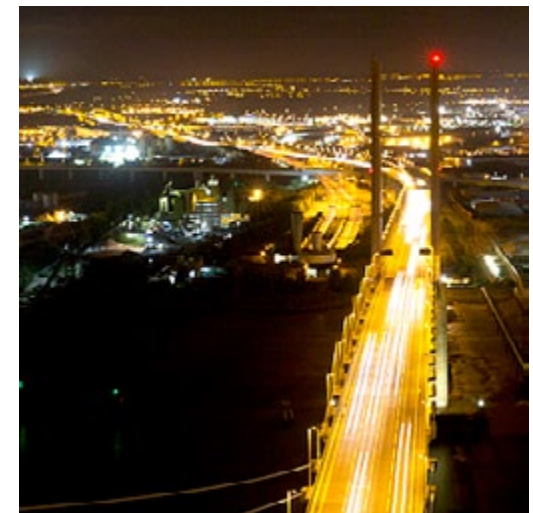




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# 1. Foreword

## Chairman's foreword

Since becoming chairman of the Highways Agency in 2011, I have taken great pride in seeing how the organisation has risen to the challenge of managing and improving the strategic road network during some of the most difficult economic and financial circumstances that any of us have experienced in our lifetimes. We have also kept the network open for business in some very extreme weather conditions.

We are delivering innovative and highly beneficial projects and services while saving significant sums of money to be re-invested elsewhere on the network. However, to make the step-change that the economy and our customers need, a transformation in investment and management of the network is now needed.

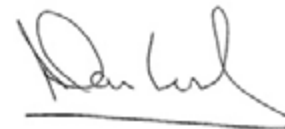
The proposed transition of the Highways Agency into a legally separate, government-owned company is central to these plans. The intention of this reform is to give certainty to our suppliers so that they can invest in this sector, and to set the right incentives for the network operator and its suppliers to deliver the Government's objectives.

The Government's proposals for structural and financial change are therefore good news for road users, for our suppliers and for our staff. There will be greater certainty in our workload and investment, and we expect that our suppliers will be able to concentrate on winning work and delivering efficiently at better prices – for us and for taxpayers.

There will also be clearer strategic direction set out later this year in a roads investment strategy covering the period to 2020-21, and supported by our own route strategies.

This will also provide the scope to consider how we can deliver this expanded programme while providing greater protection to the environment.

In anticipation of these changes I have now reshaped the Highways Agency's Board, with a strong team of non-executive directors to support and challenge the executive. Our focus will be on setting up the governance framework for the new business, and a strategic business plan that strikes a balance between being demanding and being deliverable. Later in the year, we will move into shadow operation – ready for a seamless switch in spring 2015.



**Alan Cook**  
Chairman



← Alan Cook  
Chairman  
of the  
Highways  
Agency

We are delivering innovative and highly beneficial projects and services while saving significant sums of money to be re-invested elsewhere on the network.

# 1. Foreword

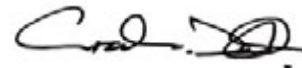
## Chief executive's foreword

Alan Cook has described the significant task ahead in preparing for incorporation of the Highways Agency into a government-owned company. Meanwhile, work on the step up in investment has commenced.

We are half way through delivering to our first performance specification, setting out the service we are to deliver and the investment we will make during the two years ending in March 2015. In the coming year we will increase investment in renewing old infrastructure by 50 per cent to £900m, and we will launch a new industry leading framework for design and construction of our motorway upgrade programme – potentially worth £5bn in construction turnover.

But the task in 2014-15 is not just about capital investment. We will mobilise three new maintenance contracts and tender two more, and we will improve our traffic management services to provide better information to road users, and attend and clear incidents more quickly. But above all, we will continue our work to make the network a safer place for our customers and for the people who work round the clock to operate, maintain and improve a vital national network.

None of this change will happen by itself. At the Highways Agency we are fortunate to have a lot of dedicated and capable people, on our staff and among our suppliers. For them, the coming year will see the start of a transformation – in what they are asked to do, the pace at which they are asked to operate, and in the empowerment they will have to do it.



**Graham Dalton**  
Chief executive



← **Graham Dalton**  
Chief Executive of the Highways Agency

At the Highways Agency we are fortunate to have a lot of dedicated and capable people, on our staff and among our suppliers.

## 2. Introduction

### The role of the Highways Agency

The Highways Agency is an executive agency of the Department for Transport. 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 valued at £109bn. 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, lighting and communications.

The strategic road network is a nationally strategic asset and is key to promoting the growth of the UK with approximately four million vehicles using the network each day. Despite representing less than three per cent of England's road network, it carries one-third of all traffic. Around 80 per cent of all goods travel by road, with two-thirds of large goods vehicle traffic transported on our network.

### Core activities

#### Operate

Through our Traffic Officer Service we work hard to deliver a reliable service to customers through effective traffic management and the provision of accurate and timely information. Our National Traffic Operations Centre and seven regional control centres provide information to on-road traffic and other service providers, while our on-road traffic officers respond to more than 20,000 incidents per month managing incidents efficiently to minimise delays.

