Department for Transport

Mid-year report to Parliament

April to September 2014

Philip Rutnam, Permanent Secretary

Contents

Executive Summary

A secure and reliable transport network is the backbone of a healthy and prosperous UK. It keeps the economy running by allowing goods and people to travel where they are needed. Transport is an essential part of most people's daily lives, ensuring that children get to schools, goods get to shops and hard-working people can go about their daily lives.

This government was the first to introduce an annual National Infrastructure Plan, laying out an ambitious strategy to equip the UK with a world-class infrastructure and a transport system for the future. The Spending Round 2013 committed to invest £18.4 billion in the UK's transport network between 2014 and 2016. Over the last six months the Department has continued to make significant upgrades – improving UK railways, upgrading local roads and helping the UK transport network to become more resilient and sustainable.

HS2

A crucial aspect of a world-class transport system is a railway network for the future. During the last six months we have made important progress in our work to extend the UK's high speed rail network. The HS2 Phase One hybrid Bill received its second reading in Parliament on April 28 and has now moved into the committee stage. The implementation of Phase One was also supported by the announcement of property compensation packages for HS2 in April and July 2014.These packages are part of the response to the 2013 HS2 property compensation consultation and ensure that HS2 delivers growth to the British economy at large without disadvantaging people along the future route. Making sure that HS2 benefits all parts of the country was also at the heart of the Government's response to Sir David Higgins' report on the implications of HS2 for northern connectivity.

Rail

The Department is committed to improving existing railway connections. Between April and September 2014 new or revised franchise agreements were concluded for Greater Anglia, Thameslink, Southern and Great Northern, the West Coast Main Line, Essex Thameside and the Integrated Kent franchise. The new franchises will bring substantial improvements to passengers – the new West Coast Main Line deal is set to deliver significant passenger benefits. Passengers across the country will also benefit from the purchasing of new rolling stock. In April, the government confirmed a £2.7 billion deal to build new state-of-the-art trains which will reduce journey times between Edinburgh and London as well as create hundreds of jobs in the North East under the InterCity Express programme.

This Government is committed to delivering excellent services at affordable prices. Therefore an extension of the rail fare freeze to 2015 was announced on September 7. This will ensure that no regulated rail fares will rise by more than inflation, making the UK rail system both effective and fair.

Roads

The Department delivered this Government's commitment to pass a heavy goods vehicles (HGV) user levy bill this April, nearly one year ahead of schedule. The bill levels the playing field for heavy goods traffic as it applies to both UK and foreign HGVs. As such, it rectified an unfairness in the old system under which only UK HGVs paid for the use of UK roads. By August 2014 the requirement for foreign HGVs to pay the levy had raised an additional £17 million.

While the HGV user levy bill was delivered ahead of schedule, the Department has faced challenges in its work to develop proposals for a Lower Thames Crossing as the public consultation made clear that detailed planning would have to be undertaken for two, rather than one, possible location options. This is not expected to cause a delay to the final delivery of the project, however, the consultation response has required significant efforts in re-planning the project.

Over the last six months the Department has introduced a raft of funding and innovation proposals to make road travel safer and more efficient. £183.5m was allocated to local authorities in England to help repair local highways and other transport infrastructure damaged by the wet winter. The Department also announced a £168 million pothole repair fund, and the Local Pinch Point Fund has been carried forward, boosting local economies by providing better and less congested connections. Reducing congestion costs, currently estimated to total at over £2 billion per year, is also the aim of the expansion of the smart motorway programme. In July 2014, three new major motorway schemes on the M1 and M3 joined the programme which converts the hard shoulder of the motorway to a running lane, boosting capacity and smoothing traffic flows without compromising safety.

Aviation and Maritime

The UK is an international aviation hub with direct air links to more than 360 international destinations. This Government has established an independent Airports Commission to assess how the UK can maintain its current position as this is critical for the national economy. While the Commission's final report will be submitted in summer 2015, an interim report was published in December 2013. The Department has continued to respond to the recommendations made in the interim report. Measures include committing £50 million towards a full redevelopment of the railway station at Gatwick Airport as well as a new franchise that includes railway services to the airport.

In parallel to work undertaken to maintain the UK's position in international aviation, the Department has made progress on improving the infrastructure of domestic flights, as indicated by the opening of the London Southend Airport terminal extension and the award of government funding for a Dundee-London Stansted air link in April.

In addition to good air links, maritime connections are crucial for a strong British economy. Continuing private sector investment in our ports has seen new and enhanced facilities opening around the UK capable of taking larger vessels and maintaining direct links with key import and export destinations. The importance of maritime security for the maintenance of these connections is emphasised in the first National Strategy for Maritime Security, launched on May 13 in cooperation with other Government Departments. The new Coastguard National Maritime Operations Centre opened near Fareham (Hampshire) in September as part of a major programme to provide HM Coastguard with the tools and skills it needs to work effectively in the 21st century. This Government has also initiated a major new study looking at how further to grow the UK's important maritime sector and maintain our place as the world's leading maritime centre.

Other transport improvements: sustainability and accessibility

The Department continues its efforts to build a transport network which increases economic growth while reducing its carbon footprint. This move towards a low-carbon transport system is supported by a range of initiatives. The Local Sustainable Transport Fund was topped up with a further £2 million in April, enabling the go-ahead of schemes encouraging cycling in Tyne and Wear and increasing the access to prospective employment for jobseekers in West Yorkshire through sustainable means. Local efforts to reduce CO_2 emissions were further strengthened with a June announcement that £5 million of the Clean Vehicle Technology Fund would be made available to local authorities. By September, 17 local authorities had secured grants for a wide variety of cutting-edge, pollution-reducing technologies.

On a national level, the Government's Ultra Low Emission Vehicle (ULEV) initiative has spearheaded the drive towards a more sustainable transport system. In April, the Deputy Prime Minister announced a £500 million investment to boost confidence in electric cars. This was followed by a £13.5 million grant in February to subsidise the installation of charging technology in homes across the country. While the grant schemes initially experienced financial challenges due to high uptake, these concerns have now been addressed with a new £9 million grant scheme commencing in September.

Our long term efforts to make the transport system more accessible continued between April and September 2014 with the expansion of the Access for All initiative. The initiative will now run until 2019 with 42 new stations receiving financial support.

Building Capability within the Department for Transport

A key priority for the Department has been to develop its organisational capability so that we have the right people with the right skills in the right places. Following a review of the Department's workforce, leadership, commercial, digital and PPM capabilities were selected as areas of priority. Over the last six months, steps have been taken to address these capability gaps through a wide range of initiatives including establishing a Commercial Fast Track Programme which saw its first cohort of 9 people joining in September.

