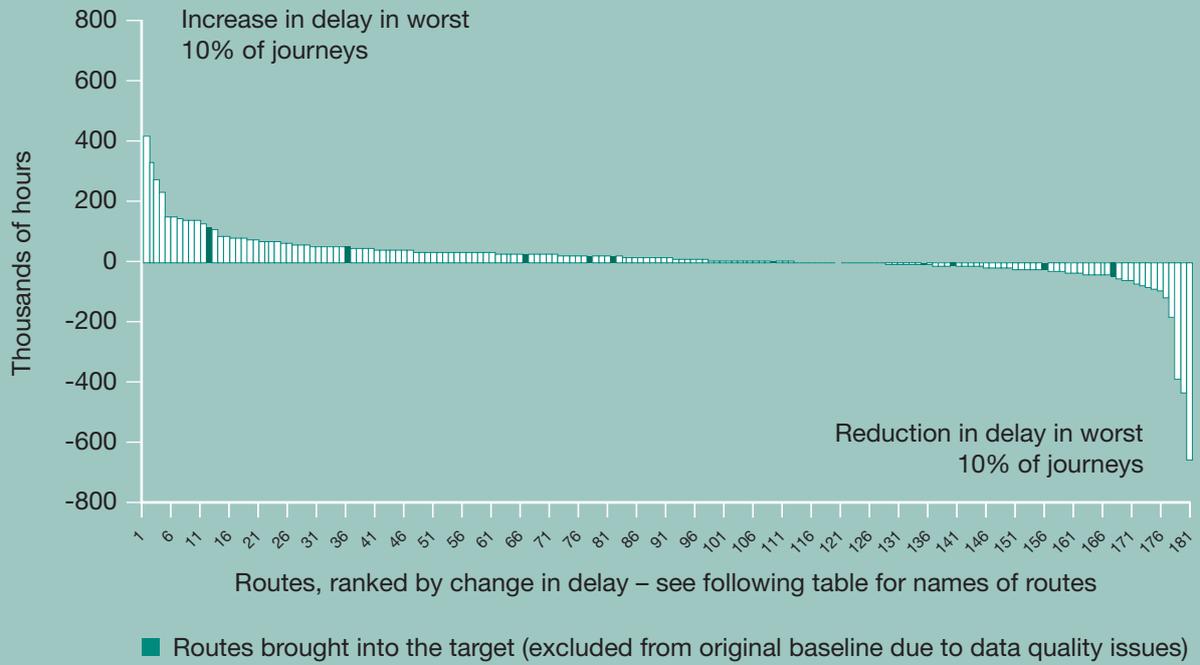
In absolute terms the measure (for the 91 target routes) deteriorated from 3.78 to 3.99 minutes of delay per 10 miles on the 10 per cent slowest journeys. The first chart shows the monthly trend.

**Figure D1: Journey time reliability measure for 91 target routes on the strategic road network**



The second chart shows how each of the routes has contributed to the change between the baseline period and January 2006 to December 2006. This shows a number of large changes in either direction, some of which may be explained by roadworks being started or completed.

**Figure D2: Chart showing change for each of the 91 two-way routes. Changes in total delay in the worst 10 per cent of journeys between baselines and the latest period**



**Figure D3: Changes in total delay in the worst 10 per cent of journeys (thousands of hours), ranked by biggest increase for the 91 two-way routes**

Rank	Route	Change (thousands of hours)
1	M1 J13 – J6a	421
2	M25 J16 – J7	333
3	M62 A1 – J18	275
4	M25 J23 – J30	234
5	M6 M1 – J8	150
6	A1/A1(M) London – Peterborough	149
7	A50/A500 M6 – M1	145
8	M56/A5117 Wales – M60	142
9	M25 J30 – J23	139
10	M11 J14 – J4	139
11	M62 J18 – A1	125
12	M40 M42 – J10 <sup>1</sup>	116
13	M4 J13 – Wales	110
14	A27/A259 Portsmouth – Hastings	84
15	A34 M40 – M3	84
16	M271/M27 Portsmouth – Southampton	82
17	M6 J8 – M1	80
18	A14 A1 – A11	79
19	A404(M)/A404 M4 – M40	77
20	A50/A500 M1 – M6	72
21	M3 Southampton – London	72
22	M1 J36 – J32	69
23	A14 A1 – M6	69
24	M67/A57/A628/A616 M1 – Manchester	68
25	M56/A5117 M60 – Wales	62
26	M25 J23 – J16	61
27	A3 London – Portsmouth	59
28	A14 A11 – A1	55
29	A3 Portsmouth – London	55
30	A5 M1 J18 – M1 J9	53
31	M4 Wales – J13	53
32	A12 Ipswich – M25	52
33	A34 M3 – M40	52
34	A14 M6 – A1	52
35	M62 J12 – J6	49
36	M42/A42 M1 – M6 Toll <sup>1</sup>	49
37	M55 Blackpool – M6	48
38	M3 London – Southampton	45
39	M1 J6a – J13	44
40	M67/A57/A628/A616 Manchester – M1	44
41	M4 J13 – J1	41

42	A417/A419 Brockworth – Swindon	40
43	M62/A63/A1033 A1 – Hull	40
44	A1/A1(M) Peterborough – London	40
45	A43 Northampton – M40	40
46	M62 J6 – J12	38
47	M11 J4 – J14	37
48	M40 J1 – J10	36
49	A1/A1(M) Newcastle (A69) – Scotch Corner	36
50	M27/A31/A35 Honiton – Southampton	34
51	A43 M40 – Northampton	34
52	M60 J4 – J18 via Barton	34
53	A12 M25 – Ipswich	33
54	M18 M1 – M62	33
55	A38 Birmingham – M1	33
56	A417/A419 Swindon – Brockworth	33
57	A453 Nottingham – Kegworth	32
58	M40 J10 – J1	32
59	M20 Folkestone – London	32
60	A30 Penzance – Bodmin	31
61	M27/A31/A35 Southampton – Honiton	31
62	M54/A5 M6 – Wales	31
63	M26 M20 – M25	29
64	M5 J15 – M6	29
65	M180/A180 M18 – Grimsby	28
66	M60 J18 – J4 via Stockport	27
67	M42/A42 M6 Toll – M1 <sup>1</sup>	26
68	A428 A1 – M11	26
69	A49 A40 – Shrewsbury	26
70	A428 M11 – A1	25
71	A38 Exeter – Bodmin	25
72	A46 Leicester – Lincoln	25
73	A11 A14 – A47	24
74	A303 M3 – Amesbury	23
75	M50/A449/A40 M5 – Monmouth	22
76	M5 M6 – J15	22
77	A11 A47 – A14	22
78	A13/A1089 Tilbury – Aveley <sup>1</sup>	22
79	A47 Norwich – Peterborough	21
80	A1/A1(M) Scotch Corner – Newcastle (A69)	21
81	M6 Toll M6 J11a – M42	20
82	M40 J10 – M42 <sup>1</sup>	20
83	M1 J19 – J13	20
84	M180/A180 Grimsby – M18	19
85	M50/A449/A40 Monmouth – M5	19
86	A23/M23 London – Crawley	19
87	A47 Peterborough – Norwich	17
88	A303/A30 Amesbury – Exeter	17

89	M66/A56 M62 – M65	16
90	M6 Toll M42 – M6 J11a	15
91	A30 Bodmin – Penzance	14
92	M60 J4 via Stockport – J18	14
93	M2/A2 J1 – Folkestone via Dover	10
94	M2/A2 Folkestone – J1 via Dover	10
95	A453 Kegworth – Nottingham	10
96	M25/A282 J7 – J30	10
97	M55 M6 – Blackpool	9
98	M45/A45 M1 – Coventry	8
99	A19/A168 Dishforth – A1 N of Newcastle	7
100	M53/A55 Wallasey – Wales	7
101	A38 M1 – Birmingham	7
102	A303/A30 Exeter – Amesbury	7
103	A404(M)/A404 M40 – M4	5
104	M26 M25 – M20	4
105	A46 Coventry – Tewkesbury	4
106	A38 Bodmin – Exeter	4
107	A5 M1 J18 – A38	4
108	A421 M1 – A1	4
109	M66/A56 M65 – M62	4
110	A47/A12 Lowestoft – Norwich <sup>1</sup>	3
111	A52/A5111/A6 Derby – Grantham	3
112	M1 J48 – J42	3
113	A23 Brighton – Crawley	3
114	M45/A45 Coventry – M1	2
115	A595/A66 Penrith – Sellafield	1
116	M62/A63/A1033 Hull – A1	1
117	A66(M)/A66 Middlesbrough – Darlington	1
118	A11 A14 – M11	1
119	M1 J32 – J36	0
120	A120 Harwich – Colchester	0
121	A5 M1 J9 – M1 J18	0
122	A421 A1 – M1	-1
123	A11 M11 – A14	-1
124	M6/A74 Scotland – J32	-2
125	A66(M)/A66 Darlington – Middlesbrough	-2
126	A49 Shrewsbury – A40	-2
127	M54/A5 Wales – M6	-3
128	M6 J20 – J32	-4
129	A69 Newcastle – Carlisle	-4
130	A21 Hastings – Sevenoaks	-6
131	A303 Amesbury – M3	-6
132	A69 Carlisle – Newcastle	-6
133	A46 Lincoln – Leicester	-7
134	A595/A66 Sellafield – Penrith	-7
135	A5 A38 – M1 J18	-8

136	A47/A12 Norwich – Lowestoft <sup>1</sup>	-10
137	A556 M56-M6	-10
138	M53/A55 Wales – Wallasey	-10
139	A120 Colchester – Harwich	-11
140	M1 J42 – J48	-11
141	A13/A1089 Aveley – Tilbury <sup>1</sup>	-12
142	M42 J7 – J1	-14
143	A556 M6-M56	-15
144	A66 Scotch Corner – Penrith	-15
145	M1 J13 – J19	-16
146	M5 J15 – J31	-16
147	A23 Crawley – Brighton	-17
148	A590 M6 – Barrow-in-Furness	-18
149	A21 Sevenoaks – Hastings	-18
150	M18 M62 – M1	-18
151	M271/M27 Southampton – Portsmouth	-20
152	M69 M6 – M1	-22
153	A52/A5111/A6 Grantham – Derby	-22
154	A590 Barrow-in-Furness – M6	-23
155	M4 J1 – J13	-23
156	A64 A1 – Scarborough	-25
157	M1 J6a – J1 <sup>1</sup>	-27
158	A23/M23 Crawley – London	-29
159	M25 J16 – J23	-30
160	A66 Penrith – Scotch Corner	-30
161	A64 Scarborough – A1	-36
162	M25/A282 J30 – J7	-38
163	M69 M1 – M6	-39
164	A27/A259 Hastings – Portsmouth	-40
165	A19/A168 A1 N of Newcastle – Dishforth	-41
166	M42 J1 – J7	-42
167	A46 Tewkesbury – Coventry	-43
168	M60 J18 via Barton – J4	-44
169	M1 J1 – J6a <sup>1</sup>	-49
170	A14 Felixstowe – A11	-55
171	A14 A11 – Felixstowe	-62
172	M5 J31 – J15	-62
173	M20 London – Folkestone	-71
174	M6/A74 J32 – Scotland	-78
175	A1/A1(M) M1 – Peterborough	-83
176	M6 J20 – J8	-87
177	M6 J32 – J20	-94
178	A1/A1(M) Peterborough – M1	-117
179	M25 J7 – J16	-180
180	M1 J32 – J19	-386
181	M1 J19 – J32	-434
182	M6 J8 – J20	-653

Notes:

<sup>1</sup> Routes brought into the target (excluded from original baseline due to data quality issues)

In line with best practice for all PSAs, the Highways Agency has a delivery plan, agreed with ministers, that sets out the full set of initiatives they are implementing towards achievement of the target and the quantified contribution each initiative is expected to make. The plan is kept under review to identify and implement further improvements in line with ministerial priorities.

The Highways Agency has made significant progress embedding a culture of performance management, which includes use of performance data to understand the causes of unreliable journey times and improve its management of the network.

The measures the Highways Agency is putting in place to achieve the reliability target include:

- traffic officers and Incident Support Units reducing the impact of incidents;
- improved roadworks management;
- introducing ramp metering to improve traffic flow;
- extending the Motorway Incident Detection and Signalling Systems (MIDAS); and
- congestion busting and safety schemes at key hotspots, such as junction improvements, wider slip roads, better road signing, and right turning lanes.

The Traffic Officer Service now patrols the entire motorway network 24 hours a day, seven days a week. The Service has provided a platform for ongoing improvements to the Agency's incident management capability. Reduced response times for Incident Support Units are being introduced to reduce the impact of incidents. Other key deliverables to support incident management include off-network diversion signing for 85 per cent of the network over the next three years, extending location signs to help identify where incidents have occurred, and additional cameras to detect incidents more quickly.

Analysis of the relationship between traffic growth and unreliable journey times suggests that traffic growth has a greater impact on the PSA indicator of journey time reliability than previously anticipated. In response to this evidence suggesting an increased level of challenge in the context of traffic growth, the Highways Agency is putting in place additional measures during the target period to tackle unreliable journey times. These include increased use of surveying equipment to speed up police investigations of accidents, doubling the amount of the network covered by diversion routes, and tripling the number of new ramp metering sites which regulate flow on the network and seek to avoid flow breakdown.

### Quality of data

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.

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.

The Autumn Performance Report in December 2006 included information for a subset of routes covering around 80 per cent of the target because of data quality problems on the remaining 20 per cent. The Highways Agency has now completed a comprehensive data quality improvement programme which has rectified these problems. This means that data for 86 of the original set of 87 PSA routes are of sufficient quality to include in performance reports. Furthermore, as set out in the original Technical Note, data quality for additional routes not originally included in the baseline has been improved. This means that it is now possible to include five additional routes for PSA targeting purposes, bringing the total to 91. This includes sections of the M1, M40 and M42, which carry high volumes of traffic.

Decisions on which routes to include are informed by an assessment of the quality of the data available from the various sources.

A revised Technical Note includes details of the data quality improvements, the revised baseline and a description of the quality assessments used to determine which routes can be incorporated in the target (including the rationale for excluding one of the original 87 routes – the M65).

### 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 (PSA4).

### SR2002 PSA target

Reduce congestion in large urban areas in England below 2000 levels by 2010.

## Performance indicator

Each local target is of the form: on target routes, accommodate an expected increase in travel of X per cent with a Y per cent change in journey time. A local target will be met if the Y per cent change in journey time is achieved or bettered.

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 mainly for in-bound routes for the morning peak.

In this context travel is defined as person miles travelled on the target routes.

The local targets are weighted to the national target using traffic flow on all major roads across each urban area, excluding Highways Agency roads.

Coverage: The 10 largest urban areas are London, Greater Manchester, Merseyside, South Yorkshire, West Yorkshire, Tyne and Wear, West Midlands, Bristol, Leicester and Nottingham. Across these areas a total of 166 routes are included in the target. The target relates to the morning peak period.

## Progress

### **Status: Not yet assessed.**

Baseline figures for the target were published in July 2006, together with a revised technical note.<sup>2</sup> The first assessment of performance is expected to be published in the next Autumn Performance Report.

### **The role of local authorities**

Local authorities in the 10 largest urban areas are responsible for the delivery of their local targets, which in turn comprise the PSA target. Each of the 10 areas has produced an initial delivery plan setting out how they plan to achieve, or exceed, their local 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 the peak, and increased use of park and ride schemes;
- 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;
- improvements to infrastructure, for example bus lanes or changes to junctions to improve traffic flow.

<sup>2</sup> [http://www.dft.gov.uk/stellent/groups/dft\\_about/documents/page/dft\\_about\\_030578.hcsp](http://www.dft.gov.uk/stellent/groups/dft_about/documents/page/dft_about_030578.hcsp)

### **The role of the Department**

While the delivery of the target is a matter for local authorities, the Department is providing support through five channels.