#### Maintain

We carry out routine maintenance and renewal of roads, structures and technology to keep the strategic road network safe, serviceable and reliable. We ensure our contractors deliver a high level of service 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. Our **smart motorways programme** is increasing capacity and delivering substantial cost savings when compared with conventional road widening. Our **pinch point programme** is reducing congestion and improving safety at bottlenecks, and helping to support economic activity and facilitate sustainable growth.



The strategic road network is a nationally strategic asset and is key to promoting the growth of the UK

## 3. Business context

### Command paper

In July 2013, the Government published the command paper **Action for Roads: A network for the 21st century**, setting out proposals to radically change the way strategic roads are funded and managed. The Government plans to respond to the consultation in April 2014.

The key points of the proposals are to:

- transform the Highways Agency into a government-owned strategic highways company with greater commercial freedom to make decisions and drive efficiencies.
- put in place a new roads investment strategy to set performance standards and secure the benefits of the Government's transformational programme of roads investment.
- establish independent scrutiny of the new company and a 'watchdog' role to make sure the interests of road users are taken into account.

The Government plans to introduce a bill during the final term of this Government, with the aim of legislation being in place by early 2015. We have established a joint team with the Department for Transport to support the passage of this legislation, and we are also delivering a programme of transformation required to put the new company on the right footing to exploit the unprecedented opportunity that these proposals will provide.



## 4. Preparing for the future

### Transforming the Highways Agency into a public company

The Highways Agency has developed an approach for bringing together the activities that we have identified to help transform our organisation, its people and our supply chain to successfully take forward the step change in investment in the road network and the new status for the Agency.

Our transformation programme will enable us to plan and deliver the various stages of development of our capability and behaviours which will support the new company in meeting the Government's requirements.

In this coming year we plan to:

- develop our people and organisation to be capable and flexible to meet the increasing expectation of performance as a new public sector company.

- develop with our Department the new working arrangements for the future to support the new relationship between the new company and the Department.
- develop our first five year strategic business plan to respond to the Department for Transport's planned roads investment strategy.
- work with our supply chain on how, together, we will deliver the step change in investment described in the five year plan.

### Increase in investment

This Government has committed to sustained levels of investment in the country's infrastructure into the future, announcing in the 2013 spending round the biggest ever investment in the strategic road network by 2021.

In total, the Government has committed over £24bn for the strategic road network in this and the next Parliament, comprising:

- 52 new national road projects, subject to value for money and deliverability.
- tripling of annual investment on road enhancements from today's levels to over £3bn by 2021.
- investing more than £9bn in maintaining our national road network.
- around 650 miles of 'smart motorways' added, linking existing stretches to create a new 'smart motorway' corridor between the North West, Birmingham and London.

Smart motorways use a range of new technology to vary speed limits in response to driving conditions. These smart motorways make the hard shoulder available to traffic. This could be permanently or at particularly busy times of the day. They are managed by our regional control centres and use CCTV so that our traffic officers can be deployed to incidents and help to keep traffic moving.

We will ensure that this money is spent wisely and delivered as efficiently, fixing the uncertainty that has hampered investment in the past. That is why the Government has set in motion the changes needed to make the long-term plan for roads credible, with the same long-term legal guarantees as the rail sector. This will lock in efficiencies, ensure money goes where it is most needed and schemes are backed from design to completion, as well as giving industry confidence and certainty and putting roads on an even footing with our other national infrastructure.

Our recent record shows that we are up to the challenge of delivering this step change in investment. All ten major projects built under this Government have been completed within or ahead of their committed completion date. At least five further schemes are forecast to complete by the end of this financial year and the coming year will be critically important in preparing the ground for delivery of the expanded portfolio of projects.

## People

The Highways Agency places great importance on its people and never more so as we move towards a government-owned company to best deliver the investment in the strategic roads network.

We intend to build on our work that, in a year of significant change, has seen a reaccreditation of our Investment in People assessment and a small increase in our People Survey engagement score. But as we now get greater certainty on our future direction, there is more to do.

Detailed planning and work is under way to address the people aspects of our transition to a new company to ensure a seamless move to the new organisation in a way that:

- improves and maintains our people management services, including those that need to be sought outside the Civil Service.
- ensures the appropriate and effective transfer of our staff to the new organisation.

Transformation of the Highways Agency into a higher performing organisation, including interventions in the areas of leadership, capacity, capability and culture to value the diversity of our people and their work.

We are using the 'future engage deliver' leadership model to support the move to a high performing organisation. This involves workshops covering each of the separate elements. This is currently being delivered to our leadership team with a programme for delivery across the whole organisation.

In order to support managers, we will pilot a programme accredited through the Chartered Management Institute at a level 3 award. This programme will be available to all line managers during 2014-15.

We currently have 31 generalist apprentices across the business. We will develop plans to extend the apprenticeship scheme to include technical apprentices. This will result in the Highways Agency being able to 'grow our own' as well as bring in younger people into the business.

An Institute of Leadership and Management accredited coaching programme is under way. This has the objective of supporting development and the transfer of learning in areas of commercial and programme project delivery, as well as general performance management. Our graduates and apprentices will be able to take advantage of the scheme. We anticipate a further 40 coaches to be trained in the next six months, at which time we will relaunch our coaching programme and build a Highways Agency coaching community.





