

# Highways Agency Business Plan 2012-13

An executive agency of the  
Department for  
**Transport**


[Foreword](#)
[Introduction](#)
[Business context](#)
[Delivering our services](#)
[Operating the network](#)
[Maintaining the network](#)
[Improving the network](#)
[Safety](#)
[Managing the business](#)

# Contents

<b>Foreword</b>	<b>3</b>	<b>Operating the network</b>	<b>10</b>	<b>Safety</b>	<b>16</b>
<b>Introduction</b>	<b>4</b>	Traffic management	10	Road safety	16
About us	4	Olympics 2012	10	Health and safety	16
What we do	4	CLEAR initiative	11	<b>Managing the business</b>	<b>18</b>
<b>Business context</b>	<b>5</b>	Traffic technology	11	Our organisation	18
Wider government priorities	5	Information	12	Our staff	18
Strategic roads review	7	<b>Maintaining the network</b>	<b>13</b>	Business services	19
Budget	7	Routine maintenance and winter service	13	Administration budget	19
Performance measures	7	Asset management	13	Alignment with Efficiency and Reform Group	19
<b>Delivering our services</b>	<b>8</b>	Asset support contracts	13	<b>Annexes</b>	<b>21</b>
Customers	8	<b>Improving the network</b>	<b>14</b>	<b>A</b> Indicative budgets 2011-12 – 2014-15	20
Supply chain	8	Major schemes	14	<b>B</b> Performance measures 2012-13	21
Procurement	9	Efficiency in delivery	14	<b>C</b> Major schemes programme to 2014-15	23
Sustainability	9	Dartford free-flow charging	15	<b>Contact us</b>	<b>25</b>
		Pinch-point programme	15		

# Foreword

## Non-executive chairman foreword

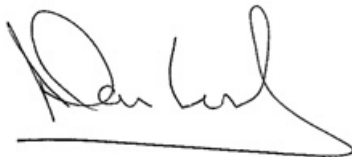
I have been working closely with the Highways Agency Chief Executive and directors since my appointment as non-executive chairman in January 2011. One of my tasks was to undertake a review of how the Government delivers England's strategic road network.

In November 2011 I presented my report 'A fresh start for the Strategic Road Network' to the Secretary of State for Transport. In that report I recommended a number of changes that would enable the Highways Agency to operate and maintain the network more efficiently, that would support economic growth and would give road users a better level of customer service. We now await the Secretary of State's response to that report.

The Prime Minister's statement in March set out a clear ambition for a further step change in investment and performance of the network. I and the Highways Agency team welcome the challenge presented by the Prime Minister and look forward to contributing fully to developing the response.

Meanwhile, the coming year will see the Agency rising to some big challenges – keeping traffic moving throughout a summer of national celebration and living within a demanding budget. I have every confidence that all the staff and partners will rise to the occasion.

**Alan Cook**  
Non-Executive Chairman

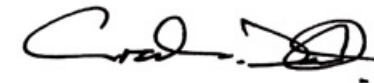


## Chief executive foreword

This year is the first in which the reduction in the Agency's budget, set out in the Government's spending review in 2010, takes effect. Over the last 18 months we have been working to reduce the cost of operating, maintaining and improving England's motorway and trunk road network. We have new ways of working, new specifications, and new contracts in place – all of which mean that we are ready to meet this efficiency challenge.

Our fundamental purpose is to keep road traffic moving without unplanned incident or delay. The Queen's Diamond Jubilee and subsequent Olympic Games mean that the whole country will depend on our network for personal transport and for delivery of freight. For our staff and our contractors the summer of 2012 presents an enormous test of our capability. We look forward to playing our part, and to keeping England's roads moving.

**Graham Dalton**  
Chief Executive





# Introduction

## About us

The Highways Agency is an executive agency of the **Department for Transport (DfT)**.

We are responsible for operating, maintaining and improving England's **strategic road network** which comprises approximately 4,300 miles of motorways and all-purpose trunk roads. We manage a large number of bridges and other highway structures, a vast network of drainage and geotechnical assets, and a variety of supporting infrastructure including traffic technology such as variable message signs, lighting and communications. The Highways Agency network is valued at approximately £100 billion.

The strategic road network is a nationally strategic asset and is key to promoting the economic growth of the UK economy with approximately four million vehicles using the network each day.

Although it represents only two per cent of England's road network, it carries around one-third of all traffic. Over 80 per cent of all goods travel by road with around two-thirds of large goods vehicle traffic transported on our network.

## What we do

### Operate

We work hard to deliver a reliable service to customers through effective traffic management and provision of accurate and timely information. Our **National Traffic Operations Centre** and seven Regional Control Centres work to reduce the number of incidents, to provide information to traffic on the road, and to manage incidents efficiently to minimise delays. The Traffic Officer Service responds to more than 20,000 incidents per month. Effective traffic management and incident clearance ensures our roads are safe, delays are minimised and journeys are reliable.

### Maintain

We carry out routine maintenance and renewal of roads, structures and technology to make the network safe, serviceable and reliable. We ensure our contractors deliver a high level of service on the strategic road network to support operational performance and the long-term integrity of the asset.