### **Guidance, challenge and support**

All 10 authorities have produced an initial 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.

### **Financial support**

Reward funding is available from the Congestion Performance Fund up to a total of £60 million over four years. In the first year, 2007-08, payments will be made up to a total of £5 million to authorities whose delivery plans provide confidence that their targets will be met or exceeded.

More generally, the Department is supporting authorities through the LTP process, which has allocated £462 million to nine of the 10 urban areas in 2006-07 (not including London). Nationally, 40 major infrastructure projects are being funded by the Department, most costing over £5 million. Seventy-eight schemes are expected to be approved in the near future.

### **Legislation**

The Department is providing new duties and powers to local authorities. The Traffic Management Act 2004 has extended the powers available to local authorities, aiding the enforcement of traffic regulations and giving greater power to control street works. The Act also introduced a new Network Management Duty 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 network of others.

### **Data**

The new data sources that underpin the target have allowed authorities to build a detailed picture of the congestion problem in their area. More information on this is provided below.

### **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.

### **Quality of data**

Journey time data for all vehicles other than staged passenger bus services is provided to local authorities by the Department. This data is 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 this vehicle category. 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.

## 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 (of both passengers and the Government) of improving performance.**

Work continues to confirm the quantification of the 2008 target and is expected to be complete within the coming weeks.

### 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 '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 its journey is recorded as cancelled.

### Rail use

This is measured using passenger kilometre<sup>3</sup> 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.

<sup>3</sup> The number of passengers multiplied by the distance each passenger travels, on average, in kilometres.

**Coverage: Great Britain<sup>4</sup>****Progress:**

2006: met; 2008: not yet assessed.

The 2006 target was reached six months early and the Public Performance Measure has continued to improve. Progress has continued and a higher target is currently being finalised by the Department and HM Treasury.

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.

Overall PPM performance, on a moving annual average (MAA) basis, was 87.9 per cent in February 2007, up from 86.3 per cent in February 2006. This compares to the PPM low of 74.2 per cent in October 2001.

Performance in all sectors showed improvement. In the long distance sector PPM was 84.7 per cent for the year to February 2007 against 82.0 per cent at February 2006. In the regional sector, PPM increased to 87.6 per cent for the year to February 2007 from 84.7 per cent in the previous year. London and the South East performance improved to 88.8 per cent for the year to February 2007 from 87.8 per cent in the previous year.

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 5.3 per cent higher in the 12 months to the end of December 2006 compared to the same period in the previous year.

Data source: <http://www.networkrail.co.uk/aspx/742.aspx>

<http://www.networkrail.co.uk/companyinformation/PerformanceData/index.htm>

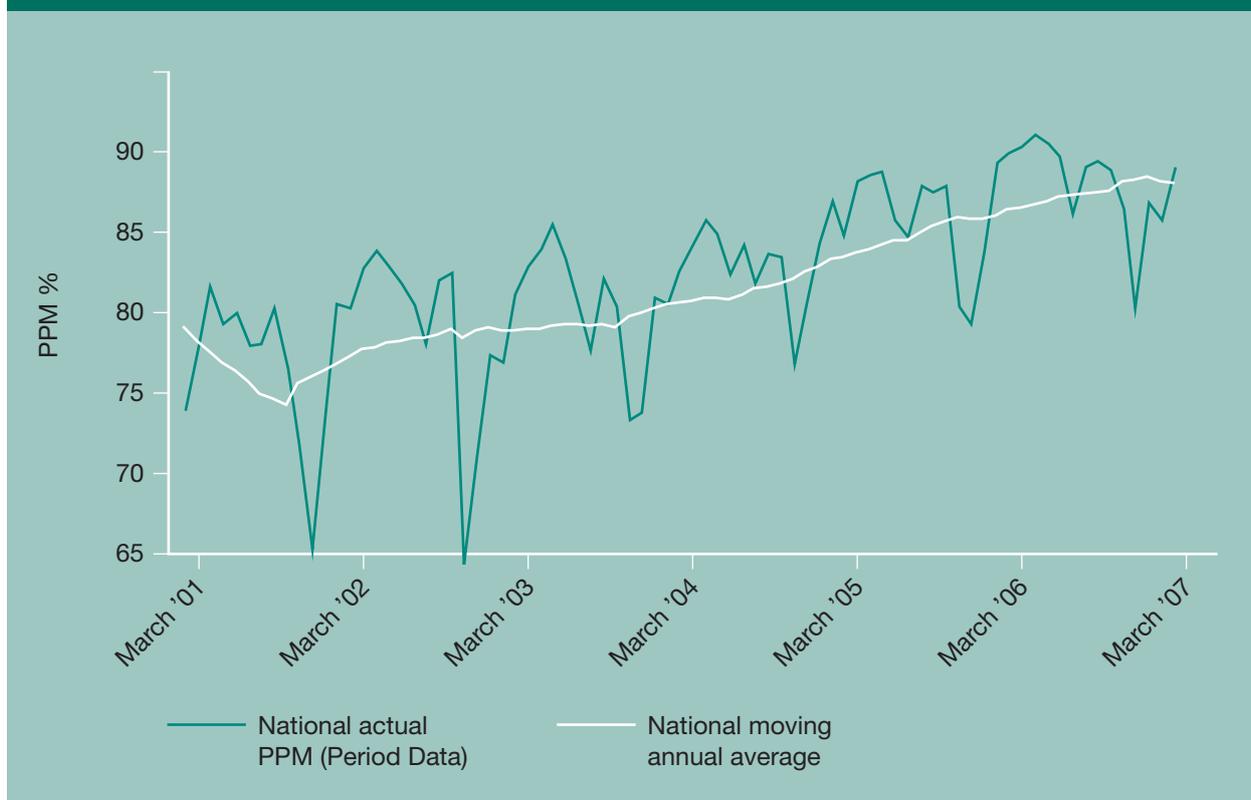
<http://www.rail-reg.gov.uk/upload/pdf/320.pdf>

**Quality of data**

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.

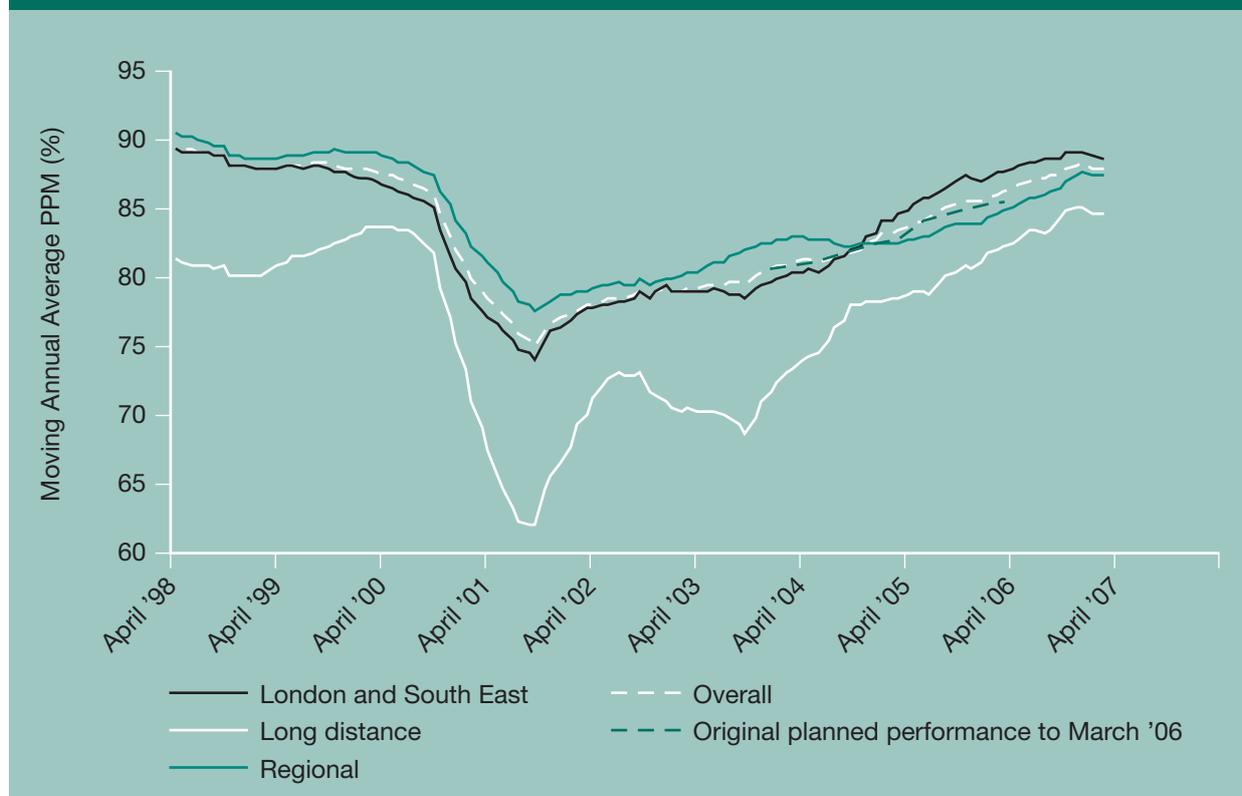
<sup>4</sup> The further improvements target for 2008 will be for England and Wales operators only.

Figure D4: National PPM – Period data and MAA



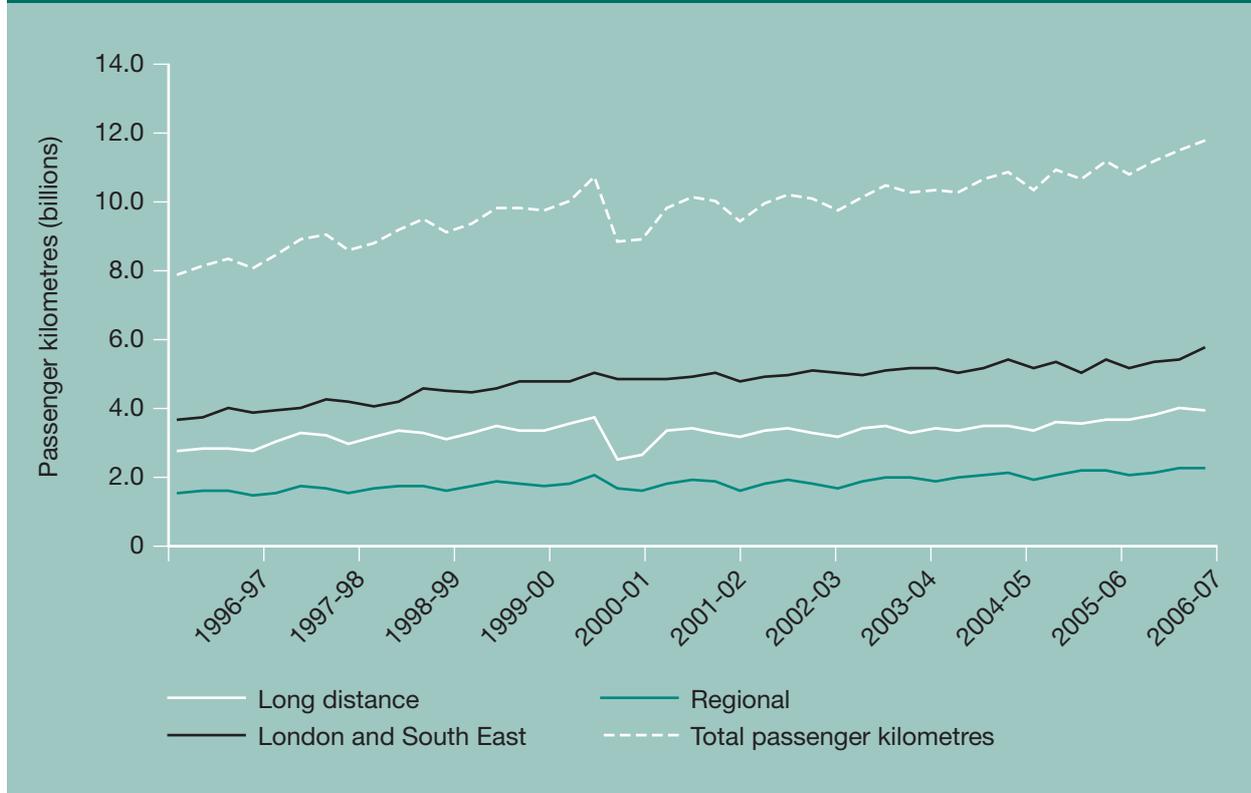
The above graph shows the PPM by period and MAA. PPM MAA has been rising steadily since a low point in 2001. Performance suffers in autumn each year but since 2002, that has also been improving year on year.

**Figure D5: Public Performance Measure (PPM) moving annual average percentage of trains arriving on time: April 1998 to February 2007, by business sector**



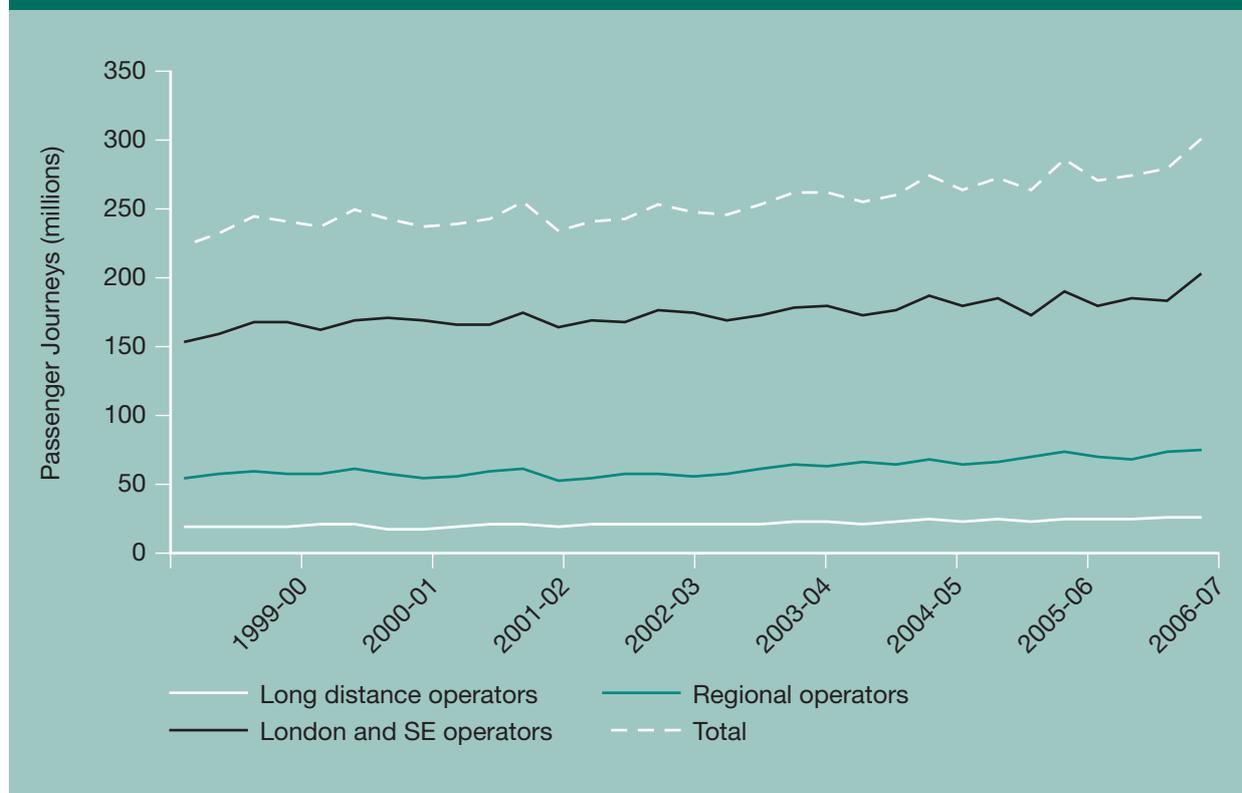
Performance across all passenger sectors has been improving since 2001, a trend expected to continue into 2008. Long distance services suffered the greatest drop in 2001, but have since recovered and are now performing almost as well as other services.