## 5. Delivering our services

### Our delivery partners

The Highways Agency is highly outsourced – more than 90 per cent of our expenditure is spent through supply chain contracts. Our commercial and procurement directorate works closely with internal business areas and our suppliers to obtain services, materials and construction works that the Highways Agency and its customers need.

The Government has indicated a significant upward step change in investment and workload. This sets a very substantial challenge for the Highways Agency and our supply chain partners. We need to ensure that our supply chain invests in increasing capacity and capability – tapping the widest talent pool to meet our needs, then using the creative tensions and innovation resulting from that diversity to find more effective and efficient ways to satisfy increased Government expectations. Since 2013 we have been using webinars and individual workshops with supplier leadership teams to spread this message.

Through incentivised and commercial contractual arrangements, we will create opportunities for a wide range of suppliers, including smaller ones. By more closely aligning our objectives and activities, we will work collaboratively to improve programme and project planning, develop frameworks (including cross-government arrangements where appropriate), extend category management arrangements (which specialise in specific services) and embed lean improvements through the supply chain.

Our collaborative delivery framework is a four year flexible arrangement (with the option to extend it). It is structured to build market capability and support the delivery of the capital investment programme announced in the June 2013 spending round. It enables supplier growth and has commercial incentives to drive continuous improvement and collaboration between suppliers. A Supply Chain Strategy document, currently in preparation, will be published by summer 2014 giving more details.



The Highways Agency is highly outsourced – more than 90 per cent of our expenditure is through supply chain contracts.

## 6. Performance specification

The Department for Transport's performance specification 2013-15, sets out the high-level outcomes that the Government wants to secure for the strategic road network. The specification details five outcomes which require us to provide a strategic road network that:

- supports and facilitates economic growth
- is maintained to a safe and serviceable condition
- is operated efficiently and effectively
- minimises its negative impacts on users, local communities and the environment
- balances the needs of individuals and businesses who rely on it.

This business plan sets out how we will achieve those outcomes by delivering 12 outputs and the requirements listed in **annex 1**.

### **A strategic road network that supports and facilitates economic growth**

- Output 1 – capacity and connectivity
- Output 2 – engaging with the planning system

### **A strategic road network that is maintained to a safe and serviceable condition**

- Output 3 – asset management

### **An efficiently and effectively operated strategic road network**

- Output 4 – network availability
- Output 5 – journey time reliability
- Output 6 – safety
- Output 7 – incident management
- Output 8 – information provision
- Output 9 – efficiency
- Output 10 – resilience

### **A strategic road network that minimises its negative impacts on users, local communities and the environment**

- Output 11 – environment

### **A strategic road network that balances the needs of individuals and businesses that use and rely on it**

- Output 12 – customer satisfaction

# 7. A strategic road network that supports and facilitates economic growth

## Output 1 – capacity and connectivity

Identify the constraints to economic growth that the performance of the strategic road network can help to alleviate and define future delivery and investment plans which address them.

The capacity of the strategic road network should be managed and enhanced in the light of the predicted growth in demand.

### Route based strategies

Last year, we started a programme of route based strategies across the strategic road network. Over time, they will be used to identify operational, maintenance and enhancement priorities across the road network and inform the selection of projects and longer term ambitions and will in turn feed into the roads investment strategy.

This year we will take the evidence about the current performance and condition of the network, and what the future might bring and seek to understand potential solutions as we develop a strategy for each of the 18 routes to 2021 and beyond.

### Major schemes programme

Since the spending review in October 2010, the Government has committed investment of £3.3bn up to financial year starting April 2015 in improving and adding capacity to the strategic road network and developing future schemes. The programme of schemes planned to start work by the end of 2014/15 will, when complete, add around 500 miles of additional lane capacity gained through smart motorway technology. This will help to reduce congestion and improve journey time reliability.

In addition to increasing capacity on key sections of our motorway network, a number of strategically important trunk road schemes are included in this investment, helping to support economic growth. These include upgrading the A11 to dual two-lane all-purpose standard from the M11 to Norwich, delivering benefits for the Norfolk and regional economies.

The only unimproved section of the A23, between the end of the M23 south of Crawley and the A27 at Brighton, will also be widened to three lanes. This key strategic route serves Gatwick Airport to and from the south, and the improvement will support the development of major new housing allocations in mid Sussex, Crawley and Horsham.



## Pinch point programme

The pinch point programme will invest £317m in small schemes on the strategic road network. Its 120 schemes have been developed and designed in consultation with local stakeholders to deliver projects that will improve congestion and safety and facilitate economic growth. Pinch point scheme constructions began in 2013 and the majority of build will occur during 2014, with schemes completing by March 2015. The schemes also include a traffic technology programme that will improve driver information to the travelling public and the logistics industry.

## Output 2 – engaging with the planning system

Engage with the planning system and development industry in a transparent and efficient way to deliver sustainable development and economic growth.

In the national planning system the Highways Agency acts as a partner in the delivery of sustainable economic development and growth. It is a named consultee in the plan-making process and a statutory consultee on planning applications that may impact on the strategic road network. It is also a statutory consultee on development consent applications for nationally significant infrastructure projects.