### Improve

We undertake large-scale improvements on the network through our programme of major schemes. Improvements tackle bottlenecks and increase the capacity of the network. Our managed motorways programme has increased capacity and delivered substantial cost savings over conventional road widening. We have a programme of maintenance renewal and improvement schemes for 2012-13 which will deliver improved reliability, safety and asset integrity for the future.

“Safe roads, reliable journeys, informed travellers”



# Business context

## Wider government priorities

In managing the strategic road network, and reflecting our status as an executive agency we also support wider government policies.

## Localism and promoting economic development

Following the introduction of the **Localism Act 2011**, we have been working closely with local authorities as they progress their local development plans.

We continue to work with developers, local planning authorities and **local enterprise partnerships** to facilitate growth, while fulfilling our responsibilities in respect of the strategic road network. This includes working closely with partners on **enterprise zones**.

Our programme of major and small schemes will improve performance of the network and encourage economic investment. We will deliver the schemes while continuing to drive down costs across the supply chain.

## Planning

In our role as delivery partner, we engage with developers, planners, enterprise partnerships and local authorities to support timely delivery of local and national growth objectives.

We continue to identify opportunities to improve our network for the safe movement of people and goods around the country. We will be working with the DfT to issue new planning guidance that better reflects our economic role and responsibility, and emphasises the important contribution that the road network plays in enabling and sustaining economic activity.

## Growth

Following the spending review announcement in October 2010 (**Investment in Highways Transport Schemes**), the Government announced plans to invest £2.3 billion on major roads improvements through to the end of 2014-15. This included £1.4 billion to start 14 new schemes in the four years to 2014-15.

The **National Infrastructure Plan** was published in November 2011. It announced additional investment in transport infrastructure projects as a driver of economic growth and earmarked specific projects to tackle congestion and improve the national road network.



Place cursor over images to enlarge



The scale of the additional investment for the strategic road network is £900 million over the next three financial years. This includes £700 million funding for six additional and two accelerated major schemes. This investment is a vote of confidence in our ability to deliver projects to time and budget, and is a reflection of the importance of the strategic road network to the national economy.

*This year we will:*

- Start work on one (A453) of the six additional schemes which has been brought forward.
- Start a programme of smaller projects to improve pinch-points on our network.
- Contribute to economic development in terms of changes to the planning regime and supporting rural broadband by making spare capacity available on our roadside telecommunications network.

- Take forward investment on the A14, including junction improvements, to reduce congestion and improve journey time reliability.

### Efficiencies

Driving down cost is a priority for the business. The new asset support contracts will deliver a more affordable service with outcome-based specifications and use of category management.

Our new National Traffic Information Service is also helping to make the strategic road network more efficient, by providing our customers with quick, accurate and reliable information. It is part of our commitment to provide real-time traffic information to help road users plan their journeys and avoid delays.

Driving down cost is a priority  
for the business. The new asset  
support contracts will deliver a more  
affordable service.



## Strategic roads review

In November 2011, Alan Cook's review, ***A fresh start for the strategic road network***, was published. This report made eight recommendations to the Secretary of State for Transport, setting out reforms for operating and maintaining the strategic road network more effectively whilst delivering improved customer service. It is envisaged that the Secretary of State will provide her response to this report early in 2012-13.

On 19 March 2012 the Prime Minister asked the DfT and Treasury to build on the work carried out by the Cook review and undertake a feasibility study to look at more radical options to bring significantly more investment into the strategic road network. This study is to report progress by autumn 2012 and the terms of reference will be published early in 2012-13.

## Budget

Our budget to deliver this business plan is summarised in **Annex A**. This shows our funding for the period up to 2014-15 and separately identifies the additional funding made available as part of the Chancellor's 2011 autumn statement.

## Performance measures

We have established a suite of business plan performance measures to support the delivery of our high-level goals. Maintaining these measures provides the necessary continuity to track performance across successive business plan years. This year we are introducing two new measures:

### 1. Customer satisfaction

We have tracked customer satisfaction through our national road user satisfaction survey since the mid 1990s. This measure further demonstrates our commitment to use

customer feedback to inform how we deliver and improve our services.

### 2. Severity weighted accident frequency rate

The road worker safety measure (accident frequency rate) is recognised as an industry benchmark. To account for severity of injury we are introducing an additional indicator – the severity weighted accident frequency rate – to better reflect the differences between minor and life changing or fatal injuries.

The business plan measures are attached at **Annex B**, and further information can be found on the Highways Agency website.

We have established a suite of business plan performance measures to support the delivery of our high-level goals.



# Delivering our services

## Customers

We recognise the importance of understanding how our customers use the network and what they expect from us. We carry out continuous road user satisfaction surveys, interviewing around 8,000 road users a year to find out about their experiences when using the network. We analyse the data from the surveys to find out what issues most concern our customers, and where appropriate, act. We have used customer feedback to provide better on-road information by displaying journey times between junctions on motorways. This helps the road user to take control of their journey, and make informed decisions.

It is important for us to deliver appropriate, fair and accessible services which meet the different needs of our customers under the **Public Sector Equality Duty**. We continue to promote equality, prevent discrimination and foster good relations between different groups in society. From 2012, we will publish the information we gather to help us understand the needs of our customers, gauge our performance and shape our equality objectives.