**Figure D6: Number of passenger kilometres travelled (in billions), 1999-00 to 2006-07, by business sector**



In total, the number of passenger kilometres has risen steadily from 9.3 billion in the first quarter of 1999-00 to 11.7 billion in the third quarter of 2006-07. This is an increase of 26 per cent.

**Figure D7: Number of passenger journeys (in millions), 1999-00 to 2006-07, by business sector**



The total number of passenger journeys taken has risen steadily from 222 million in the first quarter of 1999-00 to 297 million in the first quarter of 2006-07. This is an increase of 34 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 has been 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. Set against the historic trend of declining bus patronage outside London, this will be a significant challenge. For this reason, there is no expectation that growth in all regions can be achieved during the SR2004 period (April 2005 – March 2008). Instead, we would 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 (%)**

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 is being carried out in May 2007 with publication of the results in autumn 2007. Although there is no commitment to the continued collection of this data, it is recognised that punctuality is an important aspect of bus services.

Further information can be found at:

<http://www.dft.gov.uk/pgr/statistics/datatablespublications/public/buspunctuality/>

## Access to services

The Department, together with the Central Local Working Group on Accessibility Planning, has developed six 'core' access to services indicators. These are based on total journey time (walking, cycling, public transport) to a set of key destinations (schools, further education colleges, GPs, hospitals, jobs and supermarkets). An 'experimental' set for 2004 has been calculated centrally using consistent data sets and a consistent methodology, and the results have been published. The indicators for 2005 were published in March, using higher quality data – see <http://www.dft.gov.uk/pgr/statistics/datatablespublications/ltp/coreaccessindicators2005>

Journey time is not, however, the only determinant of accessibility, and the importance of other influences on accessibility (such as cost, reliability, safety) varies from area to area and group to group. Local authorities have therefore been required to include at least one locally appropriate accessibility indicator and target in their second local transport plan.

### Coverage: England

## 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

A 12 per cent increase in usage for bus and light rail above year 2000 levels is on course. London is largely responsible for the positive trend in bus use thus far, although we anticipate that the introduction of free local concessionary fares in April 2006, and a national scheme from April 2008, will generate significant patronage uplift.

Patronage outside London shows a decline overall. Some local authority areas outside London are delivering an increase in patronage. Examples of these areas are Telford, Brighton, Dorset, York, West Sussex and Cambridgeshire.

4,114 million bus passenger journeys were made in 2005-06, marginally down on 2004-05 total journeys of 4,121 million. Bus patronage is 7.1 per cent above the 2000-01 baseline of 3,842 million after five years.

Light rail patronage increased by 1.9 per cent in 2005-06 compared with 2004-05, to 162 million passenger journeys.

Combined bus and light rail patronage has increased by 7.8 per cent over the first five years of the period to which the 12 per cent target relates.

However, combined bus and light rail patronage has fallen in five English regions during 2005-06, by between 1 per cent and 4 per cent with one region (South East) showing flat growth and two regions (East Midlands and Yorkshire and Humberside) showing 1 per cent growth. In London patronage increased by 1.4 per cent. In the five years since the 2000-01 baseline, patronage has risen by 34 per cent in London, but has fallen by between 0.6 per cent and 14 per cent in the other English regions.

### **Accessibility of vehicles**

Regarding accessibility of vehicles, 50 per cent of full size buses were low floor wheelchair accessible vehicles in 2005-06. 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 99.0 per cent in 2005-06.

Related information:

[http://www.dft.gov.uk/stellent/groups/dft\\_transstats/documents/downloadable/dft\\_transstats\\_612535.pdf](http://www.dft.gov.uk/stellent/groups/dft_transstats/documents/downloadable/dft_transstats_612535.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. Research has been undertaken that shows that the increasing numbers of non-cash fare passengers were not being fully reflected in bus operator's data. Patronage figures for England outside London (including historical figures) have been amended to take account of this research. 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. Outturn figures are National Statistics.

### **Reliability**

Reliability is assessed by the Department through a panel of large 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 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

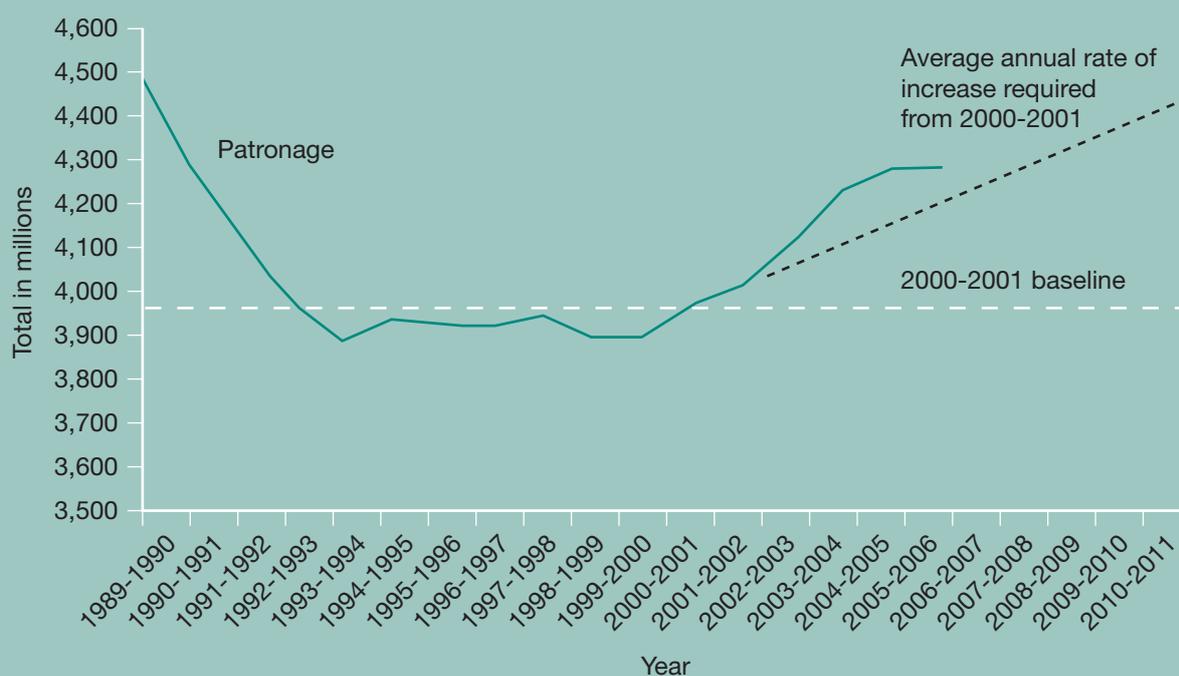
The accessibility of buses is measured by annual data for the percentage of vehicles which meet PSV Accessibility Requirements (PSVAR). In practical terms this means low floor buses with wheelchair access. Data is obtained from the Department's annual sample survey of bus operators. The Department's 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.

### Access to services

Access to services indicators are measured by calculating minimum journey times from origins to destinations by public transport, walking and cycling. The data required to produce these indicators are origins (as taken from census data), destinations (primary and secondary schools, further education colleges, hospitals, GPs, workplaces and supermarkets), road network and public transport data, and geodemographic data from the census and other central government sources to determine at risk population groups.

**Figure D8: Bus and light rail passenger journeys 1989-90 to 2005-06 (with projection to 2010-11)**



**Figure D9: Bus and light rail patronage 1989-90 to 2005-06, England\***

	Bus (million)	Light rail (million)	Total (million)*
1989-90	4,427	62	4,489
1990-91	4,227	59	4,286
1991-92	4,065	54	4,119
1992-93	3,918	59	3,977
1993-94	3,821	64	3,885
1994-95	3,868	69	3,937
1995-96	3,853	73	3,926
1996-97	3,844	78	3,922
1997-98	3,859	84	3,943
1998-99	3,808	89	3,897
1999-00	3,804	98	3,902
2000-01	3,842	124	3,966
2001-02	3,881	132	4,013
2002-03	3,964	141	4,105
2003-04	4,087	147	4,233
2004-05	4,121	159	4,279
2005-06	4,115	162	4,277

\* Historic figures have been amended since publication of the Annual Report 2006 due to the changes relating to under-counting of bus passengers (see under quality of data)

**Figure D10: Reliability of service: percentage of local bus schedule run in England: spring 2000 to autumn 2006 (excludes losses outside operators control)**

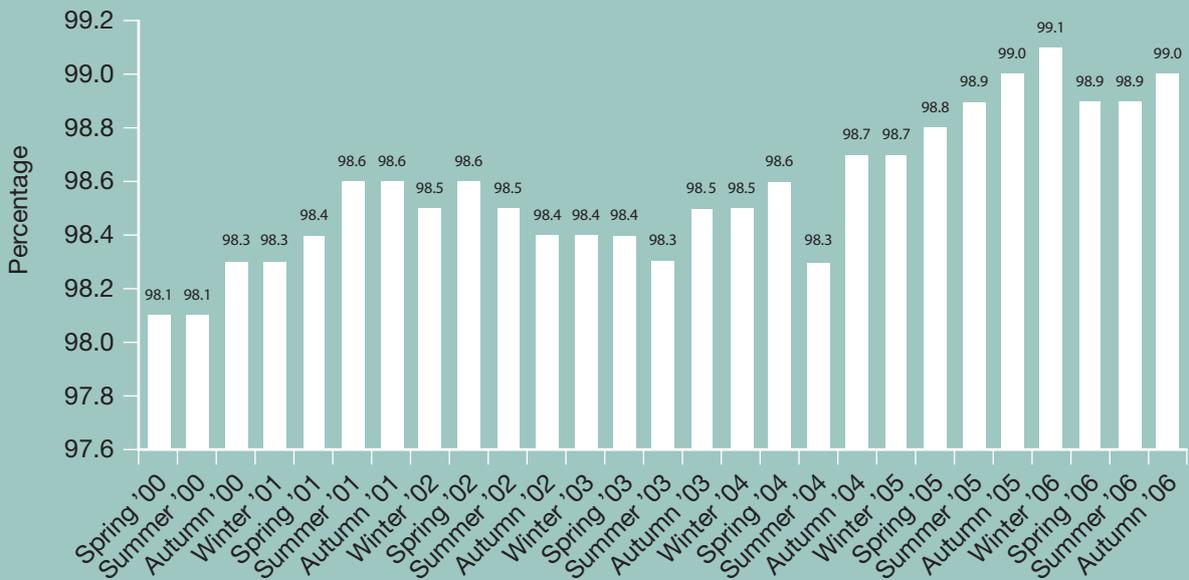
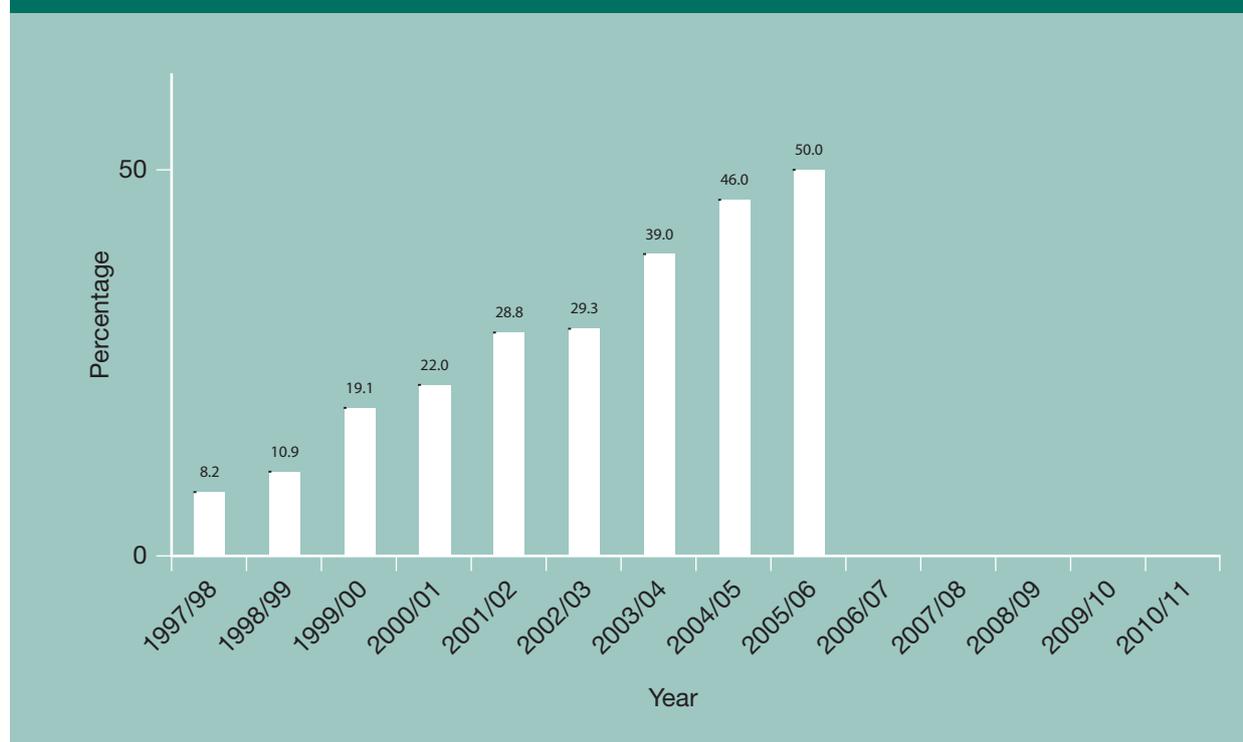


Figure D11: Percentage of full-size bus fleet that is wheelchair accessible – GB



## 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 applies 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 can be found on the Department's website at:

<http://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:

<http://www.dft.gov.uk/pgr/roadsafety/strategytargetsperformance/2ndreview/>

Annual figures for performance against the road safety target in 2005 were published in June 2006.

The number of people killed or seriously injured in 2005 was 33 per cent below the 1994-98 average. (Reported figures: 32,155 in 2005, compared with 34,351 in 2004 and an average of 47,656 per year in the baseline period 1994-98.)

The number of children killed or seriously injured in 2004 was 49 per cent below the 1994-98 average. (Reported figures: 3,472 in 2005, compared with 3,905 in 2004 and an average of 6,860 per year in the baseline period 1994-98.)

The numbers of both reported deaths and serious injuries fell, by 1 per cent and 7 per cent respectively, in 2005 compared with 2004. 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 has been met. In 2005, England showed a 15 per cent fall. The NRF 88 showed a 19 per cent fall.

Further information, including the latest provisional casualty data, is available from: <http://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.

It is thought that virtually all fatalities are reported to the police. However, some non-fatal road accidents are not reported. The Department, working with the Office for National Statistics, is undertaking further research to investigate whether levels of reporting to the police have changed in recent years.