By engaging with consultees at an early stage in the plan-making process, typically as part of pre-planning application discussions, we can influence the pattern of sustainable development. We work with developers, planning authorities



and local enterprise partnerships to identify the infrastructure necessary to support sustainable development. This in turn facilitates the delivery of individual planning proposals that are consistent with the local plan.

To drive this performance we will produce a monthly national planning report which summarises anticipated benefits for jobs and houses and our successes in meeting statutory response times, and explores the underlying causes of directions of non-approval and holding directions. We will continue to improve our response times to planning applications.

To measure engagement our developers survey identifies areas where we can improve our approach, behaviour and process as well as areas where we excel, to drive best practice across all regional teams who deal with planning applications. The initial survey, launched in November 2012, showed that many developers are "very satisfied" with our performance. A shorter, snappier version of our developers survey was launched in October 2013 leading to an improved response rate. We've also launched a "Planners Survey" ensuring that we continue to offer our stakeholder partners the highest level of service.

## 8. A strategic road network that is maintained to a safe and serviceable condition

### Output 3 – asset management

Optimise maintenance and renewal investment decisions, to deliver an effective, safe and sustainable asset at the lowest unit cost.

Staff capability and good quality asset information are the two key building blocks to a successful asset management organisation. The Highways Agency recognises the importance of these elements and in 2014-15 we will embed our pavement decision support tool across the business.

This pavement decision tool will support our maintenance programme by providing us with an ability to model the immediate and longer term needs of the strategic road network. We will continue to deploy innovative asset data collection techniques to enhance the quality and coverage of asset information (such as by using vehicle mounted laser scanning – LIDAR).

We will also roll out a programme of asset management training to provide our staff with the appropriate knowledge and understanding of formal asset management principles making better use of our improved asset information.

We will continue to report on the overall road network condition. We obtain data about road surface conditions through annual road surveys and we hold the measurements in our pavement management system.



# 9. An efficiently and effectively operated strategic road network

## Output 4 – network availability

Manage activities to balance network availability and cost.

Network availability is an important measure of how planned closures and incidents are affecting road users, and demonstrating how we are maximising our contribution to the UK economy. We will report on the percentage of our road lanes that are not available because of roadworks, or incidents recorded by our regional control centres. Where the strategic road network is unavailable due to incidents, these will be separately identified. We will continue to undertake roadworks at the optimum time, so as to minimise the effect on the road user and neighbouring communities, and ensure that our network is available to support economic activity.

## Output 5 – journey time reliability

Ensure that journey times on the strategic road network are reliable.

We will report national reliability performance using the existing on time reliability measure and produce further breakdowns of this by type of road. Where reliability data is available for upgraded road sections we will report on how this has affected journey time reliability. We will carry out a study to see how investment affects reliability and how this can best be measured.

Major projects represent the majority of our investment and many of these schemes are predicted to have a beneficial impact on reliability. Therefore we will identify locations where major schemes have been constructed and examine the ‘on time’ data to establish whether the impact of the investment can be identified. If this can be undertaken successfully, we will review the value of extending the work to other types of intervention.

We already use other measures of reliability in our appraisal and evaluation of major projects. Therefore we will continue to review how those measures could be used to reflect how, and to what extent, our investments and interventions affect the reliability of the strategic road network.



## Output 6 – safety

Ensure the safe operation of the network.

The Highways Agency’s safety framework and performance specification sets out our commitment to road safety, and supports the national strategy. The strategic road network continues to perform well on road user safety and is on course to meet the 40 per cent reduction target for killed and seriously injured on our network by 2020.

Understanding what causes incidents has always been a priority for operating a safe network, and this year we will investigate new and innovative ways to reduce the number of avoidable incidents to continue the downward trend for the number of people who are killed and injured on our roads.

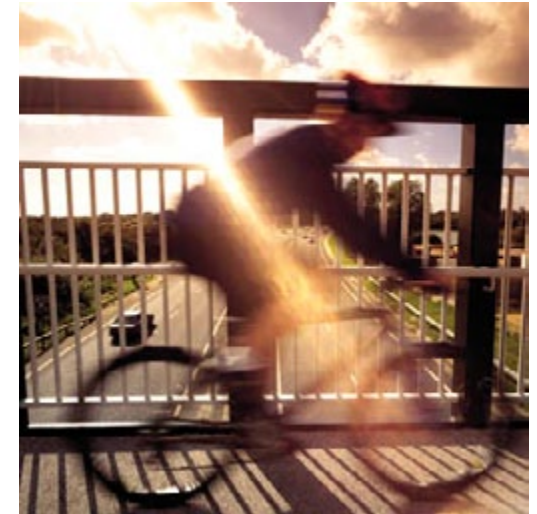
We are committed to make further engineering improvements, as well as provide support for enforcement and compliance.

Working closely with safety partners we will use incident data to prioritise the interventions that have greatest impact for the benefit of road users. To influence and encourage improved road user behaviour, we will target road safety messages through a range of new information initiatives that will embrace social media and new technologies.

As part of the Highways Agency’s aiming for zero health and safety strategy, a number of projects are reducing the risk to road workers during traffic management procedures. These consist of conducting on-road trials of revised signage layouts at the approach to road works which builds on work conducted in previous years that has already led to a substantial reduction in live carriageway crossings by road workers.