These specific and measurable objectives will start from April 2012 for a four year period. We will also ensure that any third parties delivering services on our behalf will comply with the equality duty.

## Supply chain

More than 90 per cent of our expenditure is spent through contracts with our supply chain. We will make cost savings across the supply chain, whilst challenging our suppliers to meet the diverse needs of our customers.

We are committed to procuring only from those suppliers who can demonstrate that they are good employers, who recognise our people values, foster diversity within their workforce, and show commitment to safety.

To recognise the important contribution made by our suppliers to the strategic road network, we have a **supplier recognition scheme**. The scheme, launched in 2011, acknowledges the efforts of suppliers who demonstrate leading performance and customer services.



## Procurement

We will continue to manage our contracts robustly to achieve outcomes which provide a consistent and measurable level of service and value for money. We will select, through competitive and effective commercial procurement, the most capable and best-performing suppliers who provide value for money, delivery and sustainability – the three themes of our **procurement strategy**.

We will continue to manage our contracts robustly to achieve outcomes which provide a consistent and measurable level of service and value for money.

## Sustainability

We have published our **Sustainable Development Plan for 2012-15**, which highlights the important role that sustainable development plays in helping to move society towards a low-carbon future. It focuses on how we are working to balance our responsibility to develop and operate the strategic road network effectively with our responsibility to protect the environment and support economic growth.

Operating and improving our strategic road network more effectively lies at the heart of greater sustainability. We recognise our network is an integral part of our national way of life, providing links for communities and businesses.

Our sustainable development plan sets out how we will work together with our suppliers and others, to ensure that any detrimental impact of the roads we are responsible for is kept as low as possible while we deliver sustainable economic growth, improve quality of life for communities, and protect our natural environment now and for future generations. Our sustainable development plan looks to make sustainable development central to the way we and our partners operate.



# Operating the network

## Traffic management

Our traffic officer and traffic information services are recognised and valued by our customers. We ensure that incidents are responded to promptly and safely, and that information to customers is timely, accurate and made available through a range of channels.

To improve performance and reduce the cost of our traffic management operations we are changing how we work. The Future Operating Model is a package of organisational and process changes being delivered by our staff.

We are implementing a number of changes to the way in which the service is delivered. In 2012-13 we will:

- Seek to increase our flexibility by looking into deploying single-crewed traffic officer vehicles to some incidents.
- Make better use of operations information to deploy our traffic officers where they can be most effective.
- Review the fleet of vehicles that we use.
- Make improvements to our control centre operations.
- Improve our customer contact activities.

## Olympics 2012

We have a key role to play in facilitating a successful **Olympic Games**, and we are working closely with the DfT, the Olympic Delivery Authority and the London Organising Committee for the Olympic Games.

We will enhance our normal level of service at key points on the network with additional traffic officer patrols, incident support units and vehicle recovery resources.

We will staff a dedicated, full-time Olympic command centre for the Games and will be part of the Games Transport Co-ordination Centre established by Transport for London.

Our role in the operation of the Olympic Route Network will directly assist the transportation of athletes, officials and other members of the Games family. We will also be supporting specific sporting events which impact our network, such as the cycle racing through Surrey.





## CLEAR initiative

We are committed to reducing the duration times of motorway incident closures. We are working closely with DfT on a joint initiative called CLEAR – collision, lead, evaluate, act, and reopen. We are taking the lead on the delivery of a number of CLEAR initiatives in partnerships with other incident responders. This includes the DfT, the Association of Chief Police Officers, Fire and Rescue, ambulance service and the Home Office.

The CLEAR initiative looks to identify issues that need to be addressed by all organisations involved in incident management. It is based on a committed approach to partnership, collaboration and innovation. This year we will seek to embed these principles across all organisations involved.

The specific areas that CLEAR will cover include:

- The CLEAR 10-point plan. The 10 actions cover a range of issues. These include analysis of intelligence to fully understand the issues, police training, new tools and technologies (eg laser scanners for collision investigation), sharing best practice and improving our understanding of each organisations' roles.
- Diesel and oil spill kits for traffic officers. This will reduce the need for significant repairs to the road asset where diesel has been spilled, and resulting lane closures.
- Carriageway clearance: new policy, procedures, training and towing kits will enable traffic officers to remove broken down vehicles from live lanes more effectively, significantly reducing the delays from such incidents.

- Working with the Vehicle and Operator Services Agency to reduce the number of HGV incidents, and tackling operators whose vehicles repeatedly break down or are involved in incidents.

## Traffic technology

We face the challenge of improving the reliability of our technology asset. During 2012-13 we will work to optimise its use in traffic flow, incident management, and information provision.

We are rolling out new regional technology maintenance contracts (RTMCs) within our new asset support contracts. This will reduce costs and improve efficiency by delivering more targeted, outcome-based technology maintenance. The first RTMC will go live in the South West during the summer. In addition, we are retrofitting RTMC principles to existing technology contracts.



At the same time we will continue to drive efficiencies through traffic technology procurement, in line with our category management principles and the *Improving Traffic Technology Procurement Plan*.