**Figure D12: Killed or seriously injured: trajectory for constant annual percentage change from baseline mid-point (1996)**

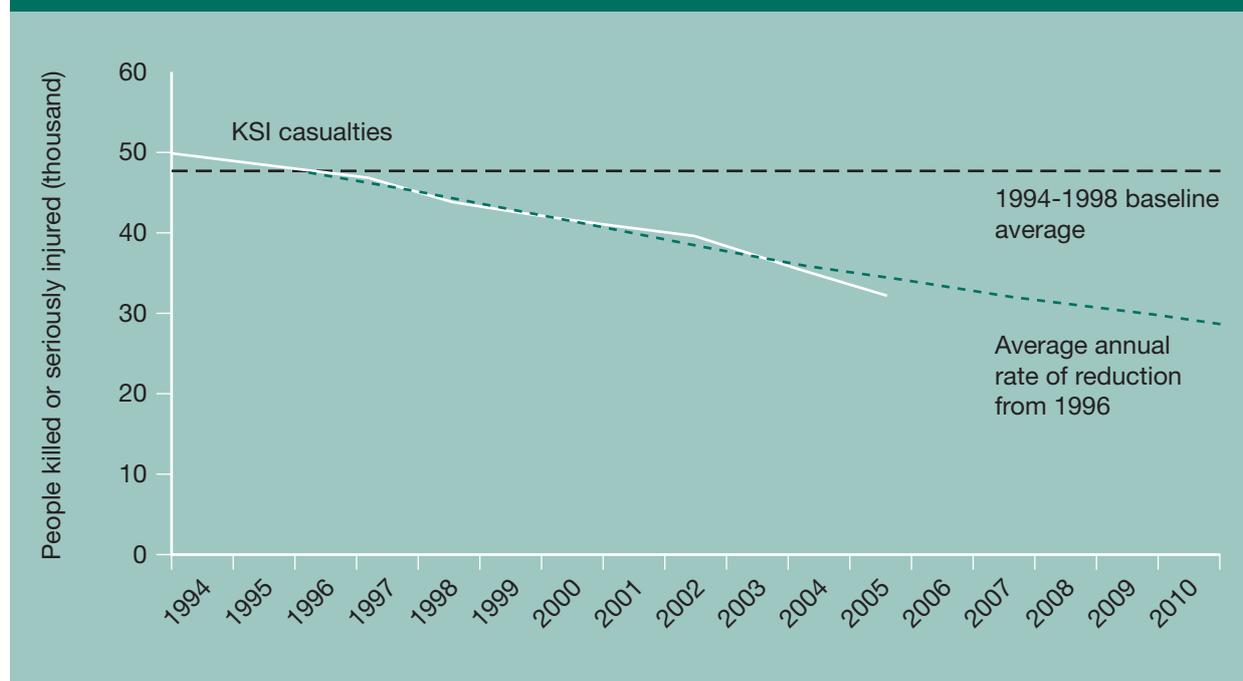
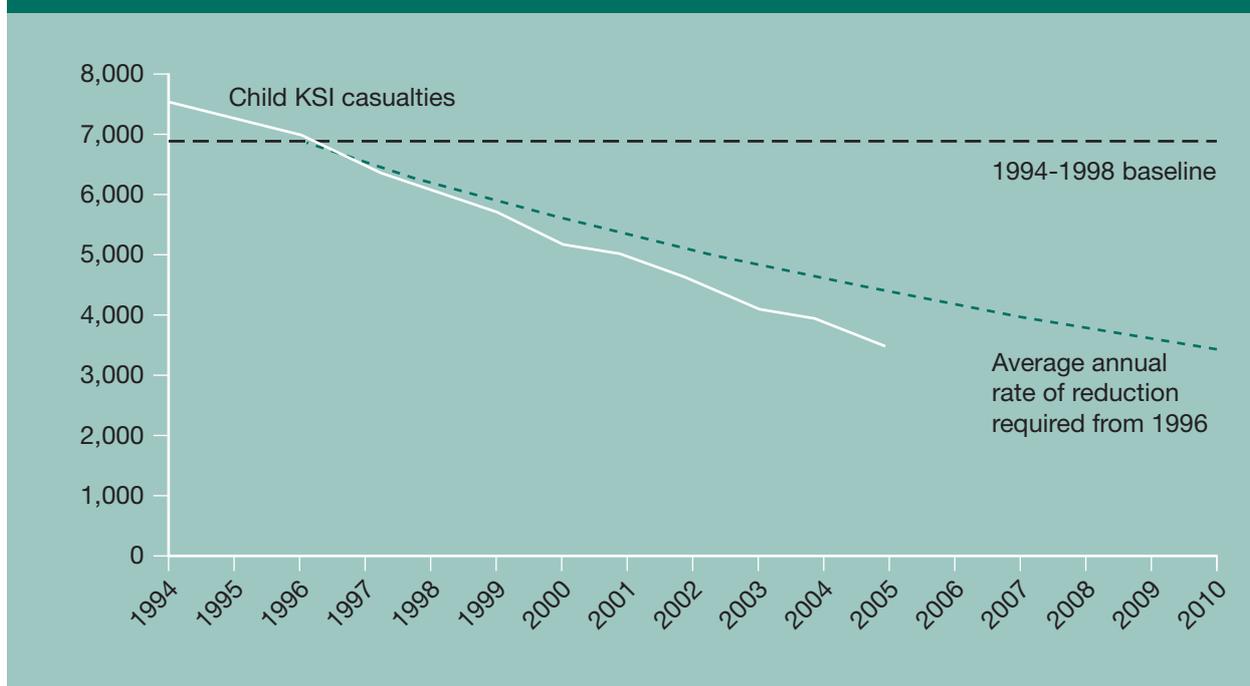


Figure D13: Killed or seriously injured child casualties: 1994–2005



## Air quality

### SR2004 PSA target

Improve air quality by meeting the Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide (NO<sub>2</sub>), particles (PM<sub>10</sub>), sulphur dioxide (SO<sub>2</sub>), benzene and 1,3-butadiene. Joint target with the Department for the Environment, Food and Rural Affairs (Defra).

### SR2002 PSA target

Same as SR2004 target.

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

Performance is assessed annually by means of data from the national air quality monitoring network:

[http://www.airquality.co.uk/archive/reports/reports.php?action=category&section\\_id=16](http://www.airquality.co.uk/archive/reports/reports.php?action=category&section_id=16)

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:

<http://www.sustainable-development.gov.uk/progress/national/61.htm>

This PSA target does not include carbon dioxide (CO<sub>2</sub>), which is covered in the section on greenhouse gas emissions.

### Coverage: England

## Progress

### Status: four out of seven objectives are currently being met.

Figure D14 presents information from our national air quality monitoring network. Monitoring data indicates that objectives for four of the seven pollutants in the air quality target were met throughout the UK in 2006. The four are benzene; 1,3-butadiene; carbon monoxide; and lead. DfT is meeting current objectives for all air pollutants in most parts of the country – up to 99 per cent in some cases – and only a limited number of hotspots remain.

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 meeting the objectives.

While there are currently some exceedences of SO<sub>2</sub>, we expect to meet the 2010 target.

The PSA objectives are assessed in terms of concentrations of pollutants and although we have made considerable progress in the last few years, recent measurements show that long term reducing trends for nitrogen dioxide (NO<sub>2</sub>) and particles (PM<sub>10</sub>) are flattening or even reversing at a number of locations, despite current mitigation measures.

A review of the Air Quality Strategy is underway, and, together with Defra and other departments, we have considered possible additional measures, including transport measures, to move us closer to meeting the objectives. The review will also take account of the EC's Thematic Strategy and proposal for a new air quality Directive, currently under negotiation. The public consultation document on the review was issued in April 2006. A statistical analysis of comments received was produced and is available on the Defra website. Since consultation closed, further modelling and assessment of some of the proposed new measures and objectives has been undertaken. At the same time, the baseline for the review has been revised to take account of latest data. The final report is expected to be published in summer 2007.

The Department continues to implement the Government's strategy for transport contained in *The Future of Transport* white paper, published in July 2004, and has set up a specific Division to implement the recommendations of the *Eddington Transport Study*, published in December 2006.

We are continuing work with our European partners to develop even tighter standards for new vehicles and fuels.

We are working directly with key local authorities to identify effective measures to improve air quality, including the development of local PSA targets. Where air quality levels have been exceeded at specific locations, local authorities are required to declare Air Quality Management Areas (AQMAs), and then must establish an Air Quality Action Plan to tackle the problem. So far, of the 200 authorities to have declared AQMAs, 120 have produced an Action Plan.

The Department also issued guidance to local authorities on local transport planning (LTP). This guidance included the recommendation to incorporate Air Quality Management Plans into LTPs. In areas where AQMAs have been declared, the content of the plans to tackle poor air quality will be one of the nine criteria on which the LTPs are judged for funding.

Together with Defra, we are discussing with Greater London Authority/TfL the development and implementation of the Mayor's proposals for a London Low Emission Zone to encourage the use of cleaner HGVs, coaches and buses in the capital. The Mayor issued his proposals for consultation in February 2006, and TfL presented their findings to the Mayor in July 2006. The Mayor has since announced his decision to proceed with the London LEZ, and the earliest it could be implemented is spring 2008.

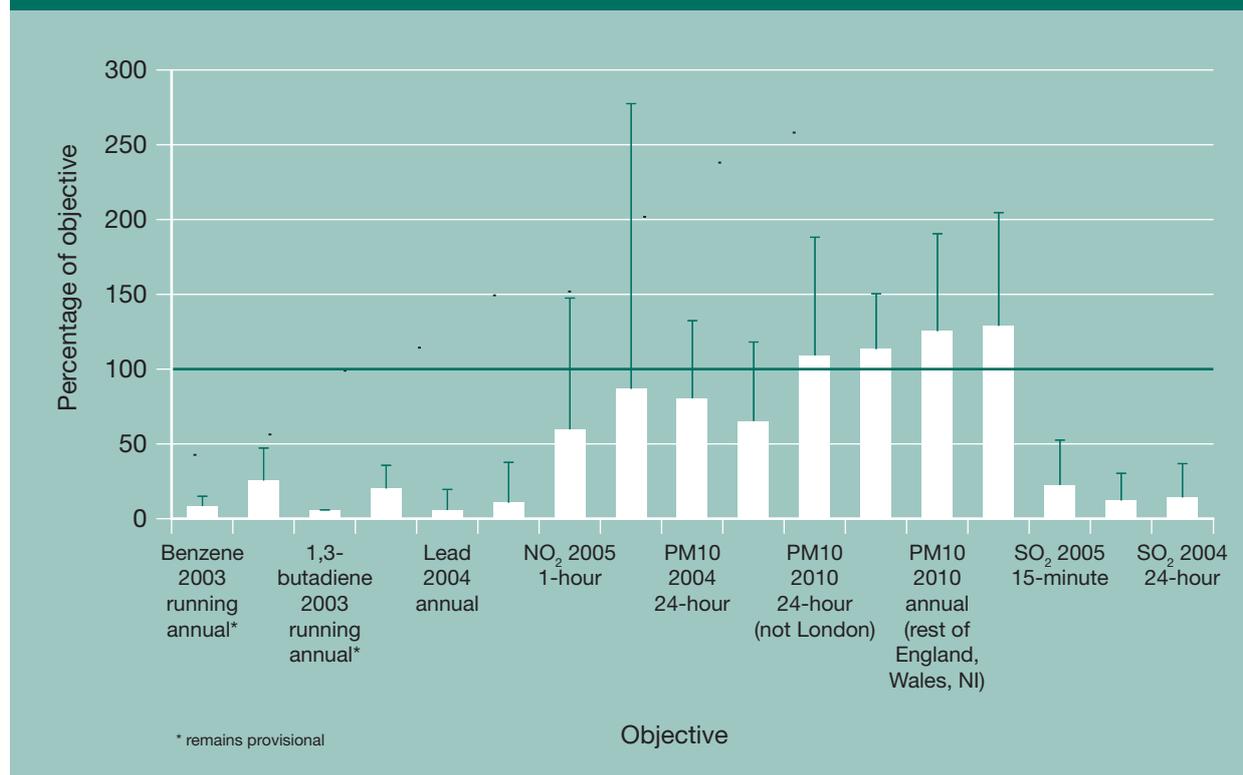
### Quality of data

There are 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](http://www.airquality.co.uk). This network is supplemented by 1,065 non-automatic monitoring sites. Data from these sites is 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 provisional results in 2006 of measured concentrations of the seven pollutants in the air quality PSA target. Pollutants below the horizontal dark green line met the relevant objective in 2006; the vertical lines represent the range of measurements; the bars are the average of all measures.

**Figure D14: Measured concentrations of Air Quality Strategy pollutants in England in 2006 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 3 of Defra's 2006 departmental report:  
<http://www.defra.gov.uk/corporate/dep/2006/chapter3.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 the Environment, Food and Rural Affairs (Defra) and the Department of Trade and Industry.**

### Performance indicator

#### **Carbon dioxide and other greenhouse gas emissions**

Carbon dioxide (CO<sub>2</sub>) and other greenhouse gas (GHG) emission estimates are published annually on the Defra website.

### Supporting indicators

#### **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.

The Powering Future Vehicles (PFV) Strategy committed to review the level of the targets in 2005 to ensure that they remained challenging but deliverable. This review was postponed to take account of the outcomes of the Climate Change Programme Review, the Energy Review and the Energy white paper and is currently under way.

#### **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 do more than meet our Kyoto target of keeping annual greenhouse gas emissions between 2008-12 at 12.5 per cent below base year levels. Latest projections suggest that CO<sub>2</sub> will be 16.2 per cent below 1990 levels by 2010 with further policies to be considered likely to take us nearer our 20 per cent goal.**

We have voluntarily set ourselves a significantly harder domestic target, of a 20 per cent reduction in carbon dioxide emissions below 1990 levels by 2010.

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.

*Climate Change the UK Programme 2006* estimates that by 2010 the Programme could reduce the UK's emission of the basket of greenhouse gases on which the Kyoto target is based to 23-25 per cent below base year levels; and reduce the UK's carbon dioxide emissions to 15-18 per cent below 1990 levels.

Analysis for the recent Climate Change Programme Review showed that existing Government policies in transport would save similar amounts of carbon in 2010 (proportional to sector emissions) as in other sectors and that had we not acted emissions from transport would have been 15 per cent higher in 2010.

### **Current trends in transport emissions**

Emissions from this sector have increased since 1990 by 11 per cent to over 35 million tonnes of carbon in 2005, representing around a quarter of the UK's total carbon emissions. This growth in emissions is slowing down, and is expected to be counteracted in the short to medium term as demand for transport moderates, fuel efficiency continues to improve and lower carbon fuels, especially biofuels, increase their market share.

Most transport emissions count towards targets under the Kyoto Protocol, including emissions from domestic aviation. Emissions from international aviation and international shipping, however, do not count because there is no agreement on how, or whether, to allocate emissions from these sources to individual countries.

### **Fuel efficiency of vehicles**

Data produced by DfT (using DVLA data) on new car fuel efficiency shows that new cars have continued to become more fuel efficient. New cars sold in the UK in 2006 were on average some 12.5 per cent more fuel-efficient than in 1995 – and they were 20 times cleaner and made a third less noise than cars bought in the 1980s. New cars sold in 2006 were 1.2 per cent more fuel efficient on average than new cars sold in 2005.

The graduated vehicle excise duty and the company car tax are now both linked to vehicles' carbon emissions.

Budget 2007 strengthened these environmental incentives, increasing vehicle excise duty for the most polluting cars (graduated VED band G) to £300 this year, rising to £400 next; and cutting vehicle excise duty for graduated VED band B cars to £35 a year.

We support the Voluntary Agreements on new car fuel efficiency between the European Commission and the automotive industry. The current Agreements are due to expire in 2008-09. On 7 February this year, the Commission published a Communication on the review of the Community Strategy to reduce carbon emissions from passenger cars and light commercial vehicles. The Communication confirmed that the Commission intends to bring forward a legislative proposal to reach an average new car fuel efficiency target of 130 grammes of carbon dioxide per kilometre (gCO<sub>2</sub>/km) by 2012, representing an improvement of around 30 per cent over 1995 levels. Further carbon savings are to be delivered by a range of other measures, including eco-driving and the use of tyre pressure monitoring systems, leading to an overall target of 120 gCO<sub>2</sub>/km by 2012. The Government welcomes the Commission's intention to bring forward a legislative framework and supports a move to mandatory fuel efficiency targets.

The Government's Powering Future Vehicles Strategy, published in 2002, aims to promote the development, introduction and take-up of new vehicle technologies and fuels in order to reduce the impact of road transport on the environment, while ensuring the full involvement of the UK automotive industry in the new technologies. As the technology, innovation and policy landscape has changed since 2002, the Strategy is currently being reviewed.