Building departmental capability has also involved organisational reform of the wider Department. April 1 saw the launch of the Rail Executive, a newly organised Group, in response to the recommendations of the Rail Organisation Review. April 2014 was also saw the formal launch of the Department's new executive agency, the Driver and Vehicle Standards Agency (DVSA). The DVSA replaces the Driving Standards Agency and the Vehicle and Operator Services Agency. The merger was announced following the motoring services strategy consultation and is expected to provide even better and more efficient customer service to motorists and commercial operators in the UK. Furthermore, Network Rail was successfully reclassified as a public sector arms-length body, ensuring operational freedom to achieve effective commercial outcomes while also providing better accountability to Parliament and the taxpayer. Similarly, reforms to the Highways Agency will make sure that the new company remains accountable to Parliament and the public. The reforms are anticipated to save the taxpayer at least £2.6 billion over the next 10 years by eliminating the costs associated with the current stop-and-start funding model.

The far-ranging investments and reforms carried out by the Department over the last six months, reflect this Government's commitment to creating a modern transport network benefitting the UK's economy and people.

Progress against Business Plan Actions

The Department's Business Plan for 2013-2015 outlines specific actions the Department has committed to complete, including the start date for each of these.[1] The table below lists the Department's Coalition Priorities as set out in the Business Plan, and the status of Business Plan Actions (BPAs) due for completion or completed between April and September 2014. In the six-month period ten Business Plan Actions were completed on or ahead of schedule and two are overdue for completion.[2]

Table 1

Coalition Priorities	Business Plan Actions, April - September 2014	Status
Support sustainable local travel	4.1.iii. Agree and implement deals on the transport elements of the Cities agenda with the core cities (Manchester, Birmingham, Bristol, Leeds, Liverpool, Newcastle, Nottingham and Sheffield).	*Completed on time in September 2014.*
Invest in our roads to promote growth, while reducing congestion, ensuring road safety and tackling carbon	5.3.i. Commence operation of HGV charging systems	*Completed on time in April 2014.*
	5.4.v. Work with the Home Office to introduce legislation to ensure illegal migrants cannot obtain a UK drivers licence	*Completed ahead of schedule in June 2014*
	5.6.i. Develop and promote a UK position on the European Commission's review of long-term targets in new car and van CO2 regulations and the Commission's developing strategies for reducing HGV CO2 emissions and rolling out alternative fuels infrastructure	*Completed on time in June 2014*

[1] The Department's Business Plan can be accessed at http://transparency.number10.gov.uk/business-plan/11
[2] Two Business Plan Actions (5.1.ii and 5.4.ii) were overdue in completing before April 2014.

	5.6.ii. Develop and consult on the post-2014 low carbon fuel targets strategy, taking account of EU decisions on indirect land use change	*Overdue in completing* This BPA was not achieved by the planned deadline due to delays in EU decisions on indirect land use change.[3]
	5.8.i. With DCLG, complete awards for the Severe Weather Recovery Scheme, supporting local authorities in flood affected areas to repair highways and infrastructure	*Completed by the Department ahead of schedule via funding allocations in March 2014.*
Promote sustainable aviation	6.1.i. Develop and issue a response to the Airports Commission's interim report	*Completed in July 2014*
	6.1.ii. Consult and announce decisions on Heathrow Airport operational freedoms	*Overdue in completing* This BPA was initiated one month late and has not been completed due to material change in circumstances.[4]
	6.1.iii. Announce improvements to passenger rail services at Gatwick Airport	*Completed ahead of schedule in May 2014*
	6.2.iii. Establish a series of pilots to test the Security Management Systems (SeMS) concept, a systematic way to identify threats and control risk while maintaining assurance that security measures are being applied effectively, and a move to a more audit-based inspection regime	*Completed on time in April 2014*
	6.2.iv. Transfer appropriate aviation security functions from the Department for Transport to the CAA	*Completed on time in April 2014*
Reform the Coastguard and search and rescue helicopter capability	7.1.ii. Deliver a new, fully operational national Maritime Operations Centre at Fareham.	*Completed on time according to new target date in Sept 2014*

[3] Full details on the ongoing work can be found at: http://transparency.number10.gov.uk/business-plan/11/47
[4] Full details on the ongoing work can be found at: http://transparency.number10.gov.uk/business-plan/11/48

Financial Performance

The below table shows the Department's planned and approved spend compared to actual expenditure for Resource and Capital Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME).

Table 2

DEL	Resource (£m)					Capital (£m)				
	Annual Plan Approved by Parliament 2014-15	Actual April to September 2014-15	Budget April to September 2014-15	% spend to Annual Plan Approved by Parliament 2014-15	Actual April to September 2013-14	Annual Plan Approved by Parliament 2014-15	Actual April to September 2014-15	Budget April to September 2014-15	% spend to Annual Plan Approved by Parliament 2014-15	Actual April to September 2013-14
High Speed 2	63	27	30	43%	128	381	189	190	49%	7
International, Security and Environment	251	81	92	32%	42	143	52	40	36%	21
Resources and Strategy	81	40	53	49%	39	35	(23)	3	-66%	
Rail	(720)	(385)	(198)	54%	(124)	4,879	2,556	2,608	52%	2,530
Non Group	23	9	12	38%	9	0	0	0	0%	0
Roads, Traffic & Local	2,527	1,302	1,335	52%	1,293	2,191	1,118	1,129	51%	1,059
Highways Agency	1,883	807	927	43%	866	1,933	724	886	37%	510
Centrally Held Budget	241	0	121	0%	0	(316)	0	(158)	0%	0
TOTAL DEL EXPENDITURE	**4,349**	**1,880**	**2,371**	**43%**	**2,253**	**9,246**	**4,615**	**4,698**	**50%**	**4,129**

AME	Resource (£m)					Capital (£m)				
	Annual Plan Approved by Parliament 2014-15	Actual April to September 2014-15	Budget April to September 2014-15	% spend to Annual Plan Approved by Parliament 2014-15	Actual April to September 2013-14	Annual Plan Approved by Parliament 2014-15	Actual April to September 2014-15	Budget April to September 2014-15	% spend to Annual Plan Approved by Parliament 2014-15	Actual April to September 2013-14
High Speed 2	0	0	0	0%	0	10	(22)	(26)	-217%	0
International, Security and Environment	222	201	200	91%	(0)		0	0	0%	0
Resources and Strategy	278	95	91	34%	99	0	0	0	0%	0
Rail	0	(9)	0	0%	(23)	6,500	1,350	1,450	21%	0
Non Group		0		0%	0 0		0	00	0%	0
Roads, Traffic & Local	(8)	(4)	(4)	54%	(2)		0	0	0%	0
Highways Agency	925	409	462	44%	282	0	(1)	(2)	0%	(16)
Centrally Held Budget	143	0	71	0%	0	0	0	0	0%	0
TOTAL AME EXPENDITURE	**1,560**	**692**	**821**	**44%**	**356**	**6,510**	**1,327**	**1,422**	**20%**	**(16)**

Management Commentary

2014-15 Financial Performance

The tables on page 8 set out planned Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) for Resource and Capital in 2014-15.