## Information

The provision of accurate and timely information is central to our role as network operator. We collect and process traffic information from the strategic road network, disseminating this information to road users and operational partners, as well as our own information services such as the Traffic England website, a smartphone application and the Highways Agency Information Line.

With the delivery of our National Traffic Information Service we are working to deliver information more accurately and quickly. We will be gathering improved traffic data to provide better coverage across the network. This will improve data quality and reporting of incidents,

enabling our customers to make better informed journey choices.

Having faster, more accurate information will also support us, and our partners, in managing and clearing incidents more effectively. It will allow us to identify incidents and respond appropriately, ensuring we deploy the right resources, and set timely diversion routes. This will keep incident related congestion to a minimum.

By combining data sources we will have the capability to see the state of the entire national network. This will enable us to manage incidents considering the wider impact on the network and provides us with the ability to predict where increased traffic volumes may lead to congestion. It will allow us to manage some of the causes of congestion and put in place solutions to minimise their impact. The investment in improving our data, information and decision-making will further improve the reliability of journey times and safety for road users.

The provision of accurate and timely information is central to our role as network operator.





# Maintaining the network

## Routine maintenance and winter service

Service providers deliver routine maintenance and winter service on the strategic road network. We have learned valuable lessons from the recent severe winters and have implemented improvements to keep the motorway and trunk road network open and safe during severe winter weather.

We will embed our new weather information service across the Agency, working with the Met Office based at our National Traffic Operations Centre to improve our response to all types of severe weather. We will also build on the successful severe weather communication campaigns we ran last year, encouraging road users to better prepare for journeys in adverse weather conditions, as well as providing improved information and advice.

## Asset management

During this financial year we will continue a programme of improvements to our asset management systems and processes, and improve the quality and coverage of our asset condition data. By December 2012 we will deliver the first elements of our integrated asset management information system, which will enable us to more effectively prioritise our programme of asset renewals.

We will undertake appropriate maintenance and renewal activities at the optimal time in the asset's life cycle. This will help us to reduce costs while ensuring an effective level of service.

## Asset support contracts

In mid-summer, the first of the new asset support contracts will start to deliver on the roads in the South West. These contracts will be used to drive service providers to deliver an agreed level of service on the network, while providing best value. A percentage 'year on year' reduction in cost is mandated within the contract. 'Continual improvement and innovations' clauses also encourage the service provider to seek efficiencies and reduce costs over the duration of the contract. The asset support contract is one way in which we are improving our commercial management of suppliers and achieving better value for money.

The South West contract was awarded in late February 2012, and the North West region will be the next to be awarded. We will invite tenders for contracts in East Midlands, East Anglia and the South East during the year.

# Improving the network

## Major schemes

In October 2010 the Government announced the spending review for the period up to 2014-15. The transport budget included £2.3 billion for eight existing schemes and 14 schemes due to start works by 2015.

Of the eight schemes under construction, seven are now complete or nearing completion. This includes the A3 Hindhead tunnel scheme which opened in July 2011. The widening of two sections of the M25 between junctions 16 to 23 and 27 to 30 will also be completed in time for the Olympic Games.

The Chancellor's autumn statement increased the funding for major schemes by around £700 million within this spending review period. The additional funding will enable us to start work on a further six schemes by 2015 (two of which are managed motorway schemes), as well as accelerating two other previously announced schemes. As part of this we will be implementing a new specification for up to eight managed motorway schemes starting work after 2012.

We will start work this year on four major schemes. One of these is the A453 widening project, one of the six schemes added to the roads programme following the autumn statement. We aim to complete the development work on the A453 this year so that work can start in the fourth quarter of 2012-13, subject to the Secretary of State's decision and the completion of statutory processes. This scheme forms part of the major route between Nottingham, the M1, and Nottingham East Midlands Airport and

will improve the traffic flow and safety of the existing single-carriageway road.

The location and current status of each of these major schemes is listed in **Annex C**. The number of schemes in progress will increase over the next three years.

## Efficiency in delivery

By 2014-15, we have committed to reduce the cost of capital major projects by 20 per cent against baseline estimates. This puts a sharp focus on how we deliver those savings and become a more efficient client.

We are implementing measures that will transform the way we deliver major projects, changing the way we work, using a programme approach rather than 'project by project'. This will be underpinned by the three principles of integration, collaboration, and programme management.

We are  
implementing  
measures that  
will transform  
the way we  
deliver major  
projects.

We will develop common, standardised solutions that can be delivered consistently across projects, employ lean principles for our managed motorway projects and streamline the technical handover process from construction into operation.

Collaboration of the key parties in the delivery process will deliver better solutions as teams work closely together, supported by common and focused objectives. We will fully utilise the opportunities to buy goods and commodities at best value through our category management contracts and the supply chain procurement.

We will take forward our plans for managing risk across the programme and develop our planning capability to optimise project schedules. We will continue the excellent progress made on capturing project costs to ensure that we deliver real value on future projects.

We have established two key enablers to deliver efficiencies and savings. The Delivery Hub focuses on improving delivery and works closely with integrated delivery teams. The Portfolio Office integrates the governance, reporting and finance functions, providing assurance to the business and the DfT client on delivery.