#### **Carbon content of fuel**

Under the Renewable Transport Fuels Obligation, 5 per cent of transport fuel sold in the UK will have to come from renewable sources by 2010. We estimate that this will cut net carbon emissions by one million tonnes, equivalent to taking one million cars off the road.

The Government now intends the level of the Obligation to rise above 5 per cent after 2010-11 provided critical environmental, economic and technological criteria are met.

#### **Sustainable travel strategies**

We are putting record amounts of investment into public transport to give people a real choice of ways to travel. We have the fastest growing railway in Europe and highest number of passengers in 40 years.

As part of this commitment to providing real alternatives to the car, local and central government are now spending over £2.5 billion a year to provide bus services. Government is also extending the scope of concessionary bus travel across England, guaranteeing everyone aged 60 and over and disabled people free off-peak travel on all local buses anywhere in England from April 2008.

We also support a range of measures, called 'smarter choices' aimed at enabling people to choose sustainable travel options. These include the Sustainable Travel Towns Initiative in Darlington, Peterborough and Worcester and the Travelling to School Initiative – joint with DfES. By summer 2007 over 50 per cent of schools in England are expected to have an approved school travel plan and more than £70 million in small capital grants will have been allocated.

In March 2007 the Department for Transport announced the results of its new scheme to encourage more primary school children to walk to school through 'walking buses' or alternative walking initiatives. There was an extremely good response with more than 3,200 primary schools in England (more than one in six) being awarded a grant.

### **Emissions trading**

Recently the European Commission published legislative proposals to include aviation in the EU ETS. The UK welcomed this and will continue to support the debate in Europe on aviation's incorporation into the EU ETS. Our aim is to ensure its inclusion in a robust and environmentally-efficient way, as soon as possible.

The Government believes that carbon pricing approaches should be extended to the shipping sector and is contributing to an International Maritime Organization work plan to identify and develop the mechanisms need to achieve the limitation or reduction of CO<sub>2</sub> emissions from international shipping. At the same time, the UK will consider potential scope for regional emissions trading schemes and other economic instruments that may prove effective.

### **Quality of data**

#### **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/airqual/aqemissions.htm](http://www.defra.gov.uk/environment/statistics/airqual/aqemissions.htm)

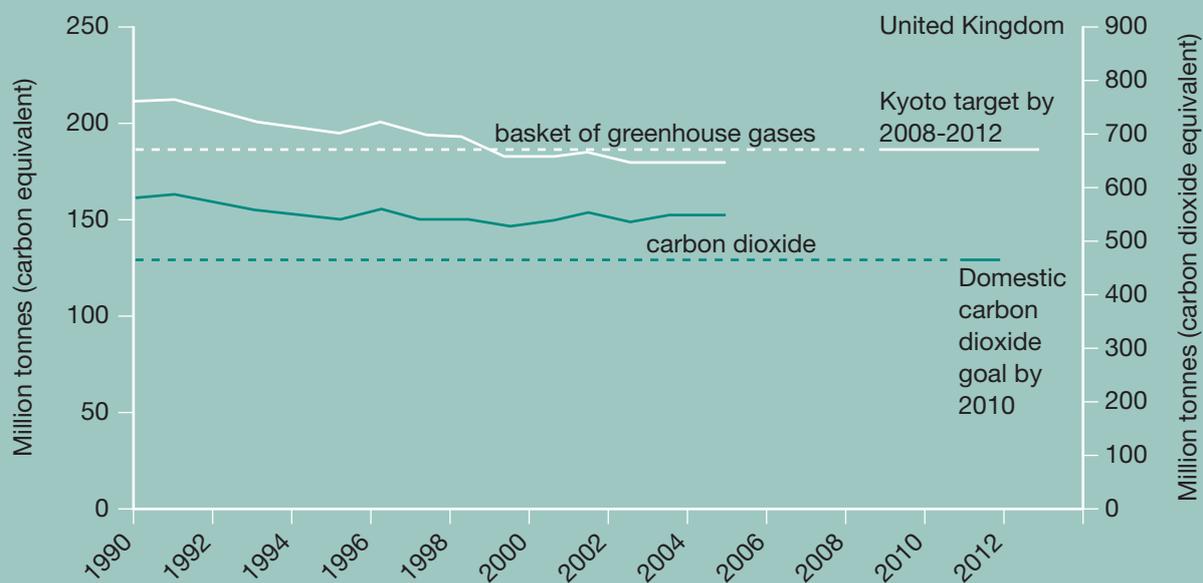
#### **Fuel efficiency of vehicles**

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 D15: Emissions of greenhouse gases: 1990-2005



Source: netcen, Defra



## Appendix E

Expenditure on consultancy  
and staff substitutes

## Appendix E

### Expenditure on consultancy and staff substitutes

The table below shows departmental expenditure recorded as consultancy and that recorded as temporary staff during 2006-07.

**Figure E1: Expenditure on consultancy<sup>1</sup> and temporary staff<sup>2</sup> in 2006-07** **£000's**

	Consultancy	Temporary staff	Total
Department for Transport <sup>3</sup>	41,017	4,014	45,031
DfT Rail <sup>4</sup>	16,124	1,772	17,896
Driver and Vehicle Licensing Agency <sup>5</sup>	17,504	1,138	18,642
Driving Standards Agency <sup>6</sup>	5,583	1,696	7,279
Highways Agency <sup>7</sup>	1,727	5,446	7,173
Maritime and Coastguard Agency <sup>8</sup>	839	134	973
Vehicle Certification Agency <sup>9</sup>	5	1,099	1,104
Vehicle and Operator Services Agency <sup>10</sup>	1,500	1,600	3,100
Government Car and Despatch Agency	199	7	206
<b>Total</b>	<b>84,498</b>	<b>16,906</b>	<b>101,404</b>

Note – The table contains the expenditure recorded up to 31 March 2007. Final outturn for the financial year will be adjusted once all data is available.

<sup>1</sup> As defined by the OGC/Professional Services Forum and including general management consultancy, HR consultancy, financial consultancy, legal consultancy, IT consultancy and estates and property consultancy.

<sup>2</sup> This includes temporary support, admin, specialist professional, technical and technical support staff.

<sup>3</sup> The central Department for Transport and DfT Rail Group currently operate separate accounting systems that capture and record expenditure differently. The provisional figures for the central Department are based on the value of purchase orders raised and not on the value of invoices paid. This consultancy total excludes purchase orders valued at £23 million which are coded as transport research and at £14 million coded as transport consultancy.

<sup>4</sup> The DfT Rail figures are based on the value of invoices paid. The consultancy total excludes invoices valued at £20 million for transport research and transport consultancy.

<sup>5</sup> The provisional figures provided may be subject to amendment after audit.

<sup>6</sup> Final outturn figures are not yet available. The figures provided are based on the anticipated outturn. The total for consultancy includes construction.

<sup>7</sup> The figures exclude spend on technical transport related consultancy. Expenditure on engineering consultancy is scored as outsourced procurement of specialist services.

<sup>8</sup> The figures for consultancy include transport technical advice and the SAR Helicopter Harmonisation project.

<sup>9</sup> This total for temporary staff includes the cost of locally engaged overseas staff.

<sup>10</sup> The consultancy total includes expenditures on project and programme managers and interims but excludes Information Systems Partnership Project expenditure.



**Appendix F**  
Public Accounts Committee  
recommendations

## Appendix F

### Public Accounts Committee recommendations

#### Delivery chain analysis for bus services in England

NAO Report, 9 December 2005 (HC 677 2005-06)

PAC Hearing, 10 May 2006

PAC 43rd Report, 23 May 2006 (HC 851 2005-06)

Treasury minute 13 July 2006 (Cm 6900)

#### The Committee's key recommendations

London has seen bus usage increase by 32 per cent over recent years; but outside London bus usage has fallen by 7 per cent, putting at risk the Department's target for increased bus use in every English region by 2010. Increasing bus usage would help reduce congestion and emissions, but achievement of the target for growth in bus usage in all regions in the period 2008-11 will require a reversal of the current downward trend. The Department should identify what factors have been critical for success in London, and how far they might be replicated in the other regions to stimulate the desired expansion.

The success in London can be attributed to the commitment shown by the Mayor and Transport for London; measures to support growth and investment in bus services while restricting car use; and a straightforward delivery chain achieved through effective regulation. The Mayor is to be congratulated on his success in increasing bus usage in London. Achieving this combination of success factors is more complex outside London, where bus services are largely provided commercially and are unregulated, and hence commitment and action by a wider range of stakeholders are needed to achieve growth.

Difficult issues influencing bus usage include how subsidies are allocated, the use of concessionary fares funding, and the potential risks to fares competition if one or two operators dominate a local market. While ultimately matters of policy, the Department should review whether changes to the basis and/or balance of funding within subsidy and grant schemes, between operator subsidy and concessionary fares, and between revenue and capital funding schemes, would better deliver the aim of increasing bus usage and reducing congestion and emissions. For example, extension of concessionary fares to children travelling to school in the morning might be shown to reduce school run congestion significantly, and increase bus usage.

The Department has limited levers to influence bus use directly, being reliant on the actions and commitment of local authorities, which in turn determine priorities for increasing bus usage and restraint of car use. The Department should therefore agree challenging targets for bus growth with the largest local authorities, and those with the greatest congestion problems, which will establish authorities' individual contributions to delivery of the national target.

The Department should disseminate successful local initiatives more widely, challenging local authorities with low bus growth rates to learn from those with thriving local services.

The Transport Act 2000 provides for local authorities to apply to the Secretary of State to remove an operator's right to run commercial services, but only where this approach would be their only practicable means of delivering their local transport plan, and no local authority has yet made such an application. The Department should review whether the legislative barrier has been set too high and works against the public interest aims of improving the extent and quality of bus services, and reducing road congestion and emissions. It should also obtain and make available to local authorities legal advice on the interaction of the Transport Act 2000 provisions with the Human Rights Act 1998 which the Department believes would protect an operator's right to run services.

The Department does not obtain data necessary to measure the contribution which bus services make to reducing congestion and emissions, and increasing accessibility, nor does it monitor the operation of the bus services market and the extent to which monopolies may exist and be affecting fare levels and passenger demand. Without such data, it is difficult to see how the Department can determine whether its current range of measures is delivering the policy outcomes required.

The Department provided no evidence on whether voluntary codes of practice had led to improvements in the quality of local bus services, and information on commercial operators' performance is not available routinely to the Traffic Commissioners or the public outside London. The Department should encourage local authorities to set targets and monitor a range of quality of service measures, and agree with operators that performance data should be made available to the Traffic Commissioners and the public.

There is scope to reduce the cost of providing and using local bus services, for example by improving procurement processes, letting longer contracts, and tendering for supported services across an area rather than for individual or small packages of routes. The administrative costs of concessionary fare schemes could also be reduced if there was greater standardisation and simplification, reducing the need for extensive negotiations within each area, and making it easier for passengers to travel across local authority boundaries. The Department should agree action plans with local authorities and other stakeholders.

The Transport Innovation Fund, providing funding for new schemes from 2008-09 with a budget of £290 million rising to £2.5 billion in 2014-15, may offer an opportunity to increase the use of public transport. To achieve success, the Department will need to link the funding for schemes to the achievement of specific measurable outcomes which contribute to the Department's objectives for reducing congestion and emissions, and increasing accessibility. More active interest and leadership by the Department might stimulate greater innovation.

## The Department's response

The Department for Transport (DfT) has a Public Service Agreement target to increase bus and light rail patronage by 12 per cent between 2000 and 2010, while at the same time achieving growth in every English region. On the basis of a report by the Comptroller and Auditor General, *Delivery Chain Analysis for Bus Services in England* (HC 677, Session 2005-06), the Committee examined performance against the PSA target, the measures needed to strengthen the delivery chain and to overcome barriers outside London, and how the Department could better support and incentivise local authorities to stimulate bus usage.

DfT agrees with these conclusions. The Department is pleased to see the significant growth in bus usage in London and endorses the Committee's view that replicating London's success is more difficult outside the capital.

London is a capital city with special circumstances. Its transport provision and needs are unique in the UK. Public transport has been organised differently there since the 1930s and has never been deregulated. The structure of local government is also different there, with the Mayor, Greater London Authority and Transport for London (TfL).

Analysis suggests that among the factors which have been key to making bus usage in London a success are (in no particular order):

- the significant increase in bus subsidy;
- the significantly improved journey time reliability, brought about by reduced congestion and increased levels of bus priority;
- the huge disincentives to drive into central London created by high traffic levels, the introduction of the congestion charge, the high cost of parking and the scarcity of workplace parking;
- the relative cost of buses versus tube/rail;
- the regulatory regime and the control that TfL are able to exert over fares, ticketing, timetables and quality standards;
- steady economic growth in London which means more people are travelling; and
- the relatively low car ownership rate in London (the number of cars per household in London has remained stable at 0.8 between 1995-97 and 2003-04 – it now has the lowest regional figure in Great Britain – with the GB ownership rate being 1.1 in 2003-04. The majority of regions have experienced an increase in car ownership over this period).

As explained to the Transport Select Committee on 28 June, DfT is examining the legislative, funding, and practical aspects of bus operation outside London. The aim is to assess whether changes might help to address the decline in patronage. We aim to come to conclusions in the autumn.

DfT recognises the argument that competition in local markets can be dominated by a small number of bus companies. Monitoring of competition in the bus industry, as in businesses generally, is primarily a matter for the Office of Fair Trading (OFT). DfT has discussed with OFT how local authorities and bus operators might work together to co-ordinate services without infringing the law on competition.

DfT is keen to have a better overall picture of what is being delivered through bus subsidy and is considering all transport spending as part of the Comprehensive Spending Review 2007. This will include a review of what is spent on bus subsidy, what is being delivered from this subsidy and whether there are more efficient ways of achieving outcomes.

As acknowledged by the Committee, decisions on whether to extend concessionary fares arrangements are essentially matters of policy. The Government has no plans to make concessionary travel an entitlement for young people. Local authorities can use their discretionary powers to create concessionary travel schemes for schoolchildren and young people up to the age of 18 (that power applies to all journeys by young people, not just to and from school or college). Local authorities are best placed to know what local needs and circumstances are and have knowledge of what discounts operators offer at their commercial discretion. A survey of authorities in June 1999 showed that roughly 40 per cent of local authorities in England and Wales had some form of concessionary travel scheme for children. Potentially, requiring local authorities to offer concessionary travel to young people (that is, a duty to provide a half-fare statutory minimum requirement, as for older people) would be likely to transfer substantial costs to the taxpayer as bus operators would withdraw their commercial discounts. DfT has previously estimated that it would cost in the order of £180 million per year to extend half fare concessions to all 16 to 19 year olds, part of which, at present, is borne commercially by transport operators. It would cost considerably more to extend concessionary travel to all young people (6 to 19 year olds) – perhaps as much as £500 million per year just for a half fare scheme (especially if the concession was available in the morning peak, which would also put additional pressure on peak time bus services).

The Department agrees with the Committee's conclusion that it has limited levers to influence the bus network outside London, relying primarily on local authorities and operators to work together to deliver bus services. However, the Department has reorganised and refocussed to engage with local authorities more effectively. DfT officials have worked closely with authorities in developing their second local transport plans (LTPs), which were submitted at the end of March 2006 (complete with bus strategies and bus patronage targets). DfT has encouraged authorities to set stretching (but realistic) bus patronage targets and officials will continue to work with the key local authorities to monitor delivery against their targets and help authorities learn from their own and others' experience so that performance and delivery can continue to improve. Authorities setting stretching targets in their LTP will be rewarded with extra funding through LTP funding arrangements. During the LTP period (2006-07 to 2010-11) DfT will assess the performance of authorities in delivering these targets and will reward them appropriately.