At the halfway point in the year, the Department is underspending on Capital DEL (£83m) and Resource DEL (£591m). Within Capital DEL, Highways Agency (HA) spent £142m less than its budget for the 6 months. HA's capital underspend is due to delivering better than expected efficiency savings, and delays, some of which were due to air quality issues. HA was given a challenging capital budget of £1.9 billion which is a 35% increase compared to the previous year's budget and reflects additional investment allocated to the Agency in the 2011 and 2012 Autumn Statements. A proportion of the Agency's underspend was reinvested at the start of the current financial year, mainly in the development of a pipeline of capital renewal and maintenance.

On Resource DEL, Rail reported income of £187m more than the budget. This is mostly increased income from Rail franchises, following the Office of Rail Regulation's (ORR) determination for Control Period 5 in late 2013. The determination set out a decrease in the Track Access Charges that Train Operating Companies (TOCs) have to pay to Network Rail. It has since been established that the increased premium flowing to the Department from TOCs, due to the reduction in track access charges being larger than expected, has been greater than the increase in the capital grant paid to Network Rail.

This issue relates to an income stream and does not reflect on the Department's ability to forecast or spend its programme budget. This income is difficult to forecast because of inherent volatility and macro-economic factors outside the Department's control. We continue to improve our modelling in this area to allow the Department to better manage income and risks as a portfolio.

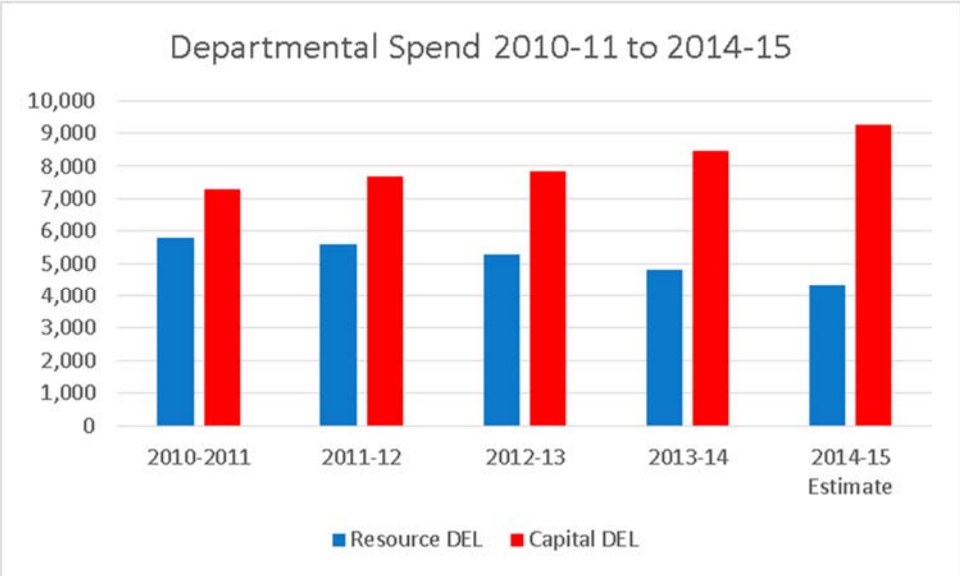
To support the redeployment of underspend, the Department maintains a pipeline of alternative schemes, representing value for money, some of which could be delivered within the financial year. These were put forward in the context of the Autumn Statement and HM Treasury have agreed that £175m of schemes should proceed, including a further £125m Government contribution for Valley Lines electrification in Wales, with the funding being taken out of the Department's underspend. The Department's remaining underspend will contribute to the ongoing fiscal consolidation.

Changes to organisations within the Departmental boundary for 2014-15

It was announced in December 2013 that the Government, ORR and Network Rail would explore whether alternative approaches or refinements to Network Rail's current borrowing model could deliver a more efficient approach, and if so from what point of time these might be introduced. The Government has now determined that, in future, value for money for the taxpayer will be best secured by Network Rail borrowing directly from the Government, rather than by Network Rail issuing debt in its own name. Therefore, following Network Rail's formal reclassification on 1 September 2014, the Department has arranged a £6.5 billion loan for Network Rail for the 2014-15 financial year. Network Rail's funding requirement is unchanged – this only represents a different method of financing it and is classified as Capital AME, which has not formed a significant part of the Department's budget in previous years.

Key Financial Metrics (£m)

Figure 1



The Spending Review 2010 set new DEL figures for the years 2011-12 to 2014-15. This confirmed the overall 21% resource savings (in relation to the Comprehensive Spending Review 2007) over the four years, but capital investments of high economic value were protected across all modes of transport.

A further increase in Capital DEL investment and decrease in Resource DEL in 2013-14 and 2014-15 arose from the Autumn Statement 2012 where a package of measures to support economic growth was funded by further savings from departmental resource budgets.

Major Projects

The Major Project Authority (MPA) within the Cabinet Office define a Major Project as "a central Government funded project or programme that requires HM Treasury approval during its life, as set out in Delegated Authority letters".[5]

The MPA's annual report published in May 2013 reported on 199 of the Government's largest projects. The Department for Transport has agreed with the MPA to report 12 of its major projects in 2013-14. As at September 2013, the Department had the third highest published total spend of £83.8 billion (£46.6 billion in 2012), and the joint fifth highest number of projects. Full details of Department's Major Projects can be found at https://www.gov.uk/government/publications/dft-government-major-projects-portfolio-data-2014. The information published there does not reflect the current status of these projects.

The transparency policy and exemptions guidance is published at: https://www.gov.uk/government/publications/major-projects-transparency-policy-and-exemptions-guidance.