### Dartford free-flow charging

To improve traffic flow and reduce delays at the Dartford Crossing, we are delivering the Dartford free-flow charging scheme. This will reduce delays through the introduction of new technology and road layout changes to collect and enforce road user charges. During summer 2012 we will formally start the procurement process to secure an outsourced customer charging and enforcement management services contract, and in autumn 2012 we will start the public consultation on the secondary legislation that will support a free-flow charging arrangement at Dartford.

### Pinch-point programme

Investment in the smaller, targeted schemes will ease bottlenecks, reducing congestion and improving reliability on the network. In the Chancellor's autumn statement a pinch point programme of £218 million was announced. Of this, £212 million is allocated during the period from 2012-13 to 2014-15 to enable us to address specific pinch-points on the strategic road network.

We expect the programme to be delivered in a series of tranches. The first tranche of schemes will be confirmed, and designs started, by September 2012.

In addition to the pinch point programme, £10 million has been allocated for a targeted improvement of the A14.

# Safety

## Road safety

The Highways Agency **safety framework** supports the national road safety framework, and identifies targeted interventions based on analysis of personal injury collisions data.

We no longer have specific casualty reduction targets set by Government as in previous years. Instead the safety framework commits us to deliver a reduction in the number of road casualties.

In 2012-13 we will develop a safety action plan. This will set out our approach for the delivery of safer roads and the reduction in the number of people who are killed or seriously injured both using and working on our roads. We will develop a new strategic risk model over the year. This new approach will enable us to identify and develop measures to further mitigate risk.

We will look at both national and local safety programmes that have been approved for the next four years and what contribution these can make to reducing the number of fatalities and injuries. In addition, we will look at what measures we can develop to reduce the risk that comes from poor driver behaviour. We will work with our partners to better inform road users of the risks and consequences of the choices they make.

We will continue looking at ways to influence driver behaviour to improve safety.

Our regional safety reports will cover both historic data of safety performance, and evidence-based actions that have been carried out with external safety stakeholders. These reports will identify opportunities for us to engage through our partners with individual road user groups. The reports will be developed by autumn 2012.

## Health and safety

Aiming for Zero (AfZ) is our strategy for improving the health and safety of the workforce. It sets a clearly-defined goal for our health and safety performance, confirms our leadership role in the industry and brings together health and safety work across the whole business. AfZ covers road workers, construction and maintenance workers, traffic officers and office-based staff.

We are committed to significantly improving road worker safety, as set out in our **road worker safety strategy**. With our supply chain, we will continue to implement temporary traffic management techniques that reduce risks to road workers working on, or close to, the live carriageway.



The single most important outcome so far has been the change in temporary traffic management to substantially reduce the number of times roadworkers have to cross live carriageways, to put up road signs.

We will improve a number of key areas in the safety management of work undertaken on the network. We will work with our supply chain to ensure that best working practices are identified and consistently applied.

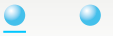
In 2012-13 we will implement a new risk management system based on a comprehensive hazard analysis of the Traffic Officer Service. By doing this we can ensure that effective risk control measures are in place that reflect the role and work environment of our operational staff.

We will continue to ensure that our office-based staff (including those in regional control centres) are provided with a healthy, safe and secure environment to work in. In 2012-13 we will continue to raise staff awareness, update health and safety manuals and ensure assessments are carried out consistently in our offices.

In 2012-13 we will publish the new Standard for Safety Risk Assessment on the Strategic Road Network. The standard updates and clarifies our approach to safety risk, so that appropriate safety risk assessment, evaluation and management are undertaken to inform all activities, projects and decisions.

We will work with our supply chain to ensure that best working practices are identified and consistently applied.





# Managing the business

## Our organisation

We have eight **offices** across England including a small corporate centre in London. We also have a National Traffic Operations Centre, seven regional control centres and 31 outstations.

Our **board** manages the delivery of our responsibilities and includes a non-executive chairman, a chief executive, five executive directors, and three non-executive directors.

## Our staff

In 2011 we launched our new values statement 'Delivering a professional and affordable service through innovation and partnership working.'

With this in mind, we continue to develop our people into a flexible and capable workforce who have the skills and knowledge to meet the demands that the organisation faces. We will continue to improve the effectiveness of our people by:

- Implementing a resourcing and capability plan that helps deliver sustainable performance, and delivers a graduate recruitment programme.
- Putting employee engagement at the heart of our business and make the Agency a better place to work.
- Supporting and engaging staff through relevant change programmes.

- Improving HR information and communications to provide clear and more accessible advice and guidance to staff.
- Strengthening leadership and line management capability.
- Providing our staff with the skills to be commercially driven.

We continue to review our estate strategy to ensure that we achieve office provision that minimises cost and provides best value. In 2012-13 we will be looking at the office estate in the South East region and will look for opportunities to provide better value for money as lease breaks occur.

We will continue to improve the effectiveness of our people.

## Business services

We will be looking at our day to day information and communications technology (ICT) service which supports the entire business. The future ICT project will develop our replacement service beyond December 2012 when our current contract comes to an end. This is a business-critical project and will be the focus of particular attention.

The DfT is undertaking a competitive tendering exercise with the aim of selling its **Shared Services** operation to a private operator. The current shared services system provides our human resource and payroll services. The new operator is being sought with the objective of delivering a service which fully meets our business needs at reduced cost.