The Department is developing an urban congestion 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'. There will be local targets for the 10 largest urban areas (London, Greater Manchester, Merseyside, South Yorkshire, West Yorkshire, Tyne and Wear, West Midlands, Bristol, Leicester and Nottingham). These targets will be based on journey times experienced by people rather than vehicles, because of the importance of buses in urban areas. Most local authorities included strategies for tackling congestion in their LTPs, including setting out an approach for how the authority would manage their road networks to secure the expeditious movement of traffic (including buses) under the Traffic Management Act 2004.

The Department expects the Transport Innovation Fund (TIF) will help to deliver increases in public transport usage in key urban areas (see comments below).

There have been a number of examples of dissemination of bus best practice. For example, through the LTP Centres of Excellence programme and the 2003-04 Beacon Councils scheme which had a local transport theme.

The Bus Partnership Forum has helped prepare a resource pack on bus priority schemes which was distributed to all local highway authorities. It has also published codes of practice on service stability and model multi-operator ticketing schemes. Partly in response to the Committee's findings, the Forum will be carrying out an audit of the extent to which the Forum's initiatives have influenced improved performance.

DfT accepts the need to review the framework for bus policy and, as we explained to the Transport Select Committee on 28 June, will be examining such issues with a view to come to conclusions by the autumn. DfT notes that no local authority has so far submitted a quality contract scheme for approval. We are aware that all six English Passenger Transport Executives (PTEs) are currently preparing schemes, that the process takes time, and that all local transport authorities needed in 2005-06 to give priority to completing their local transport plans and bus strategies for the period 2006-11. The 'only practicable way' criterion in the legislation means that quality contracts schemes should not be the first option for any local authority and evidence that other options should be tried out first (though not necessarily exhaustively) will help support the case for approving a scheme.

It is not, and has never been, the practice for central government to share legal advice it obtains with local authorities or other third parties. It is open to local authorities to obtain their own legal advice on these matters. This is, moreover, a developing area of law, and any advice is likely to become out of date as further cases are decided, which may arise in any of the countries signatory to the European Convention on Human Rights.

DfT has a new congestion target for the 10 largest urban areas. This is based on the average person journey time, rather than average vehicle journey time. It is built up from journey times for buses and cars, weighted by the total occupancy.

Therefore it will be possible to break down the overall target into figures for buses and cars separately, and therefore see how modal shift has contributed towards tackling congestion. UK greenhouse gas and pollutant emissions estimates are updated annually as part of the National Atmospheric Emissions Inventory produced by the National Environmental Technology Centre (Netcen), under contract from Defra. Emissions of carbon dioxide, sulphur dioxide and black smoke from road transport are calculated from the consumption of petrol and diesel fuels and the sulphur content of the fuels consumed. To calculate emissions from different modes of road transport Netcen use DfT traffic statistics and Defra emissions factors. Emissions of the pollutants NMVOCs, NO<sub>x</sub>, CO, CH<sub>4</sub> and N<sub>2</sub>O from road transport are calculated from measured emission factors expressed in grammes per kilometre and road traffic statistics from Defra. The emission factors are based on experimental measurements of emissions from in-service vehicles of different types driven under test cycles with different average speeds.

Statistics on carbon dioxide and pollutant emissions from buses are available in tables 3.8 and 3.9 respectively of the DfT publication *Transport Statistics Great Britain 2005*.

The Department together with the Central Local Working Group on Accessibility Planning has developed six core access to services indicators. These are based on total journey time (walking, cycling, public transport) to a set of key destinations (schools, further education colleges, GPs, hospitals, jobs and supermarkets). An experimental set for 2004 has been calculated centrally using consistent data sets and a consistent methodology, and the results have been published. The calculations will be repeated for 2005, using higher quality data where available. Journey time is not the only determinant of accessibility, and the importance of the various influences on accessibility (for example cost, reliability, safety) varies from area to area and group to group. Therefore establishing a single accessibility measure was felt to be appropriate. To improve the existing knowledge base, the Department proposes to undertake research to measure the benefits of bus interventions in reducing social exclusion.

As mentioned above, the prime responsibility for monitoring the bus market for evidence of uncompetitive practices such as monopoly pricing rests with the Office of Fair Trading and the Competition Commission. There is considerable variation in the profit margins of bus companies, and recent fare increases are due, by and large, to rising costs of labour, fuel and insurance.

DfT publishes quarterly data on bus reliability (i.e. proportion of registered mileage actually run) and bus satisfaction, disaggregated to regional and PTE level. This is available in print and on the internet. The Department has also recently issued, for the first time, statistics on the punctuality of bus services.

DfT accepts the value of publishing performance data but notes that the publication of data by specific operators involves practical difficulties. There are issues regarding the publishing or sharing of data that relates to individual operators or to such local areas that one could reasonably draw conclusions

about an individual operator from the data. This is because of the conditions imposed on government by the Statistics of Trade Act 1947 under which bus operators are required to provide the data.

DfT actively encourages bus operators to share punctuality data they collect with the relevant local authority in order to help identify causes of unpunctuality and remedial measures. In particular they are encouraged to enter into Punctuality Improvement Partnerships on a model recommended by the Bus Partnership Forum. Traffic Commissioners have said that they will take evidence of such cooperation into account in deciding what action to take against operators who fail to meet punctuality standards.

As highlighted above, the Bus Partnership Forum has agreed to establish a task group to review the extent to which its codes of practice have been implemented and how effective they are in delivering better buses. Local authorities are required to set in their LTPs targets on bus patronage, bus punctuality and bus satisfaction, and to report on progress against those targets. They can also add locally derived bus targets.

Local transport authorities were required to set a locally appropriate accessibility indicator and target as part of their recently submitted local transport plans (LTPs). These are currently being reviewed by the Department as part of the wider LTP assessment.

As well as the reliability target, DfT has also agreed with the industry a number of targets – for 50 per cent of buses to have low floor access, for the average age of the bus fleet to be under eight years of age, and for year-on-year improvement in bus stop information as measured by the passenger satisfaction survey. The first is measured by responses of operators to our annual public service vehicle (PSV) survey. The figure for 2004-05 was 46 per cent and the 2005-06 estimate will be published on 7 September. DfT publishes statistics on the age of bus fleets – these show that the age of buses was 7.8 in 2005. The target on bus stop information is also being met, and was at 66 per cent in 2005-06 (from 61 per cent in 2000-01).

In the 2006 Budget it was announced that a national concessionary travel scheme would be introduced in April 2008. DfT is currently working up options for introducing this scheme and will take note of the Committee's findings in developing options.

The *Good Practice Guide* on contracting for bus services which the Department published in February 2005 provides advice for authorities on considering strategic issues, including the gathering of a number of service proposals into a larger contract package.

DfT is looking at issues such as bus service procurement as part of its work on the local authority contribution towards the Gershon efficiency programme. DfT is working with the North West Centre of Excellence and stakeholders on a number of projects that should deliver local authority transport efficiencies.

These include revising the DfT bus tendering guide, examining the opportunities for authorities to develop an integrated approach to the planning and delivery of local bus, education and social services transport, and options for inter-authority co-operation on tendering.

The Department has encouraged authorities to work jointly with their neighbouring authorities in its guidance on LTPs and it is one of the issues taken into account in the departmental assessments of the quality of the plans.

The white paper *The Future of Transport* (CM 6234), said that while most areas would be best served by continuing with the current partnership arrangements between authorities and bus operators, we wanted some local authorities to consider more radical options such as determining routes, fares, quality standards and frequency of services in specified circumstances as part of an integrated transport plan. DfT would support authorities that wanted to improve bus services alongside measures such as road pricing. TIF could be used to support towns and cities that wish to implement a combined package of bus enhancement measures, perhaps through a Quality Contract, and measures to reduce congestion, such as road pricing.

DfT has said that it will look to pilot a road pricing scheme in around four to five years and that we are prepared to use the TIF to support this. The market for future public transport services might be expected to be enhanced by such schemes. Its introduction should reduce revenue risk for scheme promoters, by increasing the overall cost of at least some car-based alternative trips, and potentially provide an additional revenue stream to support or pump-prime improved bus services.

From the TIF, the Department is making available up to £200 million per year to support such congestion TIF schemes, more if suitable schemes emerge. Already seven areas have been awarded pump-priming funding to develop proposals for congestion TIF and local authorities have been invited to bid for further funding by 31 July. Through the Road Pricing Local Liaison Group the Department is working with authorities at the forefront of thinking on road pricing to take road pricing off the drawing board and make it work in real places, in a way that brings real benefits to road users.

Funding for congestion TIF schemes will be based on business cases from local authorities which will set out the objectives that their schemes are intended to deliver. However given that we expect that it will take four to five years for a road pricing pilot to become operational this element of the TIF is unlikely to have a major impact on the delivery of the PSA target. The full impact of the TIF will only be felt beyond this period.

DfT is also considering enhanced bus partnership arrangements that could be used, for example, to support road pricing implementation.

## The South Eastern Passenger Rail Franchise

NAO Report, 2 December 2005 (HC 457 2005-06)

PAC Hearing, 19 April 2006

PAC 41st Report, 11 May 2006 (HC 770 2005-06)

Treasury minute, 13 July 2006 (Cm 6884)

### The Committee's key recommendations

The cause of Connex South Eastern's (CSE's) financial difficulties lay in an ambitious franchise bid which the Strategic Rail Authority's (SRA's) predecessor, the Office of Passenger Rail Franchising (OPRAF) accepted in line with its policy of awarding franchises to bidders requiring the least public subsidy. The termination of CSE's franchise shows that franchising cannot transfer to train operating companies all the financial risks of operating trains. To reduce the risk of future franchise failures, the Department should base franchise award decisions on a balanced and transparent assessment of costs and the realism and deliverability of the assumptions and plans on which a bid is based.

OPRAF recognised at the time of franchise award that CSE's bid was ambitious, but neither OPRAF nor the SRA adapted their franchise monitoring to manage the associated risks. The Department should identify train operating companies at greatest risk of financial or operational failure, target its monitoring accordingly and use variations against key performance measures as an 'early warning system' of problems arising.

Periodic viability reviews during the lifetime of the franchise would have detected CSE's emerging financial difficulties more quickly. At the point of franchise award, not all developments which may impact on passenger revenues and operating costs across the franchise term can be foreseen with certainty. The Department should carry out continuing viability reviews at appropriate points throughout franchises and discuss the results with train operating companies to achieve a common understanding of the strengths and weaknesses of the franchise going forward.

The proposed provision of further subsidies to CSE of £183 million for 2004-06 was not made conditional on identified improvements in financial management, controls and reporting. Where a franchisee is required to take remedial actions, the Department should make provision of further subsidy conditional on delivery of the remedial actions required. It should specify the time periods allowed for implementation and agree with the franchisee how improvements in performance will be measured.

The costs of terminating CSE's franchise amounted to some £6.4 million, making termination a costly option. The Department's franchise management procedures should therefore set out a range of remedial actions, and the criteria and circumstances in which they would be applicable, together with some consideration of the potential costs, risks and benefits of each option.

The SRA recovered only £2.8 million of its £6.4 million losses, liabilities and expenses from CSE's Performance Bond of £19.5 million because it was concerned that further action might lead to CSE's insolvency, potentially triggering liabilities to rolling stock leasing companies (ROSCOs). In practice, the SRA entered into agreements with the ROSCOs to guarantee future lease payments to secure the continued availability of rolling stock to SET and its successor. The Department should take a more robust line on cost recovery in future.

The SRA spent some £2 million on consultants' reviews of CSE's financial performance, but a failure to specify clearly the work required led to duplication of effort and unnecessary expenditure. When commissioning consultants, the Department should specify clearly what is required, and how findings should be reported and shared, including with the franchisee.

Misunderstandings arose between the SRA and CSE, reflecting ineffective communications and a lack of mutual trust. Train operating companies and the Department should have open dialogue and transparency in their dealings at all times. When franchise difficulties arise the Department may need to consider putting in place special measures to strengthen communications such as taking advice from a skilled arbitration service to forge effective negotiation and open communication between the parties.

The Department's franchise management and monitoring will only be effective if staff have the necessary skills to interpret and question financial information. The Department should put in place the right resources and skills to provide robust, risk based monitoring to avoid another case of late identification of franchise failure.

Overall, the transfer of CSE's operations to SET went smoothly and led to improvements in passenger services. The Department should reflect the lessons of the CSE case in its franchise termination contingency plan, and also in its franchising and monitoring activities.

### The Department's response

In June 2003, the Strategic Rail Authority (SRA) announced it would be terminating Connex South Eastern's (CSE's) franchise for providing passenger rail services in Kent, parts of Sussex and South East London within six months and transferring the franchise to an SRA subsidiary. The SRA decided to terminate the franchise to protect taxpayers' money and passenger delivery. On the basis of a report by the Comptroller and Auditor General, *The South Eastern Passenger Rail Franchise* (HC 457, Session 2005-06) the Committee took evidence from the Department for Transport, the SRA, South Eastern Trains and Connex Transport on the impact of CSE's financial difficulties, the SRA's decision to terminate the franchise and how taxpayers' interests were protected.

The Department agrees with the Committee that franchise award decisions should be based on a balance of considerations. It will not be the Department's practice to let future franchises on price alone. Instead, the approach will be

to specify the minimum requirements that any bidder must satisfy, covering everything from the timetable to keeping stations clean and safe. Any bids that fail to comply on that basis will be rejected. Those remaining will be judged against the two criteria prescribed in the rail white paper: price and improvements in reliability.

The Department would not accept a bid that was clearly unrealistic. However, the difficulty, as the Committee's third conclusion recognises, is that forecasts of revenue, especially in the later years of a franchise, will inevitably be subject to a significant degree of uncertainty. The Department's intention will certainly be to assess bids realistically. At the same time, we aim to encourage private sector innovation through the franchising process. Rejecting a bid simply because a tenderer's forecasts are more optimistic than the Department's carries the risk of losing genuine opportunities to cut costs to the taxpayer or to secure improvements for passengers.

The Department agrees with the Committee about the importance of effective monitoring. The franchise agreement with CSE only required the company to have a formal meeting with the SRA once a quarter. Since the award of the CSE franchise, a new Template Franchise Agreement has been implemented. This new Template requires train operating companies (TOCs) to have monthly meetings with the Department to review their financial and operational performance and consider future financial projections. The monthly reviews include full year forecasts which are monitored by both finance and franchise managers within the Department for adverse trends or other warning signs of anything that might present a risk to future viability.

Under the new Template the Department also now requires TOCs to submit their business plans for review immediately before a new franchise commences and annually thereafter. A revised business plan is also required if a TOC believes that prospective financial results are going to be materially different from those forecast in the most recent business plan.

Existing franchises will be progressively moved to agreements of this type as they come to an end and new franchises are awarded.

The Department's franchise management teams use a risk identification process which identifies all types of risk in relation to a franchise, including both financial and operational risks, having regard to both passenger and taxpayer interests. As part of the monthly review process, each TOC is classified according to its financial risk status. TOCs are also grouped by owning company to check for emerging patterns across the main owning groups. A new system of financial risk assessment has been adopted since the Committee's report. It is in two parts, addressing both long-term and short-term prospects. The ratings are as follows.

**Long term**

- **Green** – the franchise appears able to operate within the long-term franchise budget in all years and there is no other reason to expect the franchise not to continue to complete its term without additional financial support;
- **Amber** – there is material uncertainty as to whether the franchise will be able to operate within the long-term budget or the franchise appears likely to fail unless funding of up to £25 million above the long-term franchise budget in any rail year is provided *or* there is material uncertainty as to whether the franchise will fail for financial reasons other than a shortage of funds (for example, failure to maintain the performance bond);
- **Red** – the franchise appears likely to fail unless substantial (in excess of £25 million in any rail year) additional funding above the long-term financial budget is provided *or* the franchise appears likely to fail for other financial reasons (for example, failure to maintain the performance bond).

**Short term**

- **1** – the franchise appears able to operate within the agreed budget/forecast;
- **2** – there is material uncertainty as to whether the franchise is able to operate within the agreed budget/forecast *or* there is expected to be an additional call on the Department’s resources but that call is expected to be less than £10 million in any discrete rail year;
- **3** – there is expected to be an additional call on the Department’s resources and the size of the additional call is expected to exceed £10 million in any discrete rail year.