The next publication of the MPA Annual Report will be in May 2015, and will report on Q2 2014-15 data. The previous report can be found at: https://www.gov.uk/government/publications/major-projects-authority-annual-report-2014

The department is referenced in the "Successful projects in Government" publication which can be found here: http://www.successfulprojectsingovernment.co.uk/publication.

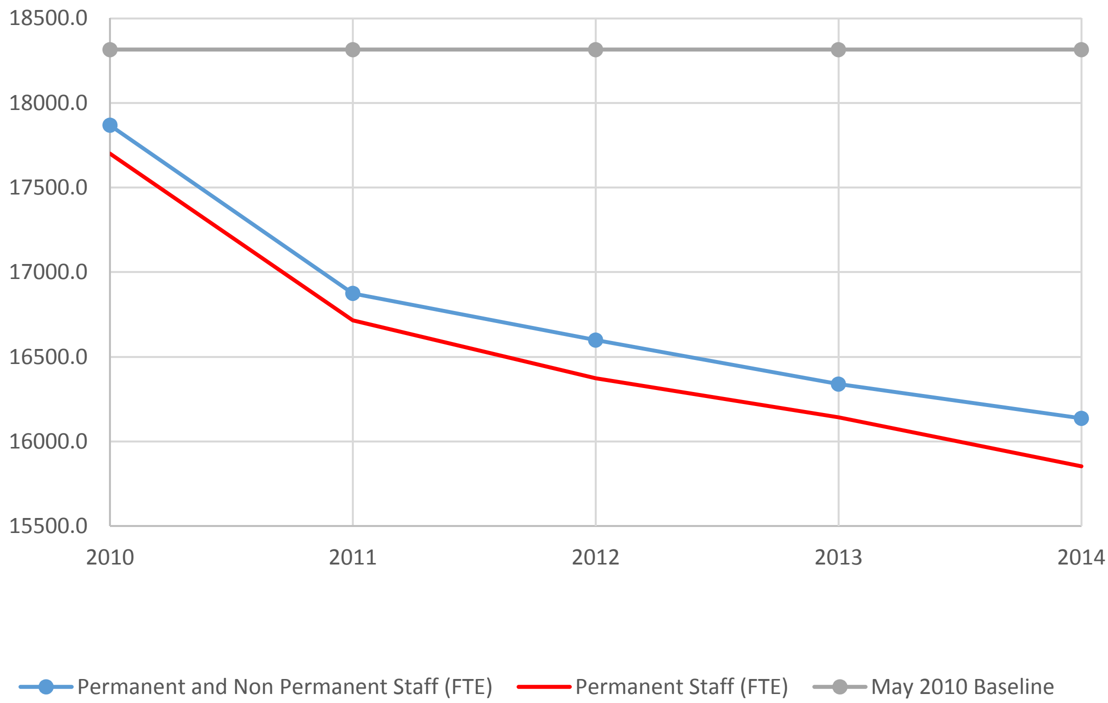
[5] It is important to note that there are areas where HM Treasury authority can never be delegated and accordingly, it is assumed that projects which exhibit any of the following characteristics will also be classed as Major Projects: could create pressures leading to a breach in Departmental Expenditure Limits, administration costs limits, or Estimates provision; would entail contractual commitments to significant levels of spending in future years for which plans have not been set; could set a potentially expensive precedent; are novel and contentious; or could cause significant repercussions for others; require primary legislation; or where Treasury consent is a statutory requirement.

People

Achieving the Department's ambitious agenda depends on the capacity and capability of its people. The Department continues to ensure that it has the right sized workforce with modern terms and conditions and that its people have the skills, capability and vision to deliver effectively.

The Department has continued to reduce the size of its workforce. The number of permanent and non-permanent FTEs reduced by 203 over the period. Our aim is to ensure that we have the right balance of permanent departmental staff and non-payroll staff so that we transfer skills and knowledge to build capability internally, but can bring in external expertise as and when it is needed.

FIGURE 2: Departmental Family (DfT(c) and agencies) FTE



The increase in non-payroll staff costs relates, as reported last year, to the recruitment of skilled professional staff to strengthen the organisation's skills and capabilities in areas such as procurement and other specialist skills enabling the Department to act effectively as a credible counter-part to the market (Table 3). The breakdown of non-payroll staff cost by Group (Table 4) shows that Rail Executive is the main user of non-payroll staff.

Table 3

	Data at 1/2 year to 30/9/2013			Data at 1/2 year to 30/9/2014		
	DfT	**Agencies & Trading Funds**	**TOTAL**	**DfT**	**Agencies & Trading Funds**	**TOTAL**
Payroll Staff costs	£54m	£250m	£304m	£59m	£247m	£306m
Non-payroll Staff costs	£19m[6]	£6m	£25m	£21m	£8m	£29m
Paid exits	0	£7m	£7m	£0.21m	£0.54m (HA, DVLA, MCA only)	£0.75m
FTE	1,714	14,612	16,326	1,812	14,006	15,818
Average annual staff costs per FTE	£62,000	£35,000	£38,000	£65,000	£38,000	£39,000
Annual staff turnover rate	9.53%	6.60%	9.27%	8.81%	7.61%	8.21%
Exceptions to the recruitment freeze	23	562	585	62	693	755
AWDL	3.8	7.6	7.3	3.2	8.1	7.6

Table 4

Group	Non-payroll staff costs (data at ½ year to 30/09/2014)
High Speed Rail 2	£2.7m
International, Security and Environment	£1.6m
Non-Group	£0.2m
Rail Executive	£12.1m
Resource and Strategy	£1.8m
Roads, Traffic and Local	£2.8m
Total	**£21.2m**[7]

The annual staff turnover rate (Table 3) has decreased, following a spike the previous year caused by closures of 39 Driver and Vehicle Licensing Agency (DVLA) local offices and Enforcement Centres.

Driver and Vehicle Standards Agency (DVSA) and Highways Agency (HA) have conducted a number of external recruitment campaigns and within the central

[6] The non-payroll staff cost for 2013 might differ from previously published figures. In 2013, the Department used Procurement figures to report non-payroll staff costs. With effect from 1 April 2014 Consultancy and Contingent Labour spend reported by HR and Finance will be that on the Finance system. While Procurement non-payroll staff costs for DfT(c) in 2013 stand at £10m, for Finance non-payroll staff the equivalent number was £19m. The change from Procurement to Finance costs was made to ensure consistency between the Departmental Annual Report and Accounts and the published data on spend recorded as part of the Transparency agenda.

[7] The difference in total non-payroll staff costs between table 3 and 4 is caused by rounding.

department there has been a need to recruit more people into Rail and HS2 leading to an increase in exceptions to the recruitment freeze.