## Administration budget

We are playing our part in reducing the Government's administration budget by

changing processes, driving through efficiency savings, and identifying income streams. These savings from staff costs, ICT, procurement and office estates will be delivered under the activities noted above whilst maintaining service support to programme delivery functions.

In 2012-13 the planned administration budget is 16 per cent lower than the opening prior year budget, and by the end of the spending review period the budget reduces by over 20 per cent which equates to a 30 per cent reduction in real terms.

## Alignment with the Efficiency and Reform Group

Our business is closely aligned with the work of the Cabinet Office's **Efficiency and Reform Group**. We do this through collaborating with key parties in the delivery process, aligning our business areas with the supply chain,

and fully utilising the opportunities to buy goods and commodities through our category management contracts and supply chain procurement. Category management enables aggregating common category requirements across projects to generate increased value through greater efficiencies and lower unit costs.



# Annex A - Indicative Budgets 2011-12 to 2014-15

£ million	Financial Year (April to March)			
	2011-12	2012-13	2013-14	2014-15
<b>Programme Resource DEL (RDEL)</b>				
Roads PFI Service Payments	394	464	460	421
Network Management (incl. programme staff)	103	88	88	82
Traffic Officer Service (incl. programme staff)	90	81	80	66
Technology PFI Service Payments	66	56	68	71
Technology Projects	9	5	5	9
Maintenance	417	291	255	265
Smaller Schemes and R&D	45	41	47	38
Other (including other income)	(6)	(10)	(5)	(6)
<b>Total Programme RDEL excl. depreciation</b>	<b>1,118</b>	<b>1,016</b>	<b>996</b>	<b>946</b>
Depreciation/impairment	868	912	867	864
<b>Total Programme RDEL incl. depreciation</b>	<b>1,986</b>	<b>1,928</b>	<b>1,863</b>	<b>1,810</b>
Admin Resource DEL excl. depreciation	81	67	68	63
Admin Depreciation	2	2	2	2
<b>Total Administration RDEL incl. depreciation</b>	<b>83</b>	<b>69</b>	<b>70</b>	<b>65</b>
<b>TOTAL Resource DEL excl. depreciation</b>	<b>1,199</b>	<b>1,083</b>	<b>1,065</b>	<b>1,009</b>
Depreciation	870	914	869	866
<b>TOTAL Resource DEL incl. depreciation</b>	<b>2,069</b>	<b>1,997</b>	<b>1,934</b>	<b>1,875</b>

## Notes

Amounts are net (ie include allowable receipts) and the indicative between areas of spend may change.

Amounts displayed are rounded to millions. Rounding differences may arise as underlying amounts are more detailed.

The additional investment announced in the November 2011 Autumn Statement is shown separately. This is referred to above as the Growth Review Announcement and includes the six new major scheme starts, acceleration of two SR10 major schemes from 2015-16 to 2014-15, and smaller projects to ease congestion and improve pinch points on our network.

£ million	Financial Year (April to March)			
	2011-12	2012-13	2013-14	2014-15
<b>Capital DEL (CDEL)</b>				
Major Schemes	797	435	450	580
Network Management	14	11	14	15
Traffic Officer Service	5	0	5	6
Technology Improvements	-	3	-	-
Maintenance Renewals	416	464	392	390
Smaller Schemes	31	48	35	70
Capitalised Staff and Office Estate costs	25	25	26	26
<b>Total Capital DEL (excl. Growth Review)</b>	<b>1,288</b>	<b>985</b>	<b>922</b>	<b>1,087</b>
Growth Review Announcement Investment	-	51	287	536
<b>Total Capital DEL (incl. Growth Review)</b>	<b>1,288</b>	<b>1,036</b>	<b>1,210</b>	<b>1,623</b>
<b>Total DEL excl. depreciation</b>	<b>2,486</b>	<b>2,119</b>	<b>2,274</b>	<b>2,632</b>
<b>Total DEL incl. depreciation</b>	<b>3,356</b>	<b>3,033</b>	<b>3,143</b>	<b>3,498</b>
<b>TOTAL AME</b>	<b>855</b>	<b>827</b>	<b>969</b>	<b>925</b>
<b>TOTAL BUDGET (incl. depreciation)</b>	<b>4,211</b>	<b>3,859</b>	<b>4,113</b>	<b>4,423</b>

DEL: Departmental Expenditure Limit.

AME: Annually Managed Expenditure (includes non cash items eg provisions and write-down of assets).

Resource: Operating and maintaining the existing network.

Capital: Improving and enhancing the network through investment.

Administration: Activities required to support all programme delivery.