The Department agrees. Its procedures include a mechanism for noting any concerns that arise from its scrutiny of the monthly TOC reports. Issues of this sort are raised in the monthly meetings with the TOC which are attended by the Department’s franchise manager and finance representatives of both the Department and the TOC. These meetings with TOCs are minuted as though they were formal Board meetings, ensuring that the discussions are both formal and formally minuted.

The issues to be covered by the monthly meetings are set out in detail in the new franchise agreements. They include a range of standard financial ratios (return on capital employed; vehicle miles; farebox and total income; operating costs and turnover; net profit and turnover; turnover excluding subsidy per employee; and operating profit per employee) designed to ensure that any causes for concern, whether short or long term, are identified at an early stage.

The Department’s aim is to let franchises which are robustly specified and funded at the outset to TOCs which have the financial strength to deliver. It does not intend that franchises should be renegotiated in mid-term, and therefore the question of the conditionality of further subsidy should not arise. But the Department agrees with the Committee’s underlying concern that subsidy should not be paid unless a TOC delivers the franchise as specified.

That is a condition which is being imposed in franchises, and which applies throughout the life of the franchise.

TOCs are already required to lodge a performance bond with the Department at the start of a franchise. The sum varies from case to case but is typically several tens of millions of pounds. The bond is returnable at the end of the franchise if performance has been satisfactory. If, however, the franchise were terminated, the bond would be an immediate source of funds to which the Department could turn.

For the longer term, the Department accepts the Committee's advice that it should have in place a range of remedial actions and is considering what more might be done in this area. It notes the Committee's view that the SRA could have recovered more than it did from Connex. But, as the Committee's next conclusion recognises, the SRA was negotiating with Connex to ensure an orderly handover of the franchise and had a legitimate concern not to jeopardise those discussions solely in order to maximise short term financial return.

The Department recognises that the SRA's decision not to press for full recovery was one which had to be made by balancing a range of conflicting considerations and which formed just one part of a complex transaction. It nevertheless accepts the need to take as robust a line as possible in such circumstances in future. At the same time, it will seek in any future case to press on the ROSCOs the point that it is unlikely to be in their own commercial interests to exercise their rights to terminate rolling stock leases and so forgo future rental income.

The Department accepts the Committee's recommendation. The standard arrangements under which it engages consultants incorporate mechanisms designed to ensure that the nature and scope of the advice required is made clear at the time the contract is let. The Department will nevertheless consider the scope for further tightening of this aspect of the franchise procedures in the light of the Committee's findings.

The need to streamline communications between the various parts of the rail industry was a central theme of the reforms introduced under the Railways Act 2005. The Department therefore believes that a framework for improved communications and a better understanding of the respective roles of the parties concerned is already in place. At the same time, the Department does not rule out the possible need for more formal arbitration in the particular circumstances of a franchise termination and will consider this further in reviewing its contingency planning later this year.

The Department accepts the need to have enough qualified and well trained staff to manage franchises effectively. It is confident that its current structure provides for this, and that the monitoring arrangements described above are sufficiently robust to enable a failing franchise to be identified at an early stage. The special circumstances of franchise termination, should they arise, are likely to lead to a need for more, and more specialist, staff. It would not be cost effective to have these extra staff on hand at all times simply to allow for the

possibility that it might be necessary to terminate a franchise. The Department therefore maintains a call off contract with a specialist consultant which allows staff with the necessary skills to be brought in at short notice if operator of last resort arrangements are required.

The Department believes that the franchise monitoring and management arrangements it has put in place since taking over responsibility for franchises from the SRA are both appropriate and proportionate. Having been put in place since the time of the Connex termination, those arrangements reflect lessons learned in the immediate aftermath of that case. The Department accepts the Committee's recommendation that the existing arrangements should be kept under review in the light of both the Committee's own comments and future developments in the franchising field.

### The Channel Tunnel Rail Link

NAO Report, 21 July 2005 (HC 77 2005-06)

PAC Hearing, 27 March 2006

PAC 38th Report (HC 727 2005-06)

Treasury minute, 28 June 2006 (Cm 6863)

### The Committee's key recommendations

In bidding for the project in 1996, LCR forecast that passenger numbers using Eurostar would reach 21.4 million in 2004 but actual passenger numbers for 2004 were only 7.3 million. Where future income from passengers is expected to provide a major element of the revenue needed to repay the cost of constructing transport infrastructure, it is crucial that realistic forecasts are prepared from the start. Downside risks need to be given due weight, drawing on both UK and international experience, in considering future projects.

The economic case for the Link remains marginal. On passenger traffic alone the Link is not justified, so regeneration benefits are required to make the project value for money. The Department's assessment of regeneration benefits of the Link should be rigorous, and should separate out clearly those attributable to other major infrastructure projects close to the Link, including in due course the impact of the 2012 Olympics.

The initial aim was to transfer a high level of commercial risk to a private sector consortium, which did not however have the financial strength or equity capital to sustain that risk if things went wrong. As risks materialised, the Department had to provide more and more support, while trying to ensure that private sector disciplines were maintained. In considering such major projects in future, Departments need to satisfy themselves that there is reasonable consistency between the degree of risk transfer and the extent of investors' equity stake in the project.

The Department thought the Cost Overrun Protection Programme, though expensive, was a way of maintaining private sector disciplines without extra direct support from the taxpayer. After Railtrack Group withdrew from the project in 2001, the arrangements made by the Department and LCR included placing layers of cost overrun risk with commercial insurers, as well as the project managers. The value for money of such complex arrangements is difficult to judge, and there would have been less need for them if the private sector had, from the outset, the necessary financial strength to carry the risk allocated to it.

There remains uncertainty over the future call on the taxpayer. Even though the major construction risks have passed, under the terms of the restructured deal the taxpayer remains exposed to the financial consequences of Eurostar under-performing against forecast passenger volumes. The Department should actively manage the size and timing of LCR's call on the Access Charge Loan facility, so as not to weaken the incentive for LCR and Eurostar to maximise passenger revenues. Any future changes to the structure or ownership of LCR will need to protect the interests of the taxpayer.

High levels of inflation on construction projects which drove up the costs of Section 2 of the Link will continue to be a problem for the South East. There are a number of further major infrastructure projects planned, for example, the Olympics, widening of the M25, Thameslink 2000 and the Thames Gateway, creating substantial additional demand for limited resources. The Treasury and Office of Government Commerce, together with public bodies planning major projects, should aim to schedule the construction phases of such projects so as to manage the risks to cost, time and quality from any unplanned surge in demand.

### The Department's response

The Department for Transport (the Department) accepts the recommendation. It will always be difficult to forecast passenger numbers for a unique piece of infrastructure like CTRL, for instance due to unforeseen long term changes in travel patterns (for example, low cost airlines) and to one-off events (for example, 9/11, London bombings, Hatfield) which had the effect of reducing passenger numbers. However, we have learnt lessons from the forecasting exercises and will make use of these in future.

The Department will evaluate the Link, and as part of this process it will endeavour to separate out the effects of other infrastructure projects in the area including the 2012 Olympics.

The Department accepts that better planning work should have been carried out up front to consider a suitable balance between private and public equity funding. When it became obvious that future revenues would not support wholly private finance then the Department put in place alternative arrangements that have successfully delivered the CTRL project. A number of factors occurred over the life of this project that could not have been foreseen at the outset including the collapse of Railtrack, the growth of low cost airlines etc. The financing

solution that was chosen was the most efficient way to finance CTRL section 2. By de-risking the project, LCR were able to reduce the cost of capital and in turn the cost to the taxpayer.

Considering the risks involved with tunnelling (which forms over 50 per cent of section 2) under a significant part of London's built-up area including Kings Cross, the Department considered it was worthwhile to insure against a possible cost overrun. As with any insurance policy they are purchased in the hope that they will never be used. The Cost Overrun Protection Programme (COPP) represented good value for money in the light of the real construction risks facing the project.

The COPP transferred a material element of risk to the project managers' and gave them early downside exposure. This has helped to condition the project managers' control of costs.

The Department agrees with this conclusion. The Department is considering a number of options for restructuring LCR. The Secretary of State said earlier this year the best way of protecting the taxpayer's interest would be for there to be an open, competitive and transparent process before the sale of LCR, probably once the Channel Tunnel Rail Link has been commissioned, which we expect to be in 2007. This is something the Department is taking forward with LCR.

The Department accepts that there is a need for a co-ordinated approach between government departments in order to avoid overheating the market. Internally, the Department undertakes a baseline review which considers external factors including construction inflation etc. which may impact on the Department's capital budget.

In addition, the Office of Government Commerce is also conducting a study in scheduling major projects in order to avoid overheating the supply chain. The OGC expects to be able to say more on this study later in the year. The DfT is an active participant in this work.

## Maintaining and improving Britain's railway stations

NAO Report, 20 July 2005 (HC 132 2005-06)

PAC Hearing, 12 October 2005

PAC 22nd Report, 12 October 2006 (HC 535 2005-06)

Treasury minute 26 April 2006 (Cm 6775)

## The Committee's key recommendations

A third of larger stations in England and Wales, used daily by significant numbers of passengers, are without waiting rooms, and some 15 per cent are without toilet facilities. The Department, working with the industry and the Rail Passengers Council, should assess the gap between reasonable passenger expectations and existing facilities for different categories of station, and work to agree common standards.

More than half of Britain's stations are not fully accessible to disabled people. The Department should seek to speed up the pace of change for improving accessibility.

Few train operating companies have joined national schemes to reduce crime and improve personal safety at stations even though research in 1996 and 2002 suggests that introducing additional security measures can increase patronage by up to 11 per cent. The Department should work with the Association of Train Operating Companies and British Transport Police to promote national schemes with station operators and passengers. It should also consider making participation a franchise requirement.

The original franchises awarded on privatisation of the railways failed to put sufficient emphasis on improving station facilities. The Department should examine ways of applying new requirements to original franchises which may have 16 years to run. It could also promote innovative but cost effective improvements such as pay-on-entry toilet cubicles.

Assessment of station quality has been left largely to station operators, and little use has been made of financial penalties to drive up standards. The Department should undertake more independent assessment of station quality. It should consider employing a points system to rate stations, publishing the results periodically.

In many cases train and bus services are poorly integrated. In the deregulated bus market outside London, the Department has limited leverage. It could, nevertheless, work to promote better signposting between train stations and local bus stops and bus stations. It could also encourage the display of bus maps, routes and timetables prominently at stations.

Network Rail has been seen as a barrier to station improvement through unduly complicated and inflexible procedures, an unwillingness to share risks associated with improvement projects, and a lack of targets for developing franchised sites. The Office of Rail Regulation should undertake an early review of the impact of the Stations Code to be introduced in April 2006, to make sure the changes anticipated to tackle these barriers are delivered.

The number of bodies involved in maintaining and improving stations has led to a fragmented approach, lacking overall leadership and strategic focus. The Department should identify investment priorities across the network, set out a coherent approach for attracting in private funding to help fund improvements, and set out clearly the actions needed to address capacity pressures, particularly at major stations, over the next 10 years.

Adopting a portfolio approach for developing stations offers the potential to cross-subsidise between stations and spread gains more widely across the network. The Department should also consider promoting investment in stations, by for example setting up station companies with responsibility for the management, repair, maintenance and improvement of portfolios of stations.

## The Department's response

The Department agrees with the Committee's recommendation. The priority for stations has had to reflect a necessary balance. Improving safety and reliability have been the main focus, in line with what passengers have told the industry are the most important issues to them. The railway has seen the Public Performance Measure (PPM) of train punctuality improve from 75 per cent in the year following the Hatfield accident to over 85 per cent now.

The Department and partners in the industry consider stations as important gateways to the railway. The Department has initiated a working group with Network Rail, Association of Train Operating Companies (ATOC) and Passenger Focus that will use existing passenger research to provide stakeholders with common language and guidance on the range of facilities that passengers expect at stations. The guidance will better inform investment priorities during asset renewal and in the refranchising process. While proposals made by bidders will not be a determinant in the franchise award, commitments made by them will be enforced as part of the franchise management process.

The Department agrees that access to the network is an important issue. The *Railways for All* accessibility strategy was launched, by the Minister for Railways, Parliamentary Under Secretary of State, Derek Twigg MP, on 23 March and was well received. The objective is to increase the number of journey opportunities for disabled people by improving stations, trains and related services.

The *Access for All* funding, committing £370 million over 10 years, is a key element of this strategy. This investment is over and above commitments made in franchises, the ongoing renewal of stations and major station improvement projects. The Department believes that this funding is adequate to make a good start on improving disabled access. A list of the first 47 stations to be the subject of feasibility studies has been produced and the process allows for the implementation plan to be changed, to bring forward work where an opportunity presents itself.

During the next three years, around £100 million will be spent at the busiest stations in Great Britain as the first part of the *Access for All* programme. With an investment of this size, the Department needs to ensure that the spend is managed well and to best advantage with appropriate controls in place to deliver a significant improvement in the accessibility of our rail network over a relatively short timeframe.

The Department agrees that the voluntary, national Secure Stations Scheme is a valuable tool in improving personal safety at stations. In developing future rail franchise agreements, we will expect train operating companies (TOCs) to consider the appropriate level of security at their stations and will encourage improvements, including accreditation. We will require bidders to state what percentage of their stations will meet the standard.

Some train operating companies have commitments within their franchises to achieve Secure Station accreditation for their stations and the majority of train operating companies participate in the scheme. The Department, ATOC and the British Transport Police are members of the Secure Stations Scheme's steering group. The rail industry has been directly involved with the design, development, launch and progression of the Scheme, including the standards.

There are relatively low crime levels at most stations. The highest crime rates are at major stations, those with the highest passenger throughputs. Network Rail is committed to the Secure Stations Scheme and all but two of its major stations are re-accredited under the Scheme (one of these is in the process of being re-accredited).

It should be noted that the 1996 and 2002 research referred to in the PAC conclusion above indicated that approximately 9 per cent of the 11 per cent increase in patronage would be on off-peak bus services. On trains, the figure would be around 2 per cent.

The Department acknowledges that the original franchise agreements followed passenger priorities and put less emphasis on station facilities when compared to reliability, which research shows consistently, is passengers' first priority. However the Department wants to seek improvement in stations and to maximise opportunities for doing this.

The Department believes that the changes to the structure of the rail industry contained in the Railways Act 2005 were correct and two new mechanisms will make station enhancements easier. The Office of Rail Regulation (ORR) will work with the industry to implement the Stations Code that will put in place more effective contractual arrangements between Network Rail and the TOCs at stations. Additionally, Network Rail will publish stakeholder guidance that will set out how organisations should approach the company with proposals for station enhancements and who they should contact.

The new cross-industry forum includes train operating company representatives and continues the debate on how the parties can work better together and share best practice.

Additionally a new post is being created within the Department's Rail Group to act as a focus within the Department on stations issues. The post will be the liaison for working collaboratively with Network Rail, train operating companies, local authorities, Passenger Focus and other stakeholders when discussing station improvements and related issues. By setting up this post, the Department is encouraging a cohesive approach with all stakeholders to improving stations across the network.

As announced in the rail white paper, Network Rail has been given funding support to take forward small schemes for the future; this could include station improvements – in consultation or in partnership with local authorities and train operating companies. Network Rail has funding to spend up to £50 million per annum on enhancements with a value of £5 million or less.

The Department disagrees that it should undertake more independent assessment of station quality. However it does believe that station condition is an important issue and aims to work with the industry to make the most effective use of the tools currently available.

Importantly, train operators will have an incentive to maintain quality standards by the new pre-qualification arrangements in the franchising process. In order to successfully pre-qualify for a franchise competition, bidders will have to demonstrate concrete past performance in delivering clean, operational and well maintained facilities to passengers.