During the period the Department has also continued its series of reforms to terms and conditions to ensure that our payroll costs can be deployed most effectively in a challenging market. There has been a non-consolidated increase in DfT(c)[8] payroll costs as a result of the non-consolidated payments made to staff as part of our pay modernisation programme (the Modernising Employment Contract). This programme saw the removal of contractual progression and changes to terms and conditions. These were one off payments and the level of non-consolidated payroll costs will return to normal levels next year.

FIGURE 3: DfT(c) breakdown of workforce by grade, September 2014

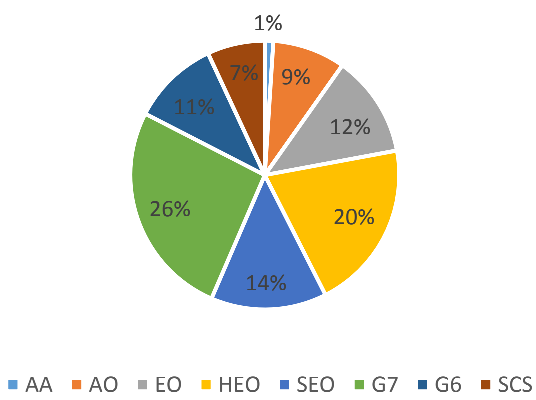
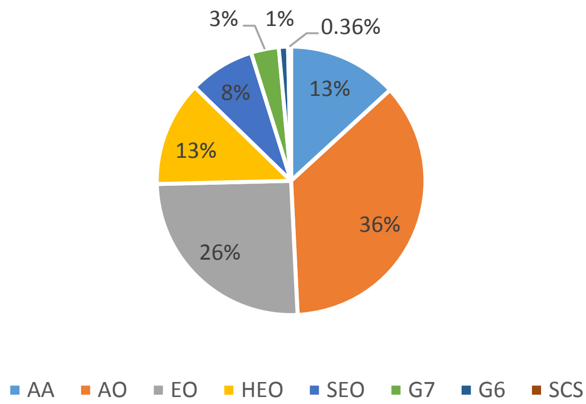


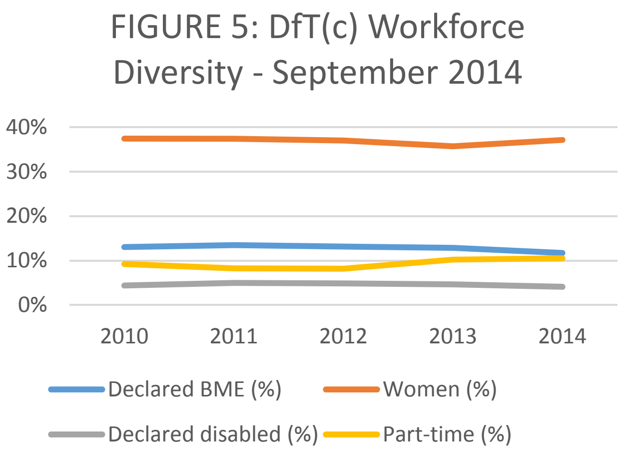
FIGURE 4: Agencies breakdown of workforce by grade, September 2014

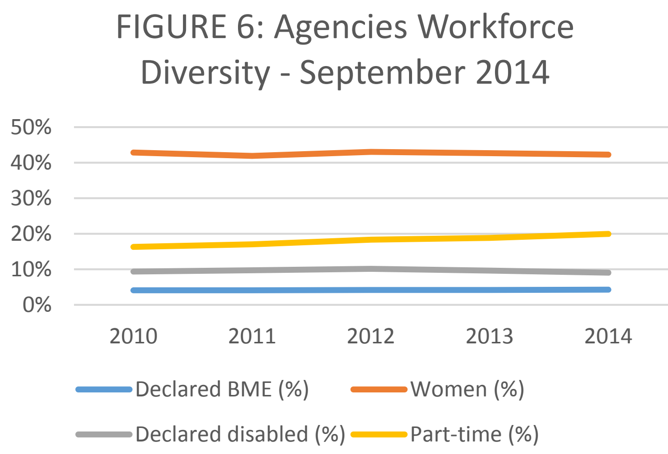


Diversity

The central department is showing some progress on employing more women both in the whole workforce and in senior positions; however, across the Department and its agencies it is recognised that there is more work to do to ensure that we reflect the community that we serve. To this end the Department commissioned a major diversity audit and, in December, launched its Inclusion Action Plan.

[8] DfT(c) refers to the central department. This excludes all executive agencies, trading funds and other arms-length bodies.





People Survey data

The People Survey results in 2013 were disappointing for the central Department, seeing a significant fall in the Engagement Index. Since that time the Executive Committee has led a programme of action to address the challenges and perceptions that had caused the drop. The 2014 results show significant improvements across the board. There was a 7% increase in the Engagement Index and increases in the scores for all nine themes all built on improved responses to 51 of the survey's 54 main questions, with the other three remaining unchanged. DfT(c) is now above the survey average on most measures. There have also been significant increases to the Engagement Index for ethnic minority and disabled staff, the latter increasing by 12%. DfT(c) is proud of the gains it has made and will seek to build on this success over the coming year.

The results for the Department overall are also positive. They include a 2% increase in the Engagement Index and improved scores for 6 themes against 2013.There was no change for one theme and a 1% decrease for two themes. Of the survey's 54 main questions, there were more positive responses to 35 and no change for a further 10.

Table 5: People Survey Metrics		**2014**		**2013**	**2012**	**2011**	**2010**
		DfT(C)	+/- CS2014	DfT(C)	DfT(C)	DfT(C)	DfT(C)
	Engagement Index %	**57**	**-2**	**50**	**53**	**52**	**50**
Theme scores %	Leadership & management of change	46	+2	39	41	43	37
	My work	79	+4	77	76	75	74
	My manager	69	+2	66	67	67	65
	Organisational objectives & purpose	81	-2	78	78	76	66

	Pay & benefits	32	+4	27	35	32	39
	Resources & workload	72	-2	70	72	70	73
	Learning & development	54	+5	48	49	43	42
	My Team	83	+3	81	81	81	80
	Inclusion & fair treatment	78	+2	73	77	78	75

Annex A – Input and Impact Indicators

The Business Plan sets out the Department's input and impact indicators, as well as a small number of other data sets which are reported as part of the Business Plan. The input indicators show the cost to the Government of delivering certain products and services. The impact indicators show the performance or output of public services.