We are designing a training package that can be used to allow us to better consider cycling in our scheme designs. In conjunction with this we are also reviewing the relevant parts of the Design Manual for Roads and Bridges to make sure that we are delivering provision for cyclists in and around our schemes as best we can. And we are also developing a programme of cycling infrastructure schemes which are aimed at delivering a real, positive difference to the provision for cyclists in and around our network.



In order to reduce the potential for our network to segregate local communities we are looking at how we can make sure that people who walk, cycle or use horses on, or across, our network can do so in the easiest way possible.

## Output 7 – incident management

Reduce the impacts of incidents on road users.

We are developing and delivering a number of key interventions under the Collision Lead Evaluate Act and Reopen (CLEAR) initiative, which will contribute to reducing the overall mean duration of incidents on motorways against 2012-13 figures.

### Projects being developed include:

- clearing overturned vehicles
- CCTV in traffic officer vehicles
- regional support vans with additional equipment
- a solution to carry pedestrians with fuel in traffic officer vehicles

- joint working with the Driver and Vehicle Standards Agency – this financial year, South West traffic officers will pilot a project to clear overturned vehicles and construct observation platforms that provide protection for staff and vehicles at agreed locations.

We are also investigating options to improve the operational level of service to customers on the M25 through workshops with incident responders and key stakeholders. These will discuss issues and consider opportunities to improve the way incidents and traffic is managed in a more customer-focused way. If successful, the initiative could be rolled out to other motorways.



## Output 8 – information provision

Provide accurate, useful and timely information to road users.

Information is one of the most powerful tools the Highways Agency uses to support road users and to keep traffic moving on our network. It helps us to warn our customers before they experience delays, and advise those who are experiencing delays. It also helps to guide customers when we need to close parts of the network. Good information relies on accurate data being presented on communication platforms that can be

accessed safely. As the network and its technology evolve, so do expectations of our information services.

Our information plan 2014/2015 will document the actions we will take to ensure that our services meet those expectations. Through this, we will listen to what customers want and look to incorporate new channels into our output channels, ensuring that information is presented in the way that they prefer, and will take notice of.



## Output 9 – efficiency

Manage business in an efficient and effective way and ensure investment offers strong value for money.

For major schemes, we are adopting a programme approach to delivery, working closely with our main contractors and the supply chain to deliver efficiencies on all our schemes and ensure they deliver good value for money. We have a target to deliver 20 per cent efficiency savings, equivalent to £644m, across 20 schemes announced in the 2010 Spending review and the 2011 Autumn Statement. With our suppliers we have already contracted £676m of savings with further savings forecast on the schemes which have not yet started.

Four of the announced schemes are being progressed as a pilot project to see how delivery of our schemes can be accelerated. This involves looking both at how schemes are constructed to reduce construction time, and also at the approach to development pre-construction. On one of the schemes announced – A160/A180 Immingham dualling – we are aiming to cut 18 months off the original construction timetable.

All major schemes are covered by our post opening project evaluation process (POPE ). This demonstrates to stakeholders whether the forecast benefits of our investment have been realised and whether other impacts are in line with expectations. This gives accountability for taxpayers money, indicates the level of confidence in our appraisal system and fulfils HM Treasury's green book requirements relating to evaluating major investment.

### The following efficiency savings across key business areas should also be delivered by 2015:

20 per cent savings across the programme of 20 major schemes funded since the spending review 2010.

20 per cent savings in the network operator's traffic management budget due to the roll out of the future operating model for the Traffic Officer Service by the end of 2013-14.

Reduction of annual maintenance spending from an average of £900m to £700m by the end of 2014-15.

The strategic road network performance specification 2013-15 outlined the requirements that the Highways Agency was challenged to achieve by March 2015 in alignment with the conclusion of the current four-year spending review period.

Driving down costs is a priority for the business and the four-year spending review settlement announced in 2010 assumed reductions in budgets in three key business areas; major schemes maintenance and traffic management by March 2015. The Highways Agency has planned its business so that it can deliver its programme and meet its 2014-15 budgets.

## Output 10 – resilience

Deliver a resilient network which is managed effectively during severe weather incidents.

Severe weather, such as snow or flooding has the potential to cause significant disruption to the network and its role in supporting the UK economy.

Our weather information service is improving our ability to predict the occurrence of such events allowing us to plan appropriate responses. Our well established crisis management process will continue to ensure effective planning in advance of, and in response to all types of severe weather. Our continuous improvement cycle builds on lessons learned and will further enhance our capability in dealing with these and other events that can impact on the resilience of the strategic road network.

We will build on our successful severe weather communication campaigns, encouraging road users to better prepare for journeys in adverse weather conditions, as well as providing improved information and advice. Looking to the future, we will continue to assess the risks that climatic changes pose to our role as network operator, and adapt our service as appropriate.



# 10. A strategic road network that minimises its negative impacts on users, local communities and the environment

## Output 11 – environment

Reduce the negative environmental impacts.

### Climate change

Climate change is a priority risk and central to the Highways Agency's organisational planning. We will tackle climate change threats with agreed adaptation choices (responses/actions) which aim to maintain long-term resilience of our highway infrastructure. We will monitor the progress and delivery of our adaptation choices and contribute to Defra's next risk assessment reporting.