# Annex B - Performance measures

Driver	Measure	Description	Frequency
<a href="#">Act on customer feedback</a>	Customer satisfaction on the Highways Agency's motorway and A road network.	The National Road User Survey measures customer satisfaction across five service areas of reliability, safety, routine maintenance, road works and signs.	<a href="#">Annually</a>
<a href="#">The Highways Agency's "Aiming for Zero" vision for workforce health and safety</a>	<p>The accident frequency rate of the Highways Agency's supply chain.</p> <p>The severity weighted accident frequency rate of the Highways Agency's supply chain.</p>	<p>Health and safety performance in construction and maintenance activities is monitored using accident frequency rates, calculated on the basis of all incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. This is an industry standard measure.</p> <p>Account for the severity of the injury suffered will be reported against the severity weighted accident frequency rate indicator.</p> <p>These will be presented as 12-month rolling averages per 100,000 hours worked.</p>	<a href="#">Annually</a>
<a href="#">Efficiency and effective use of resources</a>	Cost of operating the Highways Agency's motorway and A road network per vehicle mile.	<p>This is a unit cost measure designed to show changes in the cost of operating the network.</p> <p>This involves dividing annual expenditure on Traffic Officer Service and other Agency operational expenditure, by our network volumes.</p>	<a href="#">Annually</a>
	Cost of maintaining the Highway's Agency's motorway and A road network per lane mile.	<p>This is a unit cost measure designed to show changes in the cost of maintaining the network.</p> <p>This involves dividing annual expenditure on Agency maintenance by the length of the network.</p>	<a href="#">Annually</a>
	Percentage of Highways Agency's appraised project spending that is assessed as good or very good value for money.	<p>This is the Agency's portion of a DfT-wide indicator designed to show the value of major capital investment.</p> <p>For the Agency, this is limited to the projects in the major schemes programme and involves using the individual scheme appraisals to categorise each project as either good or very good value.</p>	<a href="#">Bi-annually</a>

Driver	Measure	Description	Frequency
Delivery of a safe and reliable network	Reliability of journeys on the Highways Agency's motorway and A road network.	This measure uses junction to junction traffic data to determine whether the 'journey' time taken to travel between adjacent junctions is within a set reference time for that period.	Monthly
	Annual road fatalities on the Highways Agency's motorway and A road network.	This measure is based on DfT road safety data collected via forms completed by the police following personal injury accidents.	Annually
Minimise delays due to incidents	<p>The mean and median average incident duration times on Highways Agency motorways.</p> <p>These measures will be supported by the publication of detailed data on the total numbers of incidents, and the distribution of their duration times in different segments.</p>	<p>These measures are based on data on the duration of incident collected through the Agency's command and control system in each regional control centre.</p> <p>The purpose of the measure is to show the change in the clearance times of incidents causing the closure of lanes on motorways.</p>	Monthly
Minimise Highways Agency CO2 emissions	Contribute to national and international goals for a reduction in carbon dioxide emissions by lowering the Highways Agency's emissions.	<p>This involves continuing the publication of the Agency's carbon footprint, segmented into three 'scopes' in line with existing greenhouse gas reporting protocols. The footprint includes derivations from fuel and energy invoices and internal travel and subsistence claims.</p> <p>The business plan measure will encompass all "Scope 1 and 2" carbon emissions, and the business travel element of "Scope 3".</p>	Annually
Delivering a safe and serviceable network	The proportion of the network that is in good condition that does not require further investigation for possible maintenance.	<p>Road surface condition data is obtained through annual road surveys and the measurements are held in the Agency's pavement management system.</p> <p>The percentage of the network measured as being in a better condition than 'Category 3a' is reported to provide a consistent measure of road surface condition. Category 3a stipulates a number of condition thresholds which are used to indicate whether a stretch of road should be investigated to determine whether maintenance is required.</p>	Annually
To deliver the programme of major schemes to time and budget	For the programme of schemes in the construction phase, maintain a programme level of at least 1.0 against the cost performance index (CPI) and the schedule performance index (SPI).	<p>This is a measure based on a system of Earned Value Management (EVM).</p> <p>EVM combines measurements of physical achievement (ie accomplishment of planned work), schedule performance (ie behind/ahead of schedule), and cost performance (ie under/over budget) within a single integrated methodology.</p>	Annually

# Annex C - Major schemes

## Schemes completed or completing early 2012-13

A421 Bedford to M1 Junction 13	2010
A3 Hindhead Tunnel	2011
A1 Dishforth to Leeming	2012
A46 Newark to Widmerpool	2012
M1 Junction 19 Catthorpe Viaduct	2012
M25 Junctions 16 – 23	2012
M25 Junctions 27 – 30	2012

## Schemes under construction and expected completion dates

M1 Junctions 10 – 13	2013-14
M4 Junctions 19 – 20 and M5 Junctions 15 – 17	2013-14
M62 Junctions 25 – 30	2013-14
A23 Handcross to Warninglid	2014-15

## Schemes starting works in 2012-13 and expected start dates

M6 Junctions 5 – 8	Q1 2012-13
A11 Fiveways to Thetford	Q4 2012-13
A453 Widening	Q4 2012-13
M1 Junctions 32 – 35a	Q4 2012-13

## Schemes starting in 2013-14

A14 Kettering Bypass Improvement
A45/A46 Tollbar End
M1 Junctions 28 – 31
M1 Junction 19/M6
M3 Junctions 2 – 4a
M25 Junctions 5 – 6/7
M25 Junctions 23 – 27

## Schemes starting in 2014-15

A556 Knutsford to Bowdon
M1 Junctions 39 – 42
M6 Junctions 10a – 13
M60 Junctions 8 – 12
M60 Junctions 15 – 12
M62 Junctions 18 – 20