The tables below set out the latest available data and the previous comparable figure. Some explanatory text on the context and trends in data is included below, for indicators that have changed significantly since the annual report. Further information on each indicator, including a technical note, is available online.[9]

Table 6: Input indicators	Current[10]	Previous[11]
Rail subsidy per DfT franchised operator passenger mile (pence, current data = 2013-14, previous = 2012-13)	6.8	7.3
Bus subsidy per passenger journey (pence, current data = 2013-14, previous = 2012-13)	6.3	7.6
Cost of maintaining the Highways Agency's motorway and A road network per lane mile (£, current data = 2013-2014, previous = 2012-2013)	44,000[12]	40,000
Cost of operating the Highways Agency's motorway and A road network per vehicle mile (pence, current data = 2013-2014, previous = 2012-2013)	0.3	0.3
Cost of running the rail network[13] (£billion, current = 2012-13, previous = 2011-12)	10.1	9.6
Percentage of DfT's approved project spending that is assessed as high or very high value for money (%, current data = January to end June 2014, previous data = 2013)	77.6	94.1

The total subsidy to Department for Transport franchised train operators was 6.8 pence per passenger mile in 2013-14, down from 7.3 pence per passenger mile in 2012-13. This reduced subsidy was mainly due to a 9% reduction in the grant made to Network Rail, which meant that the total net subsidy the Department paid to the rail industry was reduced by 4%. It was also in part due to a 3% increase in passenger miles in 2013-14.

In 2013-14, the average level of subsidy (direct from central government), the Bus Service Operators Grant (BSOG), per bus passenger journey was 6.3 pence. This decreased (adjusted for inflation) from 10.5 pence in 2004-05. The rate at which

[9] See: https://www.gov.uk/government/publications/input-and-impact-indicators
[10] Year used varies between indicators. The precise year used is referred to in the indicator description
[11] Year used varies between indicators. The precise year used is referred to in the indicator description
[12] Expenditure on maintenance, particularly in relation to capital renewals, reflects the varying demands of maintenance activity which is not necessarily comparable year-on-year.
[13] These costs refer to DfT's franchised operators. The data are based on an Office of Rail Regulation (ORR) study titled *GB rail industry financial information 2012-13*. ORR sourced the data from train operating company management accounts.

BSOG is paid was cut by 20% from April 2012. From October 2013, BSOG for London was devolved to Transport for London and therefore these figures include only spend for half of 2013-14 for London.

The cost of running the rail network for train operating companies franchised by the Department for Transport increased by 5% in 2012-13 to £10.1 billion. This included a 5.4% increase in train operator costs and a 4% increase in the grant to Network Rail. Analysis by the Office of Rail Regulation suggests that the increase in the cost of running the rail industry is mostly due to the industry's response to increased passenger numbers over this period.

Value for money (VfM) measures the expected benefits for each pound of spending. The VfM indicator reports the VfM ratings of approved spending decisions within the Department. In particular, the indicator shows that between January and June 2014, 77.6% of project spend represented at least 'high value for money' for the taxpayer. Of this, 45.8% was reported as 'very high value for money' and 31.8% as 'high value for money'. Of the remaining proportion, 22.1% was reported as 'medium value for money' with the remaining 0.3% 'low value for money'.

Table 7: Impact indicators	Current	Previous
Reliability of journeys on the Highways Agency's motorway and A road network (%, current data = Oct 2013-Sep 2014, previous = 2013-14)[14]	78.3	78.1
Proportion of trains running on time (% current data = 2013-14, previous = 2012-13)[15]	90.0	90.9
Proportion of bus services running on time (%, current data = 2013-14, previous = 2012-13)	83.4	83.1
Proportion of urban trips under 5 miles taken by (i) walking or cycling (ii) public transport, England (%, current data = 2013, previous = 2012)	(i) 36 (ii) 10	(i) 38 (ii) 8
Total greenhouse gas emissions from transport (MtCO2e, current data = 2012, previous = 2011)	158.9	161.8
Annual road fatalities (current data = 2013, previous = 2012)	1,713	1,754
Households with good transport access to key services or work (index, current data = 2013, previous = 2011)[16]	106	100

[14] The indicator is measured by the percentage of 'journeys' on these roads that are 'on time'. A 'journey' represents travel between adjacent junctions on the network. An 'on time journey' is defined as one which is completed within a set reference time, based on historic data on that particular section of road.
[15] These annual figures are the official full financial year PPM figures (all operators). This statistic differs from that reported on the DfT website, which is the latest rail industry 4-weekly (periodic) statistic for Great Britain. Periodic totals are also published for individual DfT franchised train operating companies.
[16] Note 2 year interval as statistics are not available for 2012. Values are indexed with a base of 100 for 2011. A number over 100 would imply an increase in access compared to 2011 and a number below 100 a decrease. This index combines information on household access to a car with information on public transport access times to seven types of key local services.

Numbers of newly registered ultra-low emission vehicles (current data = Jul-Sep 2014, previous = Jul-Sep 2013)	5,061	1,210

The proportion of trains that arrived at their destinations on time in Great Britain fell to 90% in 2013-14, down from 90.9% the year before. This was the second consecutive year with a fall. This follows a decade in which performance had increased considerably from its lowest point in 2001-02, when 78% of trains were on time.

In 2013-14, an estimated 83.4% of non-frequent bus services in England ran on time (defined as between 1 minute early and 5 minutes 59 seconds late), an increase from 79.4% in 2007-08. However, trends over time should be interpreted with caution as they can be affected by changes in methods used or reflect random variability arising from the nature of the data collection.

The proportion of urban trips under 5 miles taken by walking or cycling and public transport has remained broadly flat over the last decade. As this indicator is based on estimates derived from a sample survey, small changes from one year to the next should be interpreted carefully.

In 2013, 1,713 people were killed in reported road traffic accidents in Great Britain. This is 41 (or 2%) fewer than in 2012, and is the lowest number of fatalities since national records began in 1926. Aside from 2011, the number of fatalities has fallen every year since 2003. However, the 2% decrease is considerably smaller than the decreases from 2008 to 2010 and 2012. The total number of people killed in 2012 was 39% lower than the 2005-09 baseline average.

The 5,061 ultra-low emission vehicles registered for the first time in quarter 3 (July-September) 2014 represent more than a four-fold increase on the figure of 1,210 in the same quarter of the previous year. Most of the additional vehicles were electric or plug-in hybrid cars and vans, so the Plug-In Grants introduced by the Department from January 2011, and an increase in the supply of these vehicles to the UK market, will have contributed to this increase.