On climate change mitigation, we will remain on target to deliver our contribution to the greening government commitments particularly on carbon emission reduction. We endorse the Government's infrastructure carbon review and are committed to reducing carbon emissions and costs.

### Noise

The Highways Agency has worked closely with Defra to investigate the important areas identified in noise action plans that will enable us to meet the requirements of the Environmental Noise Regulations 2006.

In total 2,408 important areas and first priority locations were identified across the strategic road network and investigations and consultations with noise receiving authorities, were completed by the end of 2013.

Round two of the noise action plans will be released by Defra in early 2014. We will continue to work with Defra to investigate and identify appropriate noise mitigation measures within newly identified important areas that are adjacent to our network. This will ensure our road network's noise impacts on our neighbours are managed in the most sustainable way.

We will continue to measure noise levels around road improvement schemes, to ensure we report validated forecast noise levels resulting from schemes as part of their environmental assessments.

### Air quality

Domestic and European legislation sets levels on ambient air quality designed to protect people from air pollution and reduce ill health effects.

When undertaking air quality assessments, we will continue to support our schemes by reviewing their impacts, considering legislative levels, and where necessary developing appropriate mitigation solutions to minimise our impacts. We will also continue to undertake air pollution monitoring across key sections of our network.

We will continue to review and research ways in which we can help reduce air pollution impacts on neighbouring properties. One of the options we are currently investigating is whether air quality barriers could help to reduce pollution levels at properties close to our roads.



# 10. A strategic road network that balances the needs of individuals and businesses that use and rely on it

## Output 12 – customer satisfaction

Use customer satisfaction and insight information to improve services.

Using our surveys, respondents are asked to rate their satisfaction in relation to their last journey, based on five indicators of performance, journey time, the management of roadworks, signage and information, network condition and how safe or unsafe they felt.

Relevant data will continue to be collected from our delivery teams to demonstrate how customer feedback from all channels is being used to inform business need and decisions. These outputs will be reported monthly to our board and senior management teams, enabling discussion of the satisfaction results and trends, the sharing of best practices, and action planning to improve our network operations.

We are currently reviewing our feedback channels to ensure we accurately understand who our customers are and what relationship we have with them. The results will be analysed to assess our customer management capability and benchmark us against other organisations. This will inform future recommendations on our customer approach as we move towards becoming a government-owned company.



# Annex 1 – Performance specification 2013 -15 requirements

Outcome	Output	Requirement
A strategic road network which supports and facilitates economic growth	1: Capacity and Connectivity	The network operator should deliver the agreed programme of route based strategies across the SRN by March 2015. Stage 1.
		The network operator should deliver the agreed programme of route based strategies across the SRN by March 2015. Stage 2.
		The major schemes programme should continue to be developed and delivered in this two year specification period. The list of projects is detailed in Annex B*.
		The network operator should deliver the agreed programme of pipeline work for future major schemes.
		The network operator should deliver the agreed pinch point schemes by March 2015. Annex C* sets out the projects to be delivered and the start of works dates to be achieved.
	2: Development Control	The network operator should continue to build on progress made to date to improve the transparency of its performance, both in terms of the quality of engagement with the development community and the speed at which processes concerning planning applications are completed. To continue to drive improvement and provide transparency, 99% of formal planning applications should be responded to within 21 days.
		The average time taken to respond to planning applications.
		The percentage of applications which have a holding direction placed on them by the network operator and a breakdown of the main reasons for doing so.
		The average time taken to remove holding directions.
		The percentage of applications which have indefinite non-approvals imposed on them by the network operator and the reasons for doing so.
		Quantification of the expected housing and job benefits (as reported by developers) facilitated through final responses provided by the network operator on planning applications.
		The network operator should also gather and report on the levels of satisfaction in the network operator's handling of applications, with a view to determining whether a target for customer satisfaction levels should be set from 2015-16. Satisfaction levels should be reported under two categories: where holding directions have been placed on applications, and all other applications.

\* annex and paragraph references are from the Department for Transport's performance specification 2013 -15

Outcome	Output	Requirement
A strategic road network which is maintained to a safe and serviceable condition	3: Asset Management	The network operator should enhance its asset management capability and skills to become a high performing asset management organisation. The network operator should be able to forecast the levels of future investment needed in maintenance and renewals to maintain the network to a safe and serviceable condition, and model how the condition of the SRN will change with levels of investment in maintenance and renewals.
		The network operator should develop some decision support tools that model maintenance investment levels, asset priorities and resultant condition levels. The network operator must produce a plan during this specification period detailing how these tools will be developed, and how they will be embedded from 2015-16 onwards.
		Whilst this development work is taking place, the network operator should continue to monitor and report on the current pavement condition indicator.
		Whilst this development work is taking place, the network operator should continue to monitor and report on the cost of maintaining the SRN per lane mile measure.
An efficiently and effectively operated strategic road network	4: Network Availability	The network operator should monitor and report on network availability, reported as the percentage of lane kilometres available on the SRN, to provide a direct indication of how well both planned and unplanned activities are managed to reduce negative impacts on road users.
	5: Journey Time Reliability	It is acknowledged that this performance requirement has been set after the current funding settlement was agreed in October 2010. For the year ending March 2015, the network operator should aim to maintain the annual national reliability level, as measured by the on time reliability measure, to that reported for the year ending March 2013. The figures used to assess performance will be those reported once re-baselining has taken place.
		Greater focus should be placed on decreasing the variability of performance on similar road types. The network operator should segregate the SRN into the following link types by the end of year one of the specification period: <ul style="list-style-type: none"> <li>• Managed motorway links</li> <li>• Uncongested rural motorways links</li> <li>• Congested rural motorway links</li> <li>• Urban motorway links</li> <li>• All purpose trunk road links.</li> </ul>
		Journey time reliability should be measured and reported on the link types set out in paragraph 4.5* in year two of the specification period with a view to setting a target for performance from 2015-16. Particular reference to the change in reliability should be made where links have been upgraded within the performance specification period.
		The network operator should complete a piece of work by the end of March 2015 which: Builds understanding of how the investment, and therefore activities, it undertakes affect the on time reliability performance of the network.
The network operator should complete a piece of work by the end of March 2015 which: Investigates whether there are other measures of reliability, aside from the on time measure currently used, which could help reflect how, and to what extent, the network operator's investments and interventions affect the reliability of the SRN.		