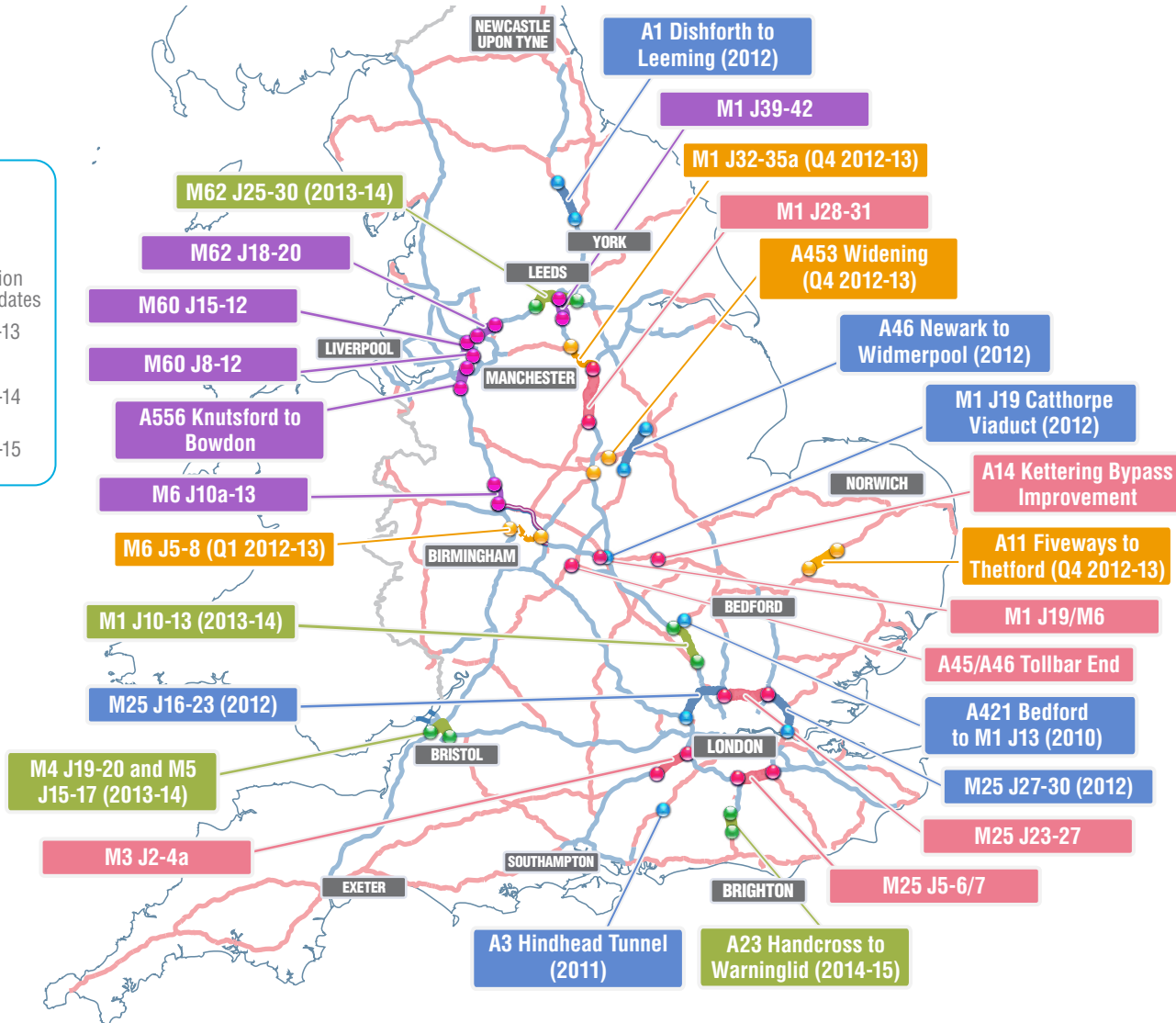
This includes all the schemes in the approved programme together with the growth schemes.

The delivery of schemes in the roads programme are subject to the successful completion of statutory processes (where needed), continuing value for money and affordability. The Agency will announce construction dates on schemes in future years (2013-14 and 2014-15) on an annual basis as part of Departmental and Highways Agency planning process.

# Annex C - Major schemes

## Major Projects Schemes

- Schemes completed or completing early 2012-13
- Schemes under construction and expected completion dates
- Schemes starting in 2012-13 and expected start dates
- Schemes starting in 2013-14
- Schemes starting in 2014-15





# Contact us

Visit our website at [www.highways.gov.uk](http://www.highways.gov.uk)

Email us at [ha\\_info@highways.gsi.gov.uk](mailto:ha_info@highways.gsi.gov.uk)

Or call **0300 123 5000**

- Available 24/7
- Calls to 03 numbers cost no more than a national rate call to an 01 or 02 number and must count towards any inclusive minutes in the same way as 01 and 02 calls. These rules apply to calls from any type of line including mobile, BT, other fixed line or payphone
- Calls may be recorded or monitored
- Do not use a mobile phone whilst driving
- You can also contact us via **Typetalk**