Table 8: Other data sets	Current	Previous
Average new car CO_2 emissions (g/km, current data = Jul-Sep 2014, previous = Jul-Sep 2013)	123.8	127.6
Franchised rail passenger miles (billion, current data = 2013-14, previous = 2012-13)	37.1	36.0
Bus passenger journeys, England (billion, current data = Apr-Jun 2014, previous = Apr-Jun 2013)	1.2	1.2

Passengers travelled 37.1 billion miles by rail in 2013-14, an increase of 3% on 2012-13. Over the last ten years, other than a slight dip in 2009 during the recession, passenger rail usage has increased significantly, continuing the upward trend that has been seen since the mid-1990s.

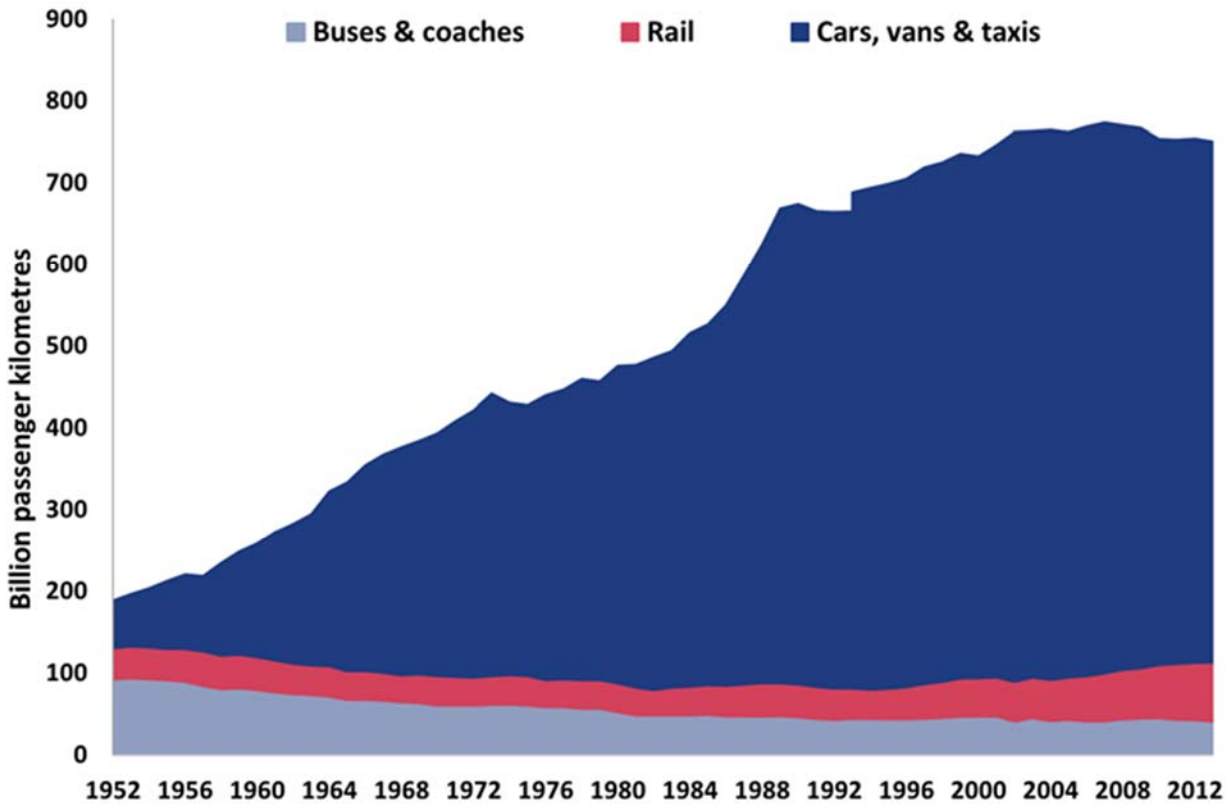
Bus passenger journeys in England increased by around 15% between 2004-05 and 2008-09, a period in which the English National Concessionary Travel Scheme was introduced. Growth was greater in London, with a smaller increase in the metropolitan areas outside London over this period. There was a 0.4% increase in the latest quarter (April to June 2014) compared with a year earlier, with increases in London and non-metropolitan areas offsetting a decrease in metropolitan areas.

Annex B – Transport Statistics Great Britain 2014

Modal comparisons – Passenger transport

- Long term increase in distance travelled across most modes – mainly due to increased travel by cars, taxis and vans.
- Rail passenger miles have increased by 51% since 2001.
- Distance travelled has slowed in recent years and seen small falls since 2007.

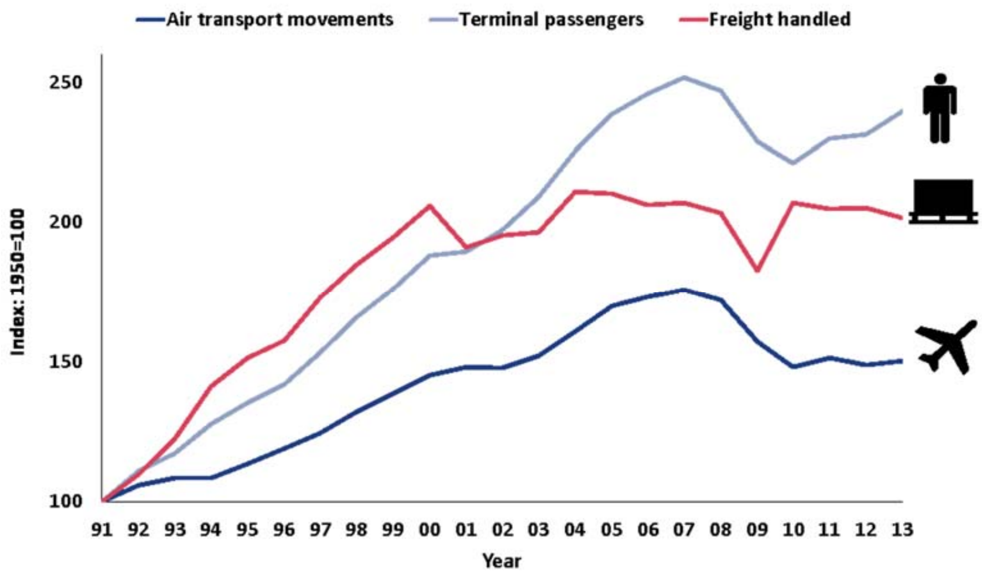
FIGURE 7: Passenger distance travelled in Great Britain by mode of transport, by year



Aviation – Trends in air traffic at UK airports

- There were 228 million terminal passengers (arrivals and departures) at UK airports in 2013. This was an increase of 3.5% compared to 2012 but is still 5% below the peak in 2007.
- Since the fall in 2010, passengers have increased by 8%, air transport movements have been fairly flat (up 1%) and air freight has fallen slightly (by 3%).