\* annex and paragraph references are from the Department for Transport's performance specification 2013 -15

Outcome	Output	Requirement
An efficiently and effectively operated strategic road network	6: Safety	The network operator should monitor the annual road fatalities on the SRN.
		The Network Operator should work with others to introduce and/or continue with measures which reduce the numbers killed or seriously injured using and working on the SRN.
		The Strategic Framework for Road Safety 2011 includes forecasts for the reduction in those killed or seriously injured on Great Britain's roads. The document states that by 2020 a 40% reduction against the 2005-2009 average in those killed or seriously injured on the roads can be expected. The network operator should work towards this aspirational goal, and by the end of this specification period they should demonstrate their trajectory year on year.
		The network operator should aim to reduce the numbers of road workers killed or seriously injured whilst undertaking activities on the network operator's behalf, seeking a reduction in the accident frequency rate from the 2012-13 figure.
	7: Incident Management	The network operator is expected to reduce the overall mean duration of incidents on motorways against 2012-13 figures. The network operator should therefore report on and target reductions in the mean incident durations nationally for the following incident types on motorways: • Breakdowns in live lanes • Debris • Road traffic collisions damage only • Road traffic collisions minor injury • Road traffic collisions killed and seriously injured.
		The network operator should also report on the regional variations of incident duration times, segregated by the categories described in paragraph 4.13*.
	8: Information Provision	The network operator should devise an information plan, by March 2014, which identifies how more accurate, timely and useful information will be provided to users both before they set off and during their journeys. The information plan will develop the concept of using data to drive knowledge, the provision of information and action in a continuous process to improve the operation of the SRN.
	9: Efficiency	The major roads programme outlined in Annex B* should be delivered on time and to budget. The network operator should achieve cost performance and schedule performance indexes of at least one for the major schemes programme.
		The network operator should also report the percentage of appraised major project spend which is assessed as good or very good value for money as this is currently a Department for Transport Business Plan indicator.
		The network operator should demonstrate the benefits realised through major schemes delivered during the specification period as part of the post opening project evaluation process (POPE).
		The network operator should also review how it is learning from the findings of the POPEs and disseminating this information.
		20% savings across the programme of 20 major schemes funded since the spending review 2010.
		20% savings in the network operator's traffic management budget due to the roll out of the future operating model for the Traffic Officer Service by the end of 2013-14.
Reduction of annual maintenance spending from an average of £900m to £700m by the end of 2014-15.		
Pilot accelerated delivery of four major schemes • M3 Junctions 2-4a • M6 Junctions 10a-13 • M1 Junctions 28-31 • A160/A180 Immingham dualling.		

\* annex and paragraph references are from the Department for Transport's performance specification 2013 -15

Outcome	Output	Requirement
An efficiently and effectively operated strategic road network	10: Resilience	The network operator should endeavour to ensure that the SRN remains safe and available to road users throughout the year and that the necessary precautions and preparations are undertaken to ensure this is the case. Severe weather plans should continue to be developed and adhered to when a severe weather event occurs.
A strategic road network which minimises its negative impacts on users, local communities and the environment	11: Environment	<p>The network operator should continue to assess the risks that climatic changes pose to its role as network operator and develop appropriate responses to reduce these risks as set out in the Highways Agency's Climate Change Risk Assessment 2011 document.</p> <p>The network operator should deliver its contribution to the Greening Government commitment by achieving a 22% reduction in its carbon emissions by 2015 against the 2009-10 baseline.</p> <p>The network operator should also work with its supply chain to minimise supplier carbon emissions when undertaking activities on the network operator's behalf.</p> <p>The network operator should continue to investigate 'Important Areas', identified by Defra, that are impacted by noise, and treat 'Important Areas with First Priority Locations' as a priority. The network operator should also maintain the practice of taking noise measurements where necessary in the locations of road improvement schemes.</p> <p>The network operator should work with partners to achieve its commitments on air quality, and fulfil its role as statutory consultee to the local air quality management process.</p>
A strategic road network which balances the needs of individuals and business that use and rely on it	12: Customer Satisfaction	<p>The network operator should maintain the overall national customer satisfaction level to that reported for the year ending March 2013, as currently reported through the national road users' satisfaction survey.</p> <p>The network operator should also demonstrate a clear link between its business decisions and customer feedback, and disaggregate the national customer satisfaction level to identify the areas of performance which should be targeted for improvement.</p> <p>The network operator should conduct a review of the customer feedback channels currently available to improve the network operator's understanding of customer perception in relation to the outputs contained in this performance specification. The network operator should suggest any amendments to customer feedback channels that are needed to accurately judge the effects of the performance specification on customer satisfaction. This review should be initiated at the end of year one and be completed by the end of this specification period.</p>