The National Passenger Survey (NPS), undertaken by Passenger Focus is an independent assessment of passenger views of stations and their facilities. The NPS Stakeholder Group (on which the Department is represented) is currently reviewing the survey questions and methodology to consider enhancements or amendments. Train operating companies rely heavily on the results of this survey which are published six monthly on an operator by operator basis and provide encouragement to train operating companies to improve the quality of their stations.

The ORR monitors the facilities available, and their condition, across the whole portfolio of stations. An additional layer of monitoring by the Department is unlikely to provide value for money. However, we are committed to working with the industry, through the new stakeholder forum, to improve the processes and structures.

The report acknowledges that the Department has limited leverage to improve the integration of local bus and train services. In many cases delivery is for the local authorities to co-ordinate and manage as signage outside stations is in their remit. However there is scope for the industry to work better together. We believe that the best practice opportunities discussed earlier should help to deliver a better focussed and co-ordinated approach from train operating companies and Network Rail than has hitherto been the case.

In addition to the Stations Code, which will provide an effective tool for the industry, the ORR has recently issued a revised framework for encouraging third party investments in the rail industry, working with Network Rail. Both of these will facilitate station improvements. The Department would support and ORR has agreed to undertake a review of how the new arrangements are working and will continue to liaise with the industry on progress. Network Rail has also recently established the Industry Risk Fund which will make it easier for third parties to become involved in rail projects.

The Department acknowledges that in the past there has been a lack of transparency over the structures and processes that manage stations. However, Network Rail is responsible for investment and capacity at stations, and considers these as an integral part of its planning process which includes the development of the Route Utilisation Strategies.

Network Rail is already planning for growth at the major London terminals, with projects for improvements at various stages of development for Charing Cross, Euston, Victoria, Waterloo, Paddington and London Bridge. Delivery of these projects involves attracting third party funding from developers to offset the costs of enhanced capacity and facilities.

Similar activities are in place for other major stations. This, and the clarity being provided by the new contractual processes and stakeholder guidance, are major steps forward in attracting private funding to stations and the success will be closely followed by the Department.

The Department recognises that a portfolio approach may offer the potential to spread gains more widely across the network. The Department is taking a close interest in Network Rail's proposed portfolio approach to achieving increased funding for station enhancements. We are keen to see, not only how effective such schemes are at obtaining third party funding, but also how quickly these schemes can be developed and how the stakeholder engagement will be managed.

The industry has recently been through a review and structural change. The Department believes that it would not be helpful to change the structure again so soon by adding a further compulsory layer such as the Stations Code concept. A period of stability is needed to build on current initiatives and improve stakeholder understanding of the processes. The Department will continue to work with the industry to identify and remove deficiencies from the current regulatory and contractual structure.

Different stations do serve different purposes and tailored approaches may be appropriate. Encouraging Network Rail and other rail companies to develop portfolio investment approaches over the long term may be one way to encourage best value investment. There are also other approaches used by smaller schemes throughout the country that may provide other useful models and the success of these will be reviewed.



## Appendix G

Departmental report on  
better regulation

## Appendix G

### Departmental report on better regulation

The Department is committed to reducing existing regulatory burdens and to minimising the impact on business of any new regulation, including EU legislation. While regulation is needed at times, for example to protect the environment and ensure the safety of people using transport, our aim is to regulate only when necessary, and ensure a proportionate approach which targets real risks and does not impose unnecessary burdens.

#### Simplification and administrative burdens reductions

We have worked closely with our executive agencies, independent transport regulators and business stakeholders to identify ways to simplify the Department's regulations and their enforcement.

A cross-government exercise in 2006 to measure the administrative burdens that regulations impose on business, charities and the third sector identified 117 transport regulations which impose 'information obligations' (administrative burdens on businesses and others flowing from form filling, record keeping and inspections). The cost to industry as a whole of these transport regulations was estimated at £487 million per year, a little less than 4 per cent of the total for the whole of government. These burdens compare with the transport sector's total contribution to the economy of some £49.5 billion.

In response, the Department published its regulatory simplification plan *Lightening the Load* in December 2006. The plan commits the Department to achieve savings in administrative burdens of 25 per cent, or some £120 million by 2010, and contains over 50 specific measures which will deliver benefits and savings across all transport sectors. This includes savings in administrative burdens, compliance and policy costs as well as wider economic benefits such as time savings. We estimate total benefits of the current plan to businesses, citizens and the third sector at £280 million per year and we have already put in place measures which could allow for annual savings of up to £128 million to be realised from 2007. Examples from the plan include:

- promoting the options of increased flexibility for routine vehicle inspections by commercial vehicle operators, which could save the industry up to £100 million a year;
- the roll-out of electronic vehicle licensing, which will save businesses that licence vehicles £15 million a year in administrative costs, and provide private motorists with time savings of some £20 million a year; and
- the introduction of digital tachographs for all new HGVs, with potential administrative savings for HGV operators of some £15 million in 2009 and £25 million in 2010.

Further measures are being investigated to deliver the remainder of the target for reducing administrative burdens, taking into account any additional burdens imposed by new regulations. An online portal has been set up for industry and the public to generate further ideas for inclusion. The plan will be expanded and updated in autumn 2007.

As part of the wide range of measures we are taking forward to reduce burdens, we are using the increased flexibility provided by the Legislative and Regulatory Reform Act 2006 to develop our programme of Legislative Reform Orders (LRO). The Public Service Vehicles Reform Order which will deliver a number of improvements for bus operators and local authorities is currently undergoing scrutiny in Parliament. Others are at an early stage of development and we hope to consult on them in the coming year.

### Our approach to policy development and regulatory impact assessment

Listening to stakeholders is an important part of policy development. We maintain close relationships with industry and other stakeholders. We gather their views through formal and informal networks at key stages in policy development, particularly 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 achieved a successful outcome for industry involved in the transport of radioactive material by changing the revision policy for regulations at international level. In future this will be done in a way that takes into account risks and costs and evaluates the worth of changes within a safety framework.

The Department published 47 consultations during 2006 of which 32 were for 12 weeks or more.

Ministerial approval is sought for consultations that are less than 12 weeks. Of these:

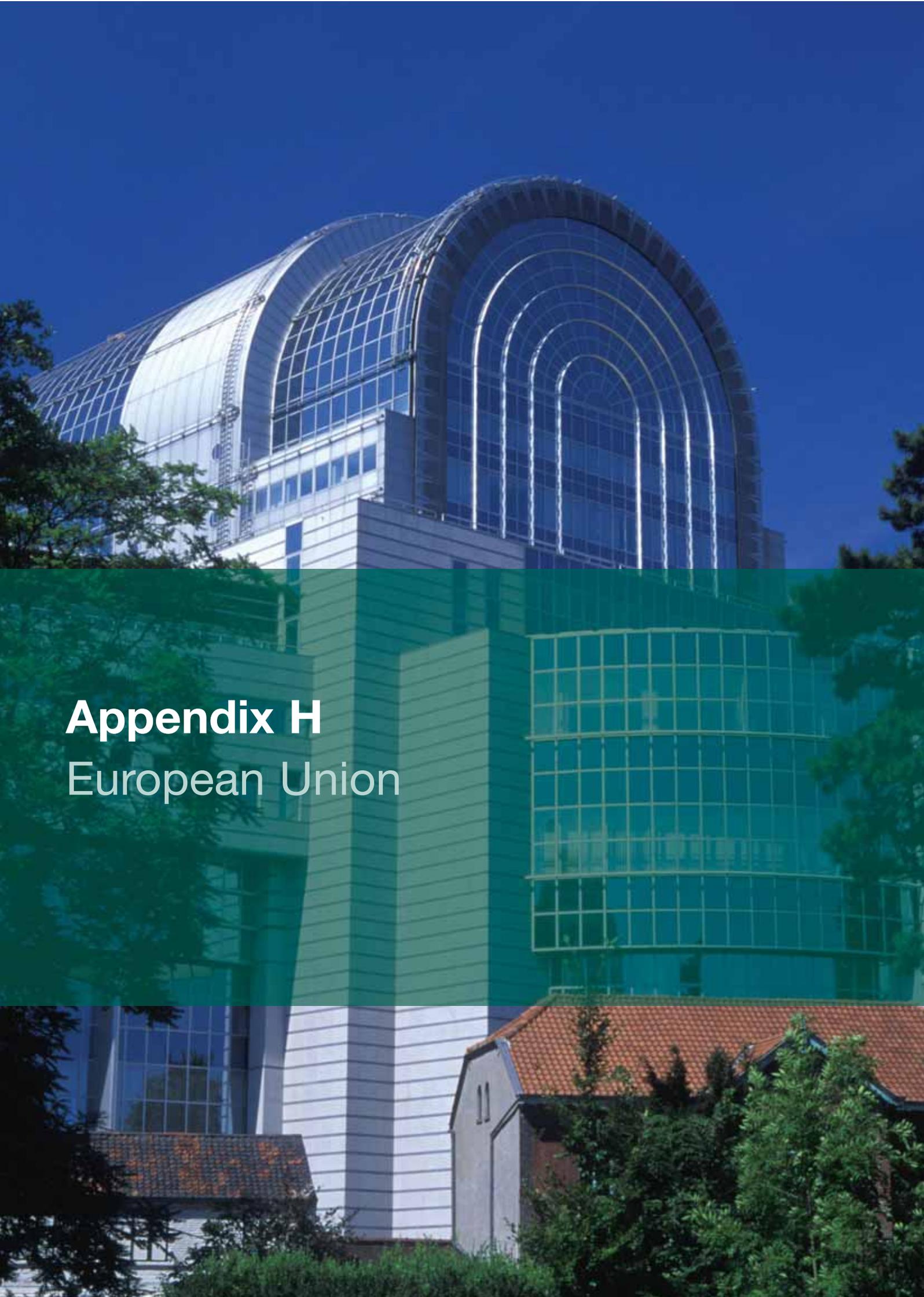
- seven were to fit in with a European, Parliamentary or rail franchise letting timetable; and
- eight had previously been consulted on for 12 weeks or were initial scoping consultations.

The Secretary of State for Transport, Douglas Alexander, acts as Better Regulation Minister and the role of Board Level Champion is taken 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, agencies and our independent regulators.

The Department continues to work to improve its regulatory impact assessments, and those put forward by the European Commission with proposals for European legislation, to ensure that the full impact of legislation is correctly assessed and a balanced decision taken. A simplified impact assessment process will be introduced across government during 2007. This will help to ensure that assessments concentrate on the key issues, including the potential administrative burdens of new legislation and possible alternatives to legislation.

The Department achieved a 100 per cent compliance rate for the regulatory impact assessment (RIA) process throughout the year. RIAs accompanied the 30 consultations that required them. Final RIAs were laid in Parliament with the three Acts (the Merchant Shipping (Pollution) Act, the Civil Aviation Act and the Road Safety Act) and the 34 pieces of Secondary Legislation made in 2006 that affected industry.

The Department intends to issue its first annual statement of forthcoming legislation later this year.



# Appendix H

## European Union

## Appendix H

### European Union

#### Developments in the EU Transport Council

In order to further enhance overall aviation security the Council agreed a proposal from the Commission to update the existing regulatory regime.

Another Regulation established a Joint Undertaking to develop the new European air traffic management system needed to handle the increasing volume of air traffic.

Ministers signed an agreement extending the European common aviation area. As a result, UK and other European airlines now operate in a common aviation market of 35 countries.

The Council continued to monitor closely the European Commission's negotiations with the US to reach an air transport agreement.

The Commission successfully concluded negotiations with Russia to reduce charges for Siberian overflights. This will benefit airlines which use this route in their flights to the Far East.

In maritime transport, agreement was reached on two proposals: a Directive on vessel traffic monitoring and a Directive amending the current EU provisions on port state control. Both of these will lead to improvements in maritime safety procedures.

The Council kept in touch with progress on development of the Galileo satellite navigation project.

The Council agreed a recast Directive on driving licences. Among the benefits are enhanced anti-fraud features.

The Council adopted a revised Regulation on public passenger transport services by rail and road, establishing new rules for the payment of subsidy and the award of exclusive rights.

The Council took note of the Commission's mid-term review of the EU road safety action programme.

The Council reached agreement on a directive on retrofitting of blind-spot mirrors to heavy goods vehicles larger than 3.5 tonnes. This will remove blind spots in drivers' all-round vision.

Towards the end of 2006 the European Commission adopted a proposal to include aviation in the EU Emissions Trading Scheme (ETS). This was a priority of the UK Presidency in 2005. DfT will support Defra in taking this through the Environment Council.



# Appendix I

## Ministers, Board and committees



## Appendix I Ministers, Board and committees

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### Ministers



**Rt Hon Douglas Alexander**  
Secretary of State for Transport



**Tom Harris**  
Parliamentary Under  
Secretary



**Dr Stephen Ladyman**  
Minister of State



**Gillian Merron**  
Parliamentary Under  
Secretary

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### The Board



**Sir David Rowlands**  
Permanent Secretary



**Robert Devereux**  
Director General



**Simon Webb**  
Director General



**Mike Mitchell**  
Director General



**Stephen Hickey**  
Director General



**Archie Robertson**  
Chief Executive, Highways Agency



**Ann Hemingway**  
Non Executive



**Joe Montgomery**  
Non Executive  
(until February 2007)



**Deborah Williams**  
Non Executive

The Board focusses on strategic issues and delivery across the entire DfT family. It regularly reviews progress against, and risks to, the Department's PSA targets and business and delivery plans.

The Board is chaired by the Permanent Secretary and meets about 10 times a year (once a month, but normally with no meetings in August or 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.

### Executive Committee

The DfT(C) Executive Committee focusses 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 committee and it meets three times a month. Each meeting covers a specific topic, such as DfT group issues; DfT(C) issues, including Developing the Department and staff issues; and items that may go to the Board such as innovation and business planning issues.

### Directors' Group

The Directors' Group reviews and discusses current business and upcoming issues, particularly those affecting the central Department. The Permanent Secretary chairs these meetings, which are held monthly.

### Round-up

Round-up reviews immediate, past and prospective communications issues and forthcoming ministerial and Parliamentary business. The Permanent Secretary chairs these weekly meetings.

### Remuneration Committee

The Remuneration Committee is responsible for agreeing pay awards for senior civil servants. 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.

## The Audit Committee

The Audit Committee supports the DfT principal accounting officer in his responsibility for issues of risk, control and governance and associated assurance. The Committee meets four or five times a year and receives summaries of internal audit reports, and considers the group head of internal audit's annual opinion on the effectiveness of risk management, control and governance. The chair of the Audit Committee reports their views on the effectiveness of internal control to the Board regularly throughout the year.

The Audit Committee is chaired by Deborah Williams, a non-executive member of the Department's Board, and has four members: Alex Jablonowski, the non-executive chair of the Highways Agency Audit Committee; John Mayhead, the non-executive chair of the Driver and Vehicle Operator Group; Dr Mike Mitchell, Director General of DfT Rail Group; and Robert Devereux, Director General of Road Transport, Aviation and Shipping Group.

## 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. A full list of our publications is available on our web site at [www.publications.dft.gov.uk](http://www.publications.dft.gov.uk). We have included internet addresses with entries where appropriate.

Individual entries show where publications are available. Main addresses are listed below.

### **DfT Sales Centre**

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When ordering, whether by phone, letter or email, please provide the title of the publication, its product code or ISBN number and the address to which it should be sent.

## General

*The Eddington Transport Study – The case for action: Sir Rod Eddington's advice to Government*, December 2006, ISBN 0 11 840482 2 (Summary Report) or ISBN 0 11 840487 3 (Main Report), available from TSO and at [www.dft.gov.uk](http://www.dft.gov.uk)

*Transport: Lightening the Load*, DfT, December 2006. The DfT Simplification Plan sets out the measures we are taking to simplify regulations and deliver policy and administrative burdens reductions, available at [www.dft.gov.uk](http://www.dft.gov.uk)

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