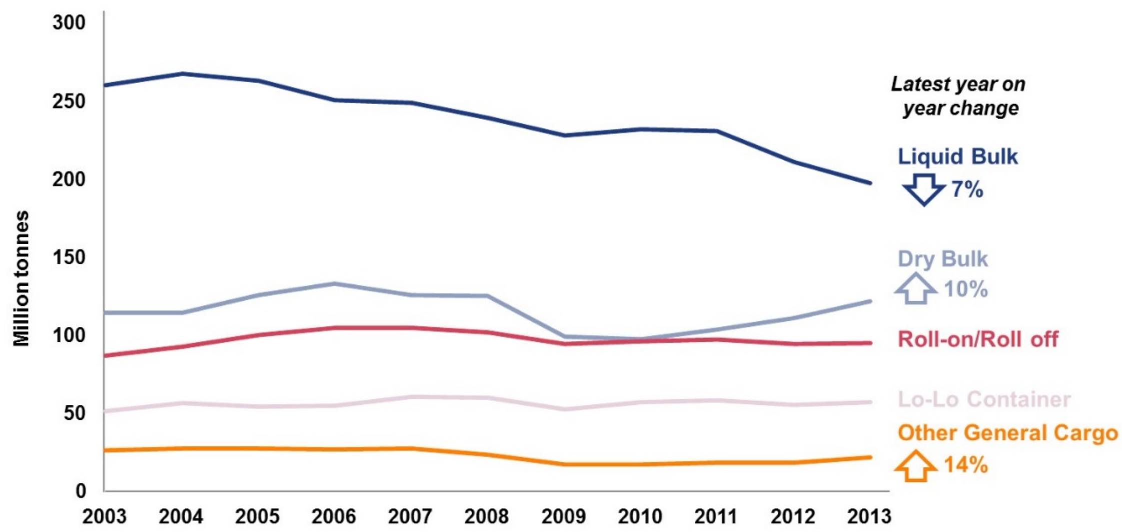
FIGURE 8: Air traffic at UK airports, indexed by year



Maritime – Port freight

- Two thirds of UK foreign freight traffic are imports.
- Over half of UK major port freight traffic is bulk fuels.
- Dry bulk has increased recently due to coal traffic.

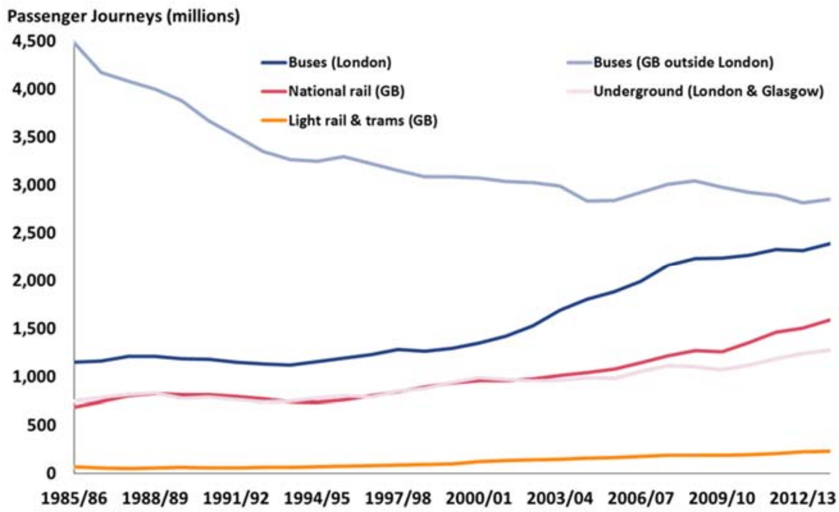
FIGURE 9: Major port traffic (tonnage) in the UK by cargo type, by year



Public transport – Passenger journeys

- Rail passenger journeys have more than doubled since privatisation in 1994-95.
- In the year ending March 2014, the number of bus passenger journeys increased 2.3% in England as a whole, with 4.7 billion journeys in total. There was a 3% increase in London, and an increase of 1.5% outside London, the first increase since the year ending March 2009.
- Light rail and underground passenger journeys reached their highest ever level in 2013-14.

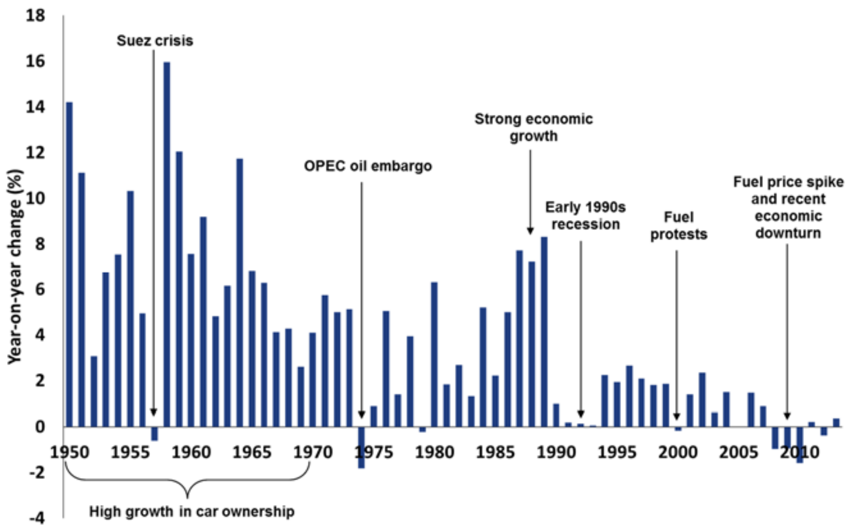
FIGURE 10: Passenger journeys by transport mode, by year



Road traffic

- In 2013, the overall motor traffic volume in Great Britain was 303.7 billion vehicle miles, a slight increase (0.4% on 2012).

FIGURE 11: Year-on-year change in motor vehicle traffic in Great Britain, by year



All graphs are found in the Transport Statistics Great Britain 2014, available here:
https://www.gov.uk/government/collections/transport-statistics-great-britain