## Annex 2 – Major schemes

Schemes under construction and planned completion dates	
A23 Handcross to Warninglid widening	2014/15
M6 Junctions 5 to 8 smart motorway	2014/15
A11 Fiveways to Thetford improvement	2014/15
M25 Junctions 23 to 27 smart motorway	2014/15
M25 Junctions 5 to 7 smart motorway	2014/15
A453 Widening (M1 Junction 24 to A52 Nottingham)	2015/16
A14 Junctions 7 to 9 Kettering bypass improvement	2015/16
M1 Junctions 39 to 42 smart motorway	2015/16
A45/A46 Tollbar End improvement	2016/17
M1 Junction 19/M6 improvement	2016/17
M6 Junctions 10a -13 smart motorway	2015
M1 Junctions 32 to 35a smart motorway*	2016
M1 Junctions 28 to 31 smart motorway*	2015
A1 Leeming to Barton improvement	2017/18

\* Preliminary/asset renewals work under construction

Schemes starting in 2014/15 by Quarter	
M3 Junctions 2 to 4a smart motorway	Q2 2014/15
A1 Lobley Hill improvement	Q2 2014/15
Manchester smart motorways (M62 J18 - 20, M60 J15 - 12, M60 J8 -12)	Q2 2014/15
A556 Knutsford to Bowdon improvement	Q3 2014/15
A5 to M1 Link (Dunstable Northern bypass)**	Q4 2014/15
M25 Junction 30/A13 corridor improvement	Q4 2014/15

\*\* Subject to agreement on developer contributions

Start of Works dates shown above are subject to completion of statutory processes

# Annex 3 – Budgets

£ million	Financial year (April to March)		
	2014/15 Opening budget		
	DEL	AME	Total
Programme Resource			
Roads PFI Service Payments	421		421
Network Management (incl. programme staff)	84		84
Traffic Officer Service (incl. programme staff)	80		80
Technology PFI Service Payments	56		56
Technology Projects	7		7
Maintenance	277		277
Smaller Schemes R&D and IT	50		50
Other (other income/utilisation of provisions)	(15)	(3)	(18)
<b>Total Programme excl. depreciation</b>	<b>960</b>	<b>(3)</b>	<b>957</b>
Depreciation/impairment	864		864
Asset Writedowns and Provisions (other non cash)		926	926
<b>Total Programme incl. depreciation (&amp; other non cash)</b>	<b>1,824</b>	<b>923</b>	<b>2,747</b>
<b>Administration excl. depreciation</b>	<b>58</b>	<b>2</b>	<b>59</b>
Admin Depreciation	2		2
<b>Total Administration incl. depreciation</b>	<b>60</b>	<b>2</b>	<b>61</b>
<b>TOTAL Resource excl. depreciation</b>	<b>1,017</b>	<b>(1)</b>	<b>1,016</b>
Depreciation & Asset Writedowns & Provisions	866	926	1,792
<b>TOTAL Resource incl. depreciation (&amp; other non cash)</b>	<b>1,883</b>	<b>925</b>	<b>2,808</b>

## Glossary

**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.

£ million	Financial year (April to March)		
	2014/15 Opening budget		
	DEL	AME	Total
Capital			
Major Schemes	516	31	547
Network Management	7		7
Traffic Officer Service	2		2
Technology Improvements	60		60
Maintenance	533		533
Smaller Schemes	74		74
Capitalised Staff and Office Estates costs	37		37
Capitalised Provisions (Other incl. provision utilisation)	52	(31)	21
<b>Total Capital (excl. Autumn Statement Announcements)</b>	<b>1,280</b>	<b>0</b>	<b>1,280</b>
Autumn Statement Investment Nov 2011	369	-	369
Autumn Statement Investment Dec 2012	283	-	283
<b>Total Capital (incl. Autumn Statements investment)</b>	<b>1,933</b>	<b>0</b>	<b>1,933</b>
<b>TOTAL Budget excl. depreciation</b>	<b>2,951</b>	<b>(1)</b>	<b>2,950</b>
<b>TOTAL Budget incl. depreciation (&amp; other non cash)</b>	<b>3,817</b>	<b>925</b>	<b>4,741</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 and November 2012 Autumn Statements is shown separately. Autumn Statement November 2011: included the six new major scheme starts, acceleration of two SR10 major schemes and smaller projects to ease congestion and improve pinch points on our network. Autumn Statement 2012: included three major road schemes and the naming of four major road schemes to pilot accelerated delivery; £117m for maintenance work; and further funding for pinch point schemes aimed at easing congestion on the network.

# Contact